As filed with the Securities and Exchange Commission on May 6, 2024.

File No.

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

Form 10

GENERAL FORM
FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of
the Securities Exchange Act of 1934

GRAIL, LLC

to be converted as described herein into a corporation named

GRAIL, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**86-3673636**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1525 O'Brien Drive	
Menlo Park, California	**94025**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code:
(833) 694-2553

Copies to:

Illumina, Inc.	**Cravath, Swaine & Moore LLP**	**GRAIL, Inc.**	**Latham & Watkins LLP**
5200 Illumina Way	**Two Manhattan West**	**1525 O'Brien Drive**	**355 South Grand Avenue, Suite 100**
San Diego, CA 92122	**375 Ninth Avenue**	**Menlo Park, California**	**Los Angeles, California 90071**
(858) 202-4500	**New York, New York 10001**	**(833) 694-2553**	**(213) 485-1234**
Attn: Charles E. Dadswell,	**(212) 474-1000**	**Attn: Abram Barth,**	**Attn: W. Alex Voxman**
General Counsel and Secretary	**Attn: Andrew J. Pitts**	**General Counsel**	**Andrew Clark**
	Ting S. Chen	**and Secretary**	**Ross McAloon**
	Daniel J. Cerqueira		**Alexa Berlin**

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

Title of Each Class to be so Registered	**Name of Each Exchange on Which Each Class is to be Registered**
Common stock, par value $0.001 per share	**The Nasdaq Stock Market LLC**

Securities to be registered pursuant to Section 12(g) of the Act: None.

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

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

If an emerging growth company, indicate by checkmark 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. ☒

EXPLANATORY NOTE

GRAIL, LLC, the registrant whose name appears on the cover of this Form 10 registration statement, is a Delaware limited liability company. Immediately prior to the completion of the Spin-Off, GRAIL, LLC will be converted into a Delaware corporation and will be renamed GRAIL, Inc. References to "GRAIL" in this Form 10 registration statement are to GRAIL, LLC prior to the effective time of such conversion and to GRAIL, Inc. on and after the effective time of such conversion.

GRAIL is a wholly owned subsidiary of Illumina, Inc. ("Illumina"). On August 18, 2021, Illumina acquired GRAIL. The acquisition is subject to ongoing legal proceedings and, on September 6, 2022, the European Commission adopted an order prohibiting Illumina's acquisition of GRAIL. On October 12, 2023, the European Commission adopted a decision requiring Illumina to divest GRAIL and imposing transitional measures providing that GRAIL must be held and operated separately and independently from Illumina.

GRAIL, LLC
Information Required in Registration Statement
Cross-Reference Sheet Between the Information Statement and Items of Form 10

This Registration Statement on Form 10 incorporates by reference information contained in our Information Statement filed as Exhibit 99.1 to this Form 10. For your convenience, we have provided below a cross-reference sheet identifying where the items required by Form 10 can be found in the Information Statement.

Item No.	Caption	Location in Information Statement
1.	Business	See "Summary," "Risk Factors," "Cautionary Statement Concerning Forward-Looking Statements," "The Spin-Off," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Where You Can Find More Information"
1A.	Risk Factors	See "Summary," "Risk Factors," and "Cautionary Statement Concerning Forward-Looking Statements"
2.	Financial Information	See "Summary," "Risk Factors," "Capitalization," "Selected Historical Financial Data," "Unaudited Pro Forma Condensed Consolidated Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Index to Consolidated Financial Statements"
3.	Properties	See "Business—Properties"
4.	Security Ownership of Certain Beneficial Owners and Management	See "Security Ownership of Certain Beneficial Owners and Management"
5.	Directors and Executive Officers	See "Management"
6.	Executive Compensation	See "Management" and "Executive Compensation"
7.	Certain Relationships and Related Transactions, and Director Independence	See "Risk Factors," "The Spin-Off," "Management," and "Certain Relationships and Related Party Transactions"
8.	Legal Proceedings	See "Business—Legal Proceedings"
9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters	See "Summary," "The Spin-Off," "Dividend Policy," "Security Ownership of Certain Beneficial Owners and Management," and "Description of Our Capital Stock"
10.	Recent Sales of Unregistered Securities	See "Description of Our Capital Stock"
11.	Description of Registrant's Securities to be Registered	See "Description of Our Capital Stock"

Item No.	Caption	Location in Information Statement
12.	Indemnification of Directors and Officers	See "Description of Our Capital Stock" and "Certain Relationships and Related Party Transactions—Agreements with Illumina—Separation and Distribution Agreement"
13.	Financial Statements and Supplementary Data	See "Summary," "Selected Historical Financial Data," "Unaudited Pro Forma Condensed Consolidated Financial Statements," and "Index to Consolidated Financial Statements" and the consolidated financial statements referenced therein
14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not applicable
15.	Financial Statements and Exhibits	(a) Consolidated Financial Statements See "Unaudited Pro Forma Condensed Consolidated Financial Statements" and "Index to Consolidated Financial Statements" and the consolidated financial statements referenced therein (b) Exhibits See below

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1	Form of Separation and Distribution Agreement between GRAIL, LLC and Illumina, Inc.
3.1	Form of Certificate of Incorporation of GRAIL, Inc.
3.2	Form of Bylaws of GRAIL, Inc.
3.3	Form of Certificate of Conversion
10.1	Form of Tax Matters Agreement between GRAIL, LLC and Illumina, Inc.
10.2	Form of Employee Matters Agreement between GRAIL, LLC and Illumina, Inc.
10.3	Form of Stockholder and Registration Rights Agreement between GRAIL, LLC and Illumina, Inc.
10.4	Agreement and Plan of Merger, dated as of September 20, 2020, among Illumina, Inc., SDG Ops, Inc., SDG Ops, LLC and GRAIL, Inc.
10.5	Amendment to the Agreement and Plan of Merger, dated as of September 20, 2020, among Illumina, Inc., SDG Ops, Inc., SDG Ops, LLC and GRAIL, Inc., dated as of February 4, 2021
10.6	Amended and Restated Supply and Commercialization Agreement, dated as of February 28, 2017, by and between Illumina, Inc. and GRAIL, Inc., as amended on September 27, 2017, August 18, 2021 and on May 18, 2023#
10.7	Form of Fourth Amendment to the Amended and Restated Supply and Commercialization Agreement by and between Illumina, Inc. and GRAIL, LLC#
10.8	Form of 2024 Incentive Award Plan+*
10.9	Form of Restricted Stock Unit Agreement+*
10.10	Form of Stock Option Agreement+*
10.11	Form of Indemnification Agreement between GRAIL, LLC and each of its directors and executive officers+*
10.12	Form of Change of Control and Severance Agreement between GRAIL, LLC and each of its executive officers+*
10.13	Form of 2024 Employee Stock Purchase Plan+*
10.14	Form of Cash-Based Equity Appreciation Award Agreement+*
10.15	Employment Offer Letter, between GRAIL, LLC and Robert Ragusa, dated October 14, 2021+*
10.16	Letter Agreement, between GRAIL, Inc. and Aaron Freidin, dated July 5, 2018+*
10.17	Employment Offer Letter, between GRAIL, Inc. and Josh Ofman, dated May 13, 2019+*
10.18	License Agreement by and between The Chinese University of Hong Kong and Cirina Limited (No. TC1510005), dated as of April 7, 2016, as amended May 29, 2017*
10.19	License Agreement by and between The Chinese University of Hong Kong and Cirina Limited (No. TC1510006), dated as of April 7, 2016, as amended May 29, 2017*
10.20	License Agreement by and between The Chinese University of Hong Kong and Cirina Limited (No. TC1711655), dated as of May 29, 2017*
10.21	License Agreement by and between The Chinese University of Hong Kong and Cirina Limited (No. TC1711656), dated as of May 29, 2017*
10.22	License Agreement by and between The Chinese University of Hong Kong and Cirina Limited (No. TC1711657), dated as of May 29, 2017*
10.23	Lease by and between MENLO PREHC I, LLC, MENLO PREPI I, LLC, TPI Investors 9, LLC and GRAIL, Inc., dated as of May 5, 2016*
10.24	First Amendment to Lease among MENLO PREHC I, LLC, MENLO PREPI I, LLC, TPI Investors 9, LLC and GRAIL, Inc., dated as of June 8, 2017*
10.25	Lease Agreement by and between PP Office Owner 1, L.P. and GRAIL, Inc., dated as of June 4, 2020*
21.1	List of subsidiaries of GRAIL, Inc.
99.1	Preliminary Information Statement of GRAIL, LLC, subject to completion, dated May 6, 2024

* To be filed by amendment.

+ Indicates management contract or compensatory plan.

Pursuant to Item 601(b)(10) of Regulation S-K, portions of this exhibit have been omitted as the registrant has determined that the omitted information is (i) not material and (ii) the type of information that the registrant customarily and actually treats as private or confidential.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement on Form 10 to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAIL, LLC

By: /s/ Robert Ragusa
Name: Robert Ragusa
Title: Chief Executive Officer

Dated: May 6, 2024

FORM OF SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

ILLUMINA, INC.

AND

GRAIL, LLC
(to be converted into GRAIL, INC.)

DATED AS OF [ ]

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Exhibit [E]	GRAIL Certificate of Incorporation
Exhibit [F]	GRAIL Bylaws

FORM OF SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT is entered into as of [ ] (this "Agreement"), by and between Illumina, Inc., a Delaware corporation ("Illumina"), and GRAIL, LLC, a wholly owned subsidiary of Illumina and a Delaware limited liability company ("GRAIL LLC"), to be converted to a corporation and renamed GRAIL, Inc. prior to the Distribution Date ("GRAIL"). Illumina and GRAIL are each a "Party" and are sometimes referred to herein collectively as the "Parties". References to GRAIL shall be deemed to include, for all periods prior to the GRAIL Conversion, GRAIL LLC. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

R E C I T A L S

WHEREAS, Illumina owns the entire limited liability company interest of GRAIL LLC;

WHEREAS, Illumina and GRAIL entered into an Agreement and Plan of Merger, dated as of September 20, 2020, by and among Illumina, SDG Ops, Inc., SDG Ops, LLC and GRAIL, pursuant to which GRAIL became a wholly owned subsidiary of Illumina (the "Original Transaction");

WHEREAS, since the closing of the Original Transaction on August 18, 2021, GRAIL has been held and operated separately and independently from Illumina pursuant to the transitional measures ordered by the European Commission in the Divestment Decision (defined below);

WHEREAS, on October 12, 2023, the European Commission adopted a decision in connection with Case M.10939 requiring Illumina to divest the ownership interest it acquired in GRAIL pursuant to the Original Transaction (the "Divestment Decision");

WHEREAS, it is the intention of the Parties that following the Separation and prior to the Distribution, GRAIL will be converted from a Delaware limited liability company into a Delaware corporation in accordance with Section 18-216 of the Delaware Limited Liability Company Act and Section 265 of the Delaware General Corporation Law (the "GRAIL Conversion");

WHEREAS, the Board of Directors of Illumina (the "Illumina Board") determined on careful review and consideration that the separation of GRAIL from Illumina and the establishment of GRAIL as a separate, publicly traded company to operate the GRAIL Business is in the best interests of Illumina;

WHEREAS, in furtherance of the foregoing, the Illumina Board has determined that it is appropriate and desirable to separate the GRAIL Business from the Illumina Business (the "Separation") and, following the Separation, to make a distribution of the GRAIL Business to the holders of common stock, par value $0.01 per share, of Illumina (the "Illumina Stock") on the Record Date through the distribution of [ ]% of the outstanding shares of GRAIL Stock to holders of Illumina Stock on the Record Date on a pro rata basis (the "Distribution"), in each case, on the terms and conditions set forth in this Agreement;

[**WHEREAS**, immediately following the Distribution, Illumina will hold [ ]% of the outstanding shares of GRAIL Stock (the "Retained Stock");]

WHEREAS, Illumina and GRAIL have prepared, and GRAIL has filed with the SEC, the Form 10, which includes the Information Statement, and which sets forth certain disclosure concerning GRAIL, the Separation and the Distribution;

WHEREAS, each of Illumina and GRAIL has determined that it is appropriate and desirable to set forth in this Agreement certain agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of Illumina, GRAIL and the members of their respective Groups following the Distribution; and

WHEREAS, the Parties intend that the Distribution, together with certain related transactions, will qualify for the Intended Tax Treatment.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. **Definitions**. For the purpose of this Agreement, the following terms shall have the following meanings:

"AAA" shall have the meaning set forth in Section 9.3(a).

"AAA Rules" shall have the meaning set forth in Section 9.3(a).

"Action" means any complaint, petition, hearing, charge, demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any Governmental Authority or in any arbitration or mediation tribunal.

"Affiliate" means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this Agreement (excluding, for the avoidance of doubt, the definition of "GRAIL Change of Control"), "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that for purposes of this Agreement and the Ancillary Agreements (i) from and after the Effective Time, no member of the GRAIL Group shall be deemed to be an Affiliate of any member of the Illumina Group, (ii) from and after the Effective Time, no member of the Illumina Group shall be deemed to be an Affiliate of any member of the GRAIL Group and (iii) no member of the GRAIL Group or Illumina Group shall be deemed to be an Affiliate of the Monitoring Trustee or the European Commission.

"Agent" means Computershare Trust Company, N.A., as the distribution agent appointed by Illumina to distribute [ ]% of the outstanding shares of GRAIL Stock to the stockholders of Illumina pursuant to the Distribution.

"Agreement" shall have the meaning set forth in the Preamble.

"Amended Financial Report" shall have the meaning set forth in Section 6.8(b).

"Ancillary Agreements" means all Contracts entered into by the Parties or the members of their respective Groups in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, including the Employee Matters Agreement, the Tax Matters Agreement, the Registration Rights Agreement and the Supply Agreement Amendment.

"Approvals or Notifications" means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Assets" means assets, properties, claims and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of the applicable Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement, other than Tax assets (including any Tax items, attributes or rights to receive any Tax refund, credits or other items that cause a reduction in any otherwise required liability for Taxes).

"Business Day" means any day that is not a Saturday, Sunday or any other day on which banking institutions located in New York, New York are required or authorized by Law to be closed.

"Code" means the Internal Revenue Code of 1986.

"Contract" means any written, oral, implied or other contract, agreement, covenant, lease, license, guaranty, indemnity, representation, warranty, assignment, sales order, purchase order, power of attorney, instrument or other commitment, assurance, undertaking or arrangement that is binding on any Person or entity or any part of its property under applicable Law.

"CVR Agreement" means that certain Contingent Value Rights Agreement, dated as of August 18, 2021, by and among Illumina, Inc., Computershare Trust Company, N.A., as Trustee, and Shareholder Representative Services LLC, as Holder Representative.

"CVR Liabilities" shall mean any and all obligations of Illumina under the CVR Agreement, including the obligation to make Covered Revenues Payments (as defined in, and pursuant to, the CVR Agreement).

"Defaulting PIPE Commitments" shall have the meaning set forth in Section 3.1.

"Direct Claim" shall have the meaning set forth in Section 5.6(b).

"Disclosure Document" shall mean any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Separation or the Distribution or the GRAIL Group or primarily relates to the transactions contemplated hereby, including the Separation and the Distribution.

"Disposal Funding" shall have the meaning set forth in Section 3.1.

"Disposal Funding Period" shall mean the period beginning at the Effective Time and ending at 12:01 a.m., New York time, on the date which is 30 months after the Distribution Date.

"Dispute" shall mean any dispute, controversy or claim arising out of or relating to this Agreement or the Ancillary Agreements, including with respect to (i) the validity, interpretation, performance, breach or termination thereof or (ii) whether any Asset or Liability not specifically characterized in this Agreement or its Schedules, whose proper characterization is disputed, is a GRAIL Asset, Illumina Asset, GRAIL Liability or Illumina Liability.

"Dispute Committee" shall have the meaning set forth in Section 9.2.

"Distribution" shall have the meaning set forth in the Recitals.

"Distribution Date" means the date on which Illumina, through the Agent, distributes [[ ]% of the issued and outstanding shares of] GRAIL Stock to holders of Illumina Stock in the Distribution.

"Divestment Decision" shall have the meaning set forth in the Recitals.

"Effective Time" means 12:01 a.m. New York time, or such other time as Illumina may determine, on the Distribution Date.

"Employee Matters Agreement" means that certain Employee Matters Agreement substantially in the form attached hereto as Exhibit [A], to be entered into between Illumina and GRAIL or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as such agreement may be modified or amended from time to time in accordance with its terms.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder, as the same shall be in effect at the time reference is made thereto.

"First Post-Distribution Report" shall have the meaning set forth in Section 9.11.

"Fiscal Period" means each quarterly fiscal period of Illumina (as of the Effective Time, the thirteen (13) or fourteen (14) weeks ending the Sunday closest to March 31, June 30, September 30 or December 31 of any calendar year).

"Force Majeure" means, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which by its nature could not have been reasonably foreseen by such Party (or such Person) or, if it could have been reasonably foreseen, was unavoidable, and includes acts of God, storms, floods, riots, labor unrest, pandemics, nuclear incidents, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities, or other national or international calamity or one or more acts of terrorism or failure of energy sources or distribution or transportation facilities. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure.

"Form 10" means the registration statement on Form 10-12B (File No. 377-06991) filed by GRAIL with the SEC to effect the registration of the GRAIL Stock pursuant to Section 12(b) of the Exchange Act in connection with the Distribution, including any amendments or supplements thereto.

"Governmental Approvals" means any notices or reports to be submitted to, or other filings to be made with, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" means any nation or government, any state, province, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, provincial, regional, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any official thereof.

"GRAIL" shall have the meaning set forth in the Preamble.

"GRAIL Assets" shall have the meaning set forth in Section 2.1(a).

"GRAIL Business" means all businesses and operations (whether or not such businesses or operations are or have been terminated, divested or discontinued) conducted by GRAIL and its Subsidiaries prior to the Effective Time, but not including the business and operations conducted by Illumina and its Subsidiaries (other than GRAIL and its Subsidiaries).

"GRAIL Bylaws" shall have the meaning set forth in Section 4.1(f).

"GRAIL Certificate of Incorporation" shall have the meaning set forth in Section 4.1(f).

"GRAIL Change of Control" shall mean (a) the taking of any action by any Person or "group" (within the meaning of the Exchange Act) that results in such Person or "group" becoming the owner, directly or indirectly, beneficially or of record, of outstanding shares of capital stock or other equity or voting interests representing 50% or more of the aggregate voting power of GRAIL (measured by voting power rather than number of shares), (b) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all

or substantially all of the assets of GRAIL and its subsidiaries, taken as a whole, other than sales, leases, transfers, conveyances or other dispositions to a wholly-owned subsidiary of GRAIL, (c) a merger, consolidation, amalgamation, share exchange, business combination, recapitalization or similar transaction involving GRAIL pursuant to which any of the outstanding aggregate voting power of GRAIL is converted into or exchanged for cash, securities or other property, other than any such transaction where the aggregate voting power of GRAIL outstanding immediately prior to such transaction constitute, or is converted into or exchanged for, a majority of the outstanding aggregate voting power of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction (measured by voting power rather than number of shares) or (d) the adoption of a plan relating to the liquidation or dissolution of GRAIL; provided that, for the avoidance of doubt, no GRAIL Change of Control shall result from (A) any transfer of Retained Stock by Illumina to a Person or "group" (within the meaning of the Exchange Act) which would result in such Person or "group" beneficially owning 50% or more of the aggregate voting power of GRAIL (measured by voting power rather than number of shares), other than any transfer resulting from a merger of GRAIL, or (B) the PIPE (in and of itself).

"GRAIL Change of Control Repayment" shall have the meaning set forth in Section 3.2(b).

"GRAIL Conversion" shall have the meaning set forth in the Recitals.

"GRAIL Group" means (a) GRAIL and (b) each Subsidiary of GRAIL.

"GRAIL Indemnitees" shall have the meaning set forth in Section 5.2(a).

"GRAIL Liabilities" shall have the meaning set forth in Section 2.1(c).

"GRAIL LLC" shall have the meaning set forth in the Preamble.

"GRAIL Stock" means the common stock, par value $0.001 per share, of GRAIL following the GRAIL Conversion.

"Group" means either the Illumina Group or the GRAIL Group, as the context requires.

"Huber Agreement" means that certain Transition Agreement, dated as of October 12, 2017, by and between GRAIL and Jeffrey T. Huber, as amended by the Amendment to Transition Agreement, effective as of August 27, 2020 (and, for the avoidance of doubt, not as otherwise amended, supplemented, restated or otherwise modified).

"Huber Liability" shall mean the obligation to pay the Incentive Award upon the occurrence of the Qualifying Event (each as defined in, and pursuant to, the Huber Agreement) described in Section 6(a)(i) of the Huber Agreement.

"Illumina" shall have the meaning set forth in the Preamble.

"Illumina Assets" shall have the meaning set forth in Section 2.1(b).

"Illumina Board" shall have the meaning set forth in the Recitals.

"Illumina Business" means all businesses and operations (whether or not such businesses or operations are or have been terminated, divested or discontinued) conducted by Illumina and its Subsidiaries (other than GRAIL and its Subsidiaries) prior to the Effective Time, but not including the business and operations conducted by GRAIL and its Subsidiaries.

"Illumina Contribution Amount" shall have the meaning set forth in Section 3.1.

"Illumina Group" means (a) Illumina and (b) each Subsidiary of Illumina other than GRAIL and its Subsidiaries.

"Illumina Indemnitees" shall have the meaning set forth in Section 5.3.

"Illumina Liabilities" shall have the meaning set forth in Section 2.1(d).

"Illumina Stock" shall have the meaning set forth in the Recitals.

"Indemnifying Party" shall have the meaning set forth in Section 5.4(a).

"Indemnitee" shall have the meaning set forth in Section 5.4(a).

"Indemnity Payment" shall have the meaning set forth in Section 5.4(a).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium and regardless of location (including held by any Person), including technology, formulae, algorithms, procedures, methods, research and development, tools, materials, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or nonpublic information, all customized applications, completely developed applications and modifications to commercial applications, all recordings, graphs, technical, financial, employee or business information or data, studies, reports, analyses and other writings, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, tapes, computer programs or other software, marketing plans, customer names and records, supplier names and records, customer and supplier lists, customer and vendor data or correspondence, communications by or to attorneys (including any Privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other financial employee or business information or data, files, papers, tapes, keys, correspondence, plans, invoices, forms, product data and literature, promotional and advertising materials, operating manuals, instructional documents, quality records and regulatory and compliance records.

"Information Statement" means the Information Statement attached as an exhibit to the Form 10 and any related documents to be provided to the holders of Illumina Stock in connection with the Distribution, including any amendment or supplement thereto.

"Initial Notice" shall have the meaning set forth in Section 9.2.

"Insurance Proceeds" means those monies: (a) received by an insured Person from any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective; or (b) paid on behalf of an insured Person by any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective, on behalf of the insured, in either such case net of any costs or expenses incurred in the collection thereof and net of any increase in insurance premiums (including retro-premium adjustments); provided, however, that with respect to a captive insurance arrangement, Insurance Proceeds shall only include net amounts received by the captive insurer from a Third Party in respect of any captive reinsurance arrangement.

"Intended Tax Treatment" shall have the meaning set forth in the Tax Matters Agreement.

"Joint Defense and Confidentiality Agreements" means (a) that certain Joint Defense and Confidentiality Agreement, by and among Cravath, Swaine & Moore LLP, Latham & Watkins, LLP and Cleary Gottlieb Steen & Hamilton, LLP, effective as of September 29, 2020, and (b) that certain Joint Defense and Confidentiality Agreement, by and between Illumina and GRAIL effective as of August 15, 2023.

"Law" means any national, supranational, federal, state, provincial, regional, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other legally enforceable requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" means any and all indebtedness for borrowed money, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, reimbursement obligations in respect of letters of credit, damages, payments, fines, penalties, claims, settlements, judgments, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, reflected on a balance sheet or otherwise, or determined or determinable, including those arising under any Law, Action (including any Third-Party Claim), or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any Contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking or terms of employment, whether imposed or sought to be imposed by a Governmental Authority, another third Person, or a Party, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise, in each case, including all costs, expenses, interest, attorneys' fees, disbursements and expenses of counsel, expert and consulting fees and costs related thereto or to the investigation or defense thereof, in each case (a) including any fines, damages or equitable relief that is imposed in connection therewith and (b) other than Taxes.

"Losses" means any and all damages, losses (including diminution in value), deficiencies, liabilities, obligations, penalties, judgments, settlements, claims, payments, interest costs, fines and expenses (including the costs and expenses of any and all Actions and assessments, judgments, settlements and compromises relating thereto and attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement rights hereunder), whether or not involving a Third-Party Claim, other than Taxes.

"Monitoring Trustee" means one or more natural or legal person(s) who is approved by the European Commission and appointed by Illumina, and who has or have the duty to monitor Illumina's compliance with the Divestment Decision. The initial Monitoring Trustee shall be Mazars LLP.

"Nasdaq" means The NASDAQ Global Select Market.

"NDA Side Agreement" shall have the meaning set forth in Schedule 5.1(c)(i).

"Original Transaction" shall have the meaning set forth in the Recitals.

"Parties" or "Party" shall have the meaning set forth in the Preamble.

"Person" means any individual, general or limited partnership, corporation, business trust, joint venture, association, company, limited liability company, unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"PIPE" shall have the meaning set forth on Schedule [ ].

"PIPE Commitments" shall have the meaning set forth in Section 3.1.

"Prime Rate" shall mean the rate that Bloomberg displays as "Prime Rate by Country United States" on a Bloomberg terminal at PRIMBB Index.

"Privileged Information" means any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which any member of the GRAIL Group or the Illumina Group, respectively, would be entitled to assert or have attorney-client or attorney work product privileges (each a "Privilege").

"Record Date" means 5:00 p.m., New York time, on the date to be determined by the Illumina Board as the record date for determining stockholders of Illumina entitled to receive shares of GRAIL Stock in the Distribution.

"Record Holders" means the holders of record of Illumina Stock as of the Record Date.

"Registration Rights Agreement" means that certain Stockholder and Registration Rights Agreement substantially in the form attached hereto as Exhibit [B], to be entered into between Illumina and GRAIL in connection with the treatment of the Retained Stock and the other transactions contemplated by this Agreement, as such agreement may be modified or amended from time to time in accordance with its terms.

"Representatives" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"Restricted Period" means the period beginning at the Effective Time and ending at 12:01 a.m., New York time, on the 15-month anniversary of the Distribution Date.

["Retained Stock" shall have the meaning set forth in the Recitals.]

"SEC" means the U.S. Securities and Exchange Commission.

"Separation" shall have the meaning set forth in the Recitals.

"Specified Illumina Account" means the account with details as set forth on Section 3.2(a).

"Specified Matter" shall have the meaning set forth in Schedule 5.2(a)(vii).

"Specified Party" shall have the meaning set forth in Section 2.2.

"Specified Transactions" shall have the meaning set forth in Section 3.2(a).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns or controls, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such Person, (ii) the total combined equity interests of such Person or (iii) the capital or profit interests, in the case of a partnership of such Person, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body of such Person. For the avoidance of doubt, references to the Subsidiaries of Illumina shall not include GRAIL and its Subsidiaries from and after the Effective Time.

"Supply Agreement" means that certain Amended and Restated Supply and Commercialization Agreement, effective as of February 28, 2017, by and between Illumina and GRAIL, as amended by the First Amendment to Amended and Restated Supply and Commercialization Agreement, effective as of September 27, 2017, the Second Amendment to Amended and Restated Supply and Commercialization Agreement, effective as of August 18, 2021, and the Third Amendment to Amended and Restated Supply and Commercialization Agreement, effective as of May 18, 2023.

"Supply Agreement Amendment" means that certain Fourth Amendment to the Supply Agreement substantially in the form attached hereto as Exhibit [C], to be entered into between Illumina and GRAIL in connection with the transactions contemplated by this Agreement, providing for the irrevocable waiver of certain payment obligations of GRAIL to Illumina in certain circumstances specified therein, as such agreement may be modified or amended from time to time in accordance with its terms.

"Tax" shall have the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means that certain Tax Matters Agreement substantially in the form attached hereto as Exhibit [D], to be entered into between Illumina and GRAIL in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as such agreement may be modified or amended from time to time in accordance with its terms.

"Third Party" shall have the meaning set forth in Section 5.5(a).

"Third-Party Claim" shall have the meaning set forth in Section 5.5(a).

Section 1.2. **Interpretation**. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," "herewith" and words of similar import, and the terms "Agreement" and "Ancillary Agreement" shall, unless otherwise stated, be construed to refer to this Agreement or the applicable Ancillary Agreement as a whole (including all of the Schedules, Exhibits, Annexes and Appendices hereto and thereto) and not to any particular provision of this Agreement or such Ancillary Agreement; (c) Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) the word "including" and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean "including, without limitation"; (e) the word "or" shall not be exclusive; (f) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," and words of similar import shall all be references to the date first stated in the preamble to this Agreement, regardless of any amendment or restatement hereof; (g) unless otherwise provided, all references to "$" or "dollars" are to United States dollars; (h) references to the performance, discharge or fulfillment of any Liability in accordance with its terms shall have meaning only to the extent such Liability has terms, and if the Liability does not have terms, the reference shall mean performance, discharge or fulfillment of such Liability; (i) any Contract, instrument or Law defined or referred to herein or in any Contract or instrument that is referred to herein means such Contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of Contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein; (j) references to a Person are also to its permitted successors and assigns; (k) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement or the applicable Ancillary Agreement; (l) all terms defined in this Agreement have the defined meanings when used in any certificate or other document delivered or made available pursuant hereto, unless otherwise defined therein; (m) references to "day" or "days" are to calendar days unless otherwise specified; and (n) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded.

ARTICLE II

SEPARATION

Section 2.1. **Allocation of GRAIL Assets, Illumina Assets, GRAIL Liabilities and Illumina Liabilities**. (a) Following the Separation, GRAIL shall retain all Assets held by the members of its Group as of the Separation, which, for the avoidance of doubt, shall not include any Assets retained by Illumina (collectively, the "GRAIL Assets").

(b) Following the Separation, Illumina shall retain all Assets held by the members of its Group as of the Separation (collectively, the "Illumina Assets").

(c) Following the Separation, GRAIL shall retain any and all Liabilities (including any Liabilities based upon, relating to or arising out of the Huber Agreement but subject to Section 5.2(b)) held by the members of its Group as of the Separation, which, for the avoidance of doubt, shall not include any Liabilities retained by Illumina, and any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed by GRAIL or any other member of the GRAIL Group, and all agreements, obligations, and Liabilities of any member of the GRAIL Group under this Agreement or any of the Ancillary Agreements (collectively, the "GRAIL Liabilities").

(d) Following the Separation, Illumina shall retain any and all Liabilities (including the CVR Liabilities) held by the members of its Group as of the Separation other than the GRAIL Liabilities and any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed by Illumina or any other member of the Illumina Group, and all agreements, obligations, and Liabilities of any member of the Illumina Group under this Agreement or any of the Ancillary Agreements (collectively, the "Illumina Liabilities").

(e) From the date hereof until the Separation, Illumina shall not transfer any Liabilities to the GRAIL Group or transfer any Assets from the GRAIL Group without the written consent of GRAIL unless expressly required or expressly contemplated by an Ancillary Agreement or the Divestment Decision.

Section 2.2. **Misdirected Payments**. Following the Separation, as between GRAIL and Illumina (for purposes of this Section 2.2, each a "Specified Party") (and the members of their respective Groups), all payments made to and reimbursements received by either Specified Party (or any member of its Group), in each case after the Effective Time, that arise out of an obligation in respect of a business, Asset or Liability of the other Specified Party (or any member of such other Specified Party's Group) and that were intended to be sent to a member of the other Group, shall be promptly (and in any event within five (5) Business Days) delivered to the other Specified Party, and until such delivery held in trust by the recipient Specified Party for the use and benefit of the other Specified Party (or member of such other Specified Party's Group entitled thereto) (at the expense of the party entitled thereto). Notwithstanding the foregoing, neither Specified Party (nor any of the members of its Group) shall act as collection agent for the other Specified Party (or any of the members of its Group), nor shall either Specified Party (or any members of its Group) act as surety or endorser with respect to non-sufficient funds checks, or funds to be returned in a bankruptcy or fraudulent conveyance action.

Section 2.3. **Disclaimer of Representations and Warranties**. EACH OF ILLUMINA (ON BEHALF OF ITSELF AND EACH MEMBER OF THE ILLUMINA GROUP) AND GRAIL (ON BEHALF OF ITSELF AND EACH MEMBER OF THE GRAIL GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED, ASSUMED OR LICENSED AS CONTEMPLATED HEREBY OR THEREBY (INCLUDING ANY ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED, ASSUMED OR LICENSED UNDER THIS ARTICLE II), AS TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, AS TO, IN THE CASE OF INTELLECTUAL PROPERTY, NON-INFRINGEMENT OR ANY WARRANTY THAT ANY SUCH INTELLECTUAL PROPERTY IS "ERROR FREE," OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED OR LICENSED, AS APPLICABLE, ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, EXCEPT AS OTHERWISE AGREED, BY MEANS OF A QUITCLAIM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III

DISPOSAL FUNDING

Section 3.1. **Contribution of Disposal Funding**. At or prior to the Effective Time, Illumina shall, by wire transfer of same-day funds to an account designated in writing by GRAIL, contribute to GRAIL an amount (the "Illumina Contribution Amount"), in cash, (a) as set forth on Schedule 3.1(a) (such amount, the "Disposal Funding"), less (b) the sum of (i) any cash held by GRAIL at the Effective Time and (ii) any cash to be contributed

to GRAIL immediately following the Effective Time as set forth on Schedule 3.1(b)(ii) (the "PIPE Commitments"). In the event that GRAIL has not received any of the PIPE Commitments by the date which is ten (10) Business Days following the Distribution Date (such amounts the "Defaulting PIPE Commitments"), Illumina shall promptly (and, in any event, no later than twenty (20) Business Days following the Distribution Date), by wire transfer of same-day funds to an account designated in writing by GRAIL, pay to GRAIL an amount in cash equal to the Defaulting PIPE Commitments.

Section 3.2. **Clawback**. (a) In the event that, during the Restricted Period and not in connection with a GRAIL Change of Control (in relation to which Section 3.2(b) exclusively applies), GRAIL (i) pays any dividend on, or makes any other distribution in respect of, any shares of its capital stock or other equity or voting interests (other than a stock dividend or a stock split), or otherwise consummates a return of capital from GRAIL to any of its equityholders or (ii) redeems, purchases or otherwise acquires any of its outstanding shares of capital stock or other equity or voting interests (in each case for this clause (ii), other than the acquisition of any shares in order to effectuate a "net settlement" transaction for the purposes of satisfying Tax withholding obligations arising in connection with the grant, vesting, exercise and/or settlement of any outstanding incentive equity awards of GRAIL held by its current or former employees) (clauses (i) and (ii), together, "Specified Transactions"), then GRAIL shall, subject to Section 3.2(d), by wire transfer of same-day funds to the Specified Illumina Account or such other account designated in writing by Illumina prior to such date, simultaneously with taking such action, pay to Illumina or cause to be paid to Illumina a cash amount equal to, without duplication, the aggregate amount of payments to equityholders as a result of or in connection with such Specified Transactions.

(b) Concurrently with the consummation of a GRAIL Change of Control during the Restricted Period (or within five (5) Business Days of GRAIL becoming aware of the consummation of such GRAIL Change of Control if the GRAIL Group had not previously entered into a Contract with respect to such GRAIL Change of Control transaction), GRAIL shall, subject to Section 3.2(d), by wire transfer of same-day funds to the Specified Illumina Account or such other account designated in writing by Illumina prior to such date, pay to Illumina or cause to be paid to Illumina a cash amount equal to (i) 0.5 multiplied by (ii) (A) the product of (x) the aggregate amount of Disposal Funding set forth on Schedule 3.1(a) and (y) the difference of 15 minus the number of months (prorated for any partial month) which have elapsed since the Distribution Date at the time of the public announcement of the event giving rise to the GRAIL Change of Control (e.g., the public announcement accompanying the execution of an acquisition agreement by GRAIL), divided by (B) 15 (any such payment, a "GRAIL Change of Control Repayment").

(c) GRAIL shall immediately notify Illumina of the consummation of a GRAIL Change of Control (or promptly, but in any event within forty-eighty (48) hours after becoming aware of such fact).

(d) In no event shall GRAIL be required to pay or cause to be paid to Illumina aggregate amounts pursuant to this Section 3.2 that exceed the Illumina Contribution Amount plus the amount of any Defaulting PIPE Commitment actually paid by Illumina to GRAIL in accordance with Section 3.1 (if any). Upon the payment in full of a GRAIL Change of Control Repayment, GRAIL or any successor entity thereto shall have no further payment obligations to Illumina pursuant to this Section 3.2.

(e) Each of the Parties acknowledges that (i) the agreements contained in this Section 3.2 are an integral part of this Agreement, (ii) the agreements contained in this Section 3.2 are neither a penalty nor liquidated damages, but rather are meant to compensate Illumina if GRAIL uses the Disposal Funding for a purpose inconsistent with the aims of the Divestment Decision, (iii) the agreements contained in this Section 3.2 have been expressly approved by the European Commission as satisfying the goals of the Divestment Decision and (iv) without these agreements, the other Party would not enter into this Agreement. Accordingly, each Party agrees that it will not, directly or indirectly, contest the validity or enforceability of this Section 3.2 on any grounds, including as being against public policy, as having been improperly induced or otherwise, whether by the initiation of any Action for such purpose or the intervention, participation or attempted intervention or participation in any manner in any other Action initiated by another Person or otherwise.

ARTICLE IV

COMPLETION OF THE DISTRIBUTION

Section 4.1. **Actions Prior to the Distribution**. Prior to the Effective Time, subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) *Notice to Nasdaq*. Illumina shall, to the extent possible, give Nasdaq not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) *Securities Law Matters*. GRAIL shall file with the SEC any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Illumina and GRAIL shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Illumina and GRAIL shall take all such action as may be necessary or advisable under the securities or "blue sky" Laws of the United States (and any comparable Laws under any non-U.S. jurisdiction) in connection with the transactions contemplated by this Agreement and the Ancillary Agreements.

(c) *Availability of Information Statement*. Illumina shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Illumina Board has approved the Distribution, cause the Information Statement to be mailed to the Record Holders or, in connection with the delivery of a notice of Internet availability of the Information Statement to such holders, posted on the Internet.

(d) *The Distribution Agent*. Illumina shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(e) *Stock-Based Compensation*. Illumina and GRAIL shall take all actions as may be necessary to approve the treatment of any stock-based compensation, or compensation convertible into stock-based compensation, held by directors and executive officers of GRAIL in connection with the Distribution in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

(f) *Organizational Documents*. Illumina and GRAIL shall complete the GRAIL Conversion and take all necessary action that may be required to provide for the adoption by GRAIL of its Certificate of Incorporation and Bylaws, substantially in the form attached as Exhibits [E] (the "GRAIL Certificate of Incorporation") and [F] (the "GRAIL Bylaws"), respectively, of the Form 10.

(g) *Officers and Directors*. The Parties shall take all necessary action so that, effective as of the Effective Time, the executive officers and directors of GRAIL will be as set forth in the Information Statement.

(h) *Satisfying Conditions to the Distribution*. Illumina and GRAIL shall cooperate to cause the conditions to the Distribution set forth in Section 4.3 to be satisfied and to effect the Distribution at the Effective Time.

Section 4.2. **Effecting the Distribution**.

(a) *Delivery of GRAIL Stock*. On or prior to the Distribution Date, Illumina shall deliver to the Agent, for the benefit of the Record Holders, duly executed transfer forms for such number of the outstanding shares of GRAIL Stock as is necessary to effect the Distribution.

(b) *Distribution of Shares and Cash*. Illumina shall instruct the Agent to distribute, as soon as practicable following the Effective Time, to each Record Holder the following: (i) [ ] shares of GRAIL Stock for every [ ] shares of Illumina Stock held by such Record Holder as of the Record Date and (ii) cash, if applicable, in lieu of fractional shares obtained in the manner provided in Section 4.2(c). All of the shares of GRAIL Stock distributed will be validly issued, fully paid and non-assessable.

(c) *No Fractional Shares*. No fractional shares shall be distributed or credited to book-entry accounts in connection with the Distribution. As soon as practicable after the Effective Time, Illumina shall direct the Agent to determine the number of whole shares and fractional shares of GRAIL Stock allocable to each holder of record or beneficial owner of Illumina Stock as of the Record Date, to aggregate all such fractional shares into whole shares and to sell the whole shares obtained thereby in open market transactions (with the Agent, in its sole and absolute discretion, determining when, how, through which broker-deal, and at what price to make such sales) at then prevailing trading prices, and to cause to be distributed to each such holder or for the benefit of each such beneficial owner, in lieu of any fractional share, such holder's or owner's ratable share of the proceeds of such sale, after deducting any Taxes required to be withheld and after deducting an amount equal to all brokerage charges, commissions and transfer Taxes attributed to such sale. Neither Illumina nor GRAIL shall be required to guarantee any minimum sale price for the fractional shares of GRAIL Stock. Neither Illumina nor GRAIL shall be required to pay any interest on the proceeds from the sale of fractional shares.

(d) *Beneficial Owners*. Solely for purposes of computing fractional share interests pursuant to Section 4.2(c), the beneficial owner of Illumina Stock held of record in the name of a nominee in any nominee account shall be treated as the holder of record with respect to such shares.

(e) *Transfer Authorizations*. GRAIL agrees to update its [shareholder register] in relation to the transfers of GRAIL Stock that Illumina or the Agent shall require in order to effect the Distribution.

(f) *Treatment of GRAIL Stock*. Until the GRAIL Stock is duly transferred in accordance with this Section 4.2 and applicable Law, from and after the Effective Time, GRAIL will regard the Persons entitled to receive such GRAIL Stock as record holders of GRAIL Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. GRAIL and Illumina agree that from and after the Effective Time each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the GRAIL Stock then deemed to be held by such holder.

Section 4.3. **Conditions to the Distribution**. The consummation of the Distribution shall be subject to the satisfaction or waiver by Illumina in its sole and absolute discretion, of the following conditions:

(a) *Completion of the Separation*. The Separation shall have been completed in accordance with this Agreement.

(b) *Approval by Illumina Board*. The Illumina Board shall have authorized and approved the Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of GRAIL Stock to Illumina stockholders.

(c) *Execution of Ancillary Agreements*. Each Ancillary Agreement shall have been executed by each party to such agreement.

(d) *Listing on Nasdaq*. The GRAIL Stock shall have been accepted for listing on Nasdaq or another national securities exchange approved by Illumina, subject to official notice of issuance.

(e) *Effectiveness of the Form 10; Mailing of Information Statement*. The SEC shall have declared effective the Form 10 under the Exchange Act, and no stop order suspending the effectiveness of the Form 10 shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC, and the Information Statement included therein shall have been mailed to Illumina's stockholders as of the Record Date.

(f) *Tax Treatment of the Distribution*. Illumina shall have received a private letter ruling from the Internal Revenue Service and the written opinion of Cravath, Swaine & Moore LLP, each of which shall remain in full force and effect, that, subject to the limitations specified therein and the accuracy of and compliance with certain representations, the Distribution will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code.

(g) *No Law*. No Law promulgated by any Governmental Authority or other legal restraint or prohibition issued by any Governmental Authority preventing consummation of the Distribution shall be in effect.

(h) *No Circumstances Making Distribution Inadvisable*. No events or developments shall have occurred or exist that, in the judgment of the Illumina Board, in its sole and absolute discretion, make it inadvisable to effect the Distribution or the other transactions contemplated hereby, or would result in the Distribution or the other transactions contemplated hereby not being in the best interests of Illumina or its stockholders.

(i) *Director Elections.* Illumina shall have duly elected the individuals to be listed as members of GRAIL's post-Distribution board of directors in the Information Statement.

(j) *GRAIL Articles of Incorporation and GRAIL Bylaws*. Immediately prior to the Distribution Date, the GRAIL Certificate of Incorporation and the GRAIL Bylaws shall be in effect.

Section 4.4. **Sole Discretion**. The foregoing conditions are for the sole benefit of Illumina and shall not give rise to or create any duty on the part of Illumina or the Illumina Board to waive or not waive such conditions or in any way limit Illumina's right to terminate this Agreement as set forth in Article VIII or alter the consequences of any such termination from those specified in such Article; provided that Illumina may not waive any condition if such waiver would affect the GRAIL Group adversely in a material respect after the Effective Time, without the prior written consent of GRAIL. Subject to the foregoing proviso, any determination made by the Illumina Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 4.3 shall be conclusive.

ARTICLE V

MUTUAL RELEASES; INDEMNIFICATION; COOPERATION; INSURANCE

Section 5.1. **Release of Claims Prior to Distribution**.

(a) Except as provided in Section 5.1(c), effective as of the Effective Time, Illumina does hereby, for itself and each other member of the Illumina Group, their respective Affiliates, successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Illumina Group (in each case, in their respective capacities as such), surrender, relinquish, release and forever discharge (i) GRAIL, the respective members of the GRAIL Group, their respective Affiliates, successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the GRAIL Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from (A) all Illumina Liabilities whatsoever, (B) all Liabilities arising from, or in connection with, the transactions contemplated by this Agreement and all activities to implement the Separation and Distribution, (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), and (D) any rights, claims or Liabilities arising from, or in connection with, Section 3.3 of that certain Letter Agreement and Limited Waiver dated as of August 18, 2021 between Illumina and GRAIL.

(b) Except as provided in Section 5.1(c), effective as of the Effective Time, GRAIL does hereby, for itself and each other member of the GRAIL Group, their respective Affiliates, successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the GRAIL Group (in each case, in their respective capacities as such), surrender, relinquish, release and forever discharge (i) Illumina, the respective members of the Illumina Group, their respective Affiliates (other than any member of the GRAIL Group), successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Illumina Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from (A) all GRAIL Liabilities whatsoever, (B) all

Liabilities arising from, or in connection with, the transactions contemplated by this Agreement and all activities to implement the Separation and Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time).

(c) Nothing contained in Section 5.1(a) or (b) shall impair any right of any Person to enforce this Agreement or any Ancillary Agreement, in each case in accordance with its terms. Nothing contained in Section 5.1(a) or (b) shall release any Person from:

(i) any Liability pursuant to any Contract set forth on Schedule 5.1(c)(i) (or any purchase order, work order, terms and conditions or similar Contract issued pursuant to any Contract set forth on Schedule 5.1(c)(i));

(ii) any Liability provided in or resulting from any Contract or understanding that is entered into after the Effective Time between any member of the Illumina Group, on the one hand, and any member of the GRAIL Group, on the other hand;

(iii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with this Agreement or any Ancillary Agreement (including any Illumina Liability and any GRAIL Liability, as applicable); or

(iv) any Liability that the Parties may have with respect to indemnification, contribution, reimbursement or otherwise pursuant to this Agreement or any Ancillary Agreement or otherwise for claims brought against the Parties by third Persons.

(d) Illumina shall not make, and shall not permit any member of the Illumina Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against GRAIL or any member of the GRAIL Group, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a). GRAIL shall not make, and shall not permit any member of the GRAIL Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Illumina or any member of the Illumina Group, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) Any breach of the provisions of this Section 5.1 by either Illumina or GRAIL shall entitle the other Party to recover reasonable fees and expenses of counsel in connection with such breach or any Action resulting from such breach.

Section 5.2. **Indemnification by Illumina**. (a) Except as otherwise specifically set forth in this Agreement or any Ancillary Agreement, to the fullest extent permitted by Law, Illumina shall, and shall cause the other members of the Illumina Group to, indemnify, defend and hold harmless GRAIL, each member of the GRAIL Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "GRAIL Indemnitees"), from and against any and all Liabilities of the GRAIL Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(i) any Illumina Liabilities, including any failure of Illumina or any other member of the Illumina Group or any other Person to pay, perform or otherwise promptly discharge any Illumina Liabilities in accordance with their respective terms, whether prior to or after the Effective Time or the date hereof;

(ii) any breach by Illumina or any member of the Illumina Group of this Agreement or any of the Ancillary Agreements;

(iii) the CVR Agreement or a tender offer in respect of the CVRs conducted by Illumina (in each case, other than to the extent the Liability is based upon, relating to or arising out of GRAIL's failure to timely or accurately comply with its obligations set forth in Section 6.2);

(iv) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if GRAIL shall have furnished any amendments or supplements thereto) or any other Disclosure Document, in each case, specifically relating to (i) the Illumina Business, Illumina Assets or Illumina Liabilities or (ii) the Illumina Group as of and after the Effective Time;

(v) any matter noticed to Illumina's D&O insurers prior to the Effective Time;

(vi) any matter that would have been covered by the employment practices liability insurance of GRAIL in existence immediately prior to the closing of the Original Transaction (subject to any retention, deductibles, exclusions, limitations, caps, baskets and other limitations thereunder) had such policy coverage been extended to the period of time between the closing of the Original Transaction and the Effective Time; and

(vii) the Specified Matter.

(b) If and to the extent that (i) the Huber Liability becomes due and payable in accordance with the terms of the Huber Agreement during the Disposal Funding Period and (ii) all or any portion of the Huber Liability is actually paid by GRAIL, in cash, during the Disposal Funding Period, Illumina shall indemnify the GRAIL Indemnitees for the Huber Liability to the extent paid by GRAIL.

Notwithstanding the foregoing, in no event shall Illumina or any other member of the Illumina Group have any obligations under this Section 5.2 with respect to Liabilities subject to indemnification pursuant to Section 5.3.

Section 5.3. **Indemnification by GRAIL**. Except as otherwise specifically set forth in this Agreement or any Ancillary Agreement, to the fullest extent permitted by Law, GRAIL shall, and shall cause the other members of the GRAIL Group to, indemnify, defend and hold harmless Illumina, each member of the Illumina Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Illumina Indemnitees"), from and against any and all Liabilities of the Illumina Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any GRAIL Liabilities, including any failure of GRAIL or any other member of the GRAIL Group or any other Person to pay, perform or otherwise promptly discharge any GRAIL Liabilities in accordance with their respective terms, whether prior to or after the Effective Time or the date hereof;

(b) any breach by GRAIL or any member of the GRAIL Group of this Agreement or any of the Ancillary Agreements;

(c) any Liabilities based upon, relating to or arising from the failure of GRAIL to timely and accurately comply with its obligations set forth in Section 6.2;

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if GRAIL shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in Section 5.2(a)(iv); and

(e) any of Illumina's indemnification or contribution obligations pursuant to the letter agreement among Illumina, GRAIL and J.P. Morgan Securities LLC dated March 21, 2024, relating to, arising out of or resulting from acts or omissions by GRAIL (other than, for the avoidance of doubt, any compensation or expense reimbursement owed to J.P. Morgan Securities LLC pursuant to Section 1 thereunder).

Notwithstanding the foregoing, in no event shall GRAIL or any other member of the GRAIL Group have any obligation to indemnify, defend or hold harmless any Illumina Indemnitee for (a) any Liability of any Illumina Indemnitee in respect of any Covered Revenues Payment (or any CVR Shortfall) ("Covered Revenues Payment" and "CVR Shortfall" having the meanings ascribed thereto in the CVR Agreement) or (b) any Liability relating to, arising out of or resulting from, the Illumina Group's use of any information provided to the Illumina Group pursuant to Section 6.2 to determine or estimate any future or contingent liability of the Illumina Group arising from the CVR Agreement that is not reasonably foreseeable.

Section 5.4. **Indemnification Obligations Net of Insurance Proceeds**. (a) The Parties intend that any Liability subject to indemnification or contribution pursuant to this Article V shall be net of Insurance Proceeds that actually reduce the amount of the Liability. Accordingly, the amount that any Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") shall be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnitee shall pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) It is expressly agreed and understood that all rights to indemnification, contribution and reimbursement pursuant to this Article V are in excess of all available insurance. Without limiting the foregoing, the Parties agree that an insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions hereof) by virtue of the Liability allocation, indemnification and contribution provisions hereof. Accordingly, any provision herein that could have the result of giving any insurer or other Third Party such a "windfall" shall be suspended or amended to the extent necessary to not provide such "windfall." Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorney's fees and expenses) to collect or recover, or allow the Indemnifying Party to collect or recover, any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article V. The Indemnitee shall make available to the Indemnifying Party and its counsel all employees, books and records, communications, documents, items or matters within its knowledge, possession or control that are necessary, appropriate or reasonably deemed relevant by the Indemnifying Party with respect to the recovery of such Insurance Proceeds; provided, however, that nothing in this sentence shall be deemed to require a Party to make available books and records, communications, documents or items that (i) in such Party's good faith judgment could result in a waiver of any privilege even if the Parties cooperated to protect such privilege as contemplated by this Agreement or (ii) such Party is not permitted to make available because of any Law or any confidentiality obligation to a Third Party, in which case such Party shall use commercially reasonable efforts to seek a waiver of or other relief from such confidentiality restriction. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(c) Each of GRAIL and Illumina hereby waives, for itself and each member of its Group, its rights to recover against the other Party in subrogation or as subrogee for a third Person.

(d) For all claims as to which indemnification is provided under Section 5.2 or 5.3, the reasonable fees and expenses of counsel to the Indemnitee for the enforcement of the indemnity obligations shall be borne by the Indemnifying Party, except as otherwise expressly set forth in Section 5.5.

Section 5.5. **Procedures for Indemnification of Third-Party Claims**. (a) If, at or after the date of this Agreement, an Indemnitee shall receive written notice from, or otherwise learn of the assertion by, a Person (including any Governmental Authority) who is not a member of the Illumina Group or the GRAIL Group (a "Third Party") of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 5.2 or 5.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof within fourteen (14) days of receipt of such written notice. Any such notice shall describe the Third-Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 5.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party was prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 5.5(a). Thereafter, the Indemnitee shall deliver to the Indemnifying Party, promptly after the receipt thereof by the Indemnitee, copies of any and all additional written notices and documents (including court papers) received by the Indemnitee from the Third Party relating to the Third-Party Claim.

(b) Subject to the terms and conditions of any applicable insurance policy in place after the Effective Time, an Indemnifying Party may elect to defend (and to seek to settle or compromise) any such Third-Party Claim, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel; provided, that the Indemnifying Party will not select counsel without the Indemnitee's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed); provided, further, an Indemnifying Party may not elect to defend such Third-Party Claim in the event that defense of such Third-Party Claim would void or otherwise adversely impact the Indemnitee's insurance policy. Within thirty (30) days after the receipt of notice from an Indemnitee in accordance with Section 5.5(a) (or sooner, if the nature of such Third-Party Claim so requires), the Indemnifying Party shall notify the Indemnitee in writing of its election whether the Indemnifying Party shall assume responsibility for defending such Third-Party Claim, and if the Indemnifying Party elects to assume such responsibility then the notice must include an express and irrevocable acknowledgment from the Indemnifying Party of its obligation to indemnify such Third-Party Claim fully. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as otherwise expressly set forth herein.

(c) If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred during the course of its defense of such Third-Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim, is not permitted to elect to defend a Third-Party Claim pursuant to Section 5.5(b) or Section 5.5(d), or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee, such Indemnitee shall have the right to control the defense of (and to seek to settle or compromise) such Third-Party Claim, in which case the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) Notwithstanding an election by an Indemnifying Party to defend a Third-Party Claim in circumstances where an Indemnifying Party is permitted to make such an election pursuant to Section 5.5(b), an Indemnitee may, upon notice to the Indemnifying Party, elect to take over the defense of such Third-Party Claim if (i) in its exercise of reasonable business judgment, the Indemnitee determines that the Indemnifying Party is not defending such Third-Party Claim competently or in good faith, (ii) the Indemnitee determines in its exercise of reasonable business judgment that there exists a compelling business reason for such Indemnitee to defend such Third-Party Claim (other than as contemplated by the foregoing clause (i)), (iii) the Indemnifying Party makes a general assignment for the benefit of creditors, has filed against it or files a petition in bankruptcy or insolvency or is declared bankrupt or insolvent or declares that it is bankrupt or insolvent, (iv) the Third-Party Claim relates to or arises in connection with any criminal Action or (v) the Third-Party Claim seeks an injunction, non-monetary relief or business restriction imposed against the Indemnitee. In addition to the foregoing and the last sentence of

Section 5.2(a)(ii) and the last sentence of Section 5.5(e), if any Indemnitee determines in good faith that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as appropriate) and to participate in (but not control) the defense, compromise, or settlement of the applicable Third-Party Claim, and the Indemnifying Party shall bear the reasonable fees and expenses of one such counsel and local counsel (as appropriate) for all Indemnitees.

(e) Subject to the last sentence of Section 5.5(d), an Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend or that is not permitted to elect or defend pursuant to Section 5.5(b), any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as appropriate) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 5.5(c) shall not apply to such fees and expenses. Other than where there is (or there is reasonably likely to be, in the determination of the Party controlling the defense of the Third-Party Claim) a direct claim by the Party controlling the defense of the Third-Party Claim on substantially the same subject matter as the Third-Party Claim, the Party not controlling the defense of the Third-Party Claim shall cooperate with the Party that is controlling the defense of such Third-Party Claim in such defense and make reasonably available to the controlling Party, at the Indemnifying Party's expense if such Third-Party Claim is subject to indemnification, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party, subject to *bona fide* claims of Privilege.

(f) The Indemnifying Party may not settle or compromise any Third-Party Claim for which the Indemnifying Party is controlling the defense without the prior written consent of the Indemnitee, which consent may not be unreasonably withheld, conditioned or delayed, provided that consent is not required if such settlement or compromise is solely for monetary damages that will be fully indemnified pursuant to this Article V, does not involve any finding or determination of Liability (other than monetary damages), wrongdoing or violation of Law by the Indemnitee and provides for a full, unconditional and irrevocable release of the Indemnitee, the members of the Indemnitee's Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing from all Liability in connection with the Third-Party Claim. An Indemnitee may not settle or compromise any Third-Party Claim for which it is seeking or will seek indemnification hereunder, without the prior written consent of the Indemnifying Party, which consent may not be unreasonably withheld, conditioned or delayed. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within forty-five (45) days (or, to the extent the Party receiving such proposal is informed of the applicable deadline within a reasonable time to respond, within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(g) The provisions of this Section 5.5 (other than this Section 5.5(g)) and the provisions of Section 5.6 shall not apply to Taxes (Taxes being governed by the Tax Matters Agreement).

(h) The Indemnifying Party shall establish a procedure reasonably acceptable to the Indemnitee to keep the Indemnitee reasonably informed of the progress of the Third-Party Claim and to notify the Indemnitee when any such Third-Party Claim is closed, regardless of whether such Third-Party Claim was resolved by settlement, verdict, dismissal or otherwise.

Section 5.6. **Additional Matters**. (a) Indemnification payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification under this Article V shall be paid by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. THE COVENANTS AND OBLIGATIONS CONTAINED IN THIS ARTICLE V SHALL REMAIN OPERATIVE AND IN FULL FORCE AND EFFECT, REGARDLESS OF (I) ANY INVESTIGATION MADE BY OR ON BEHALF OF ANY INDEMNITEE AND (II) THE KNOWLEDGE BY THE INDEMNITEE OF LIABILITIES FOR WHICH IT MIGHT BE ENTITLED TO INDEMNIFICATION HEREUNDER.

(b) Any claim on account of a Liability that does not result from a Third-Party Claim (a "Direct Claim") shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party as soon as reasonably practicable after the Indemnitee becomes aware of such Direct Claim. Such notice shall describe (i) the Direct Claim in reasonable detail, (ii) the basis for the claim for indemnification, (iii) to the extent known, the estimated amount of indemnifiable Liabilities for which indemnification is sought and (iv) to the extent practicable, the method of computation thereof. Such Indemnifying Party shall have a period of forty-five (45) days after the receipt of such notice within which to respond thereto. If after such forty-five (45)-day period, such claim is not resolved, Indemnitee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with the first sentence of this Section 5.6(b) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party shall demonstrate that it was prejudiced by the Indemnitee's failure to provide notice in accordance with the first sentence of this Section 5.6(b).

(c) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In the event of an Action for which indemnification is sought pursuant to Section 5.2 or 5.3 and in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall use commercially reasonable efforts to substitute the Indemnifying Party for the named defendant for the portion of the Action related to such indemnification claim.

(e) In the event that either Party establishes a risk accrual in an amount of at least $500,000 with respect to any Third-Party Claim for which the other Party has sought indemnification pursuant to Section 5.2 or Section 5.3, such Party shall notify the other Party of the existence and amount of such risk accrual (i.e., when the accrual is recorded in the financial statements as an accrual for a potential liability), subject to the Parties entering into an appropriate agreement with respect to the confidentiality and/or privilege thereof.

(f) In the case of any Action involving a matter contemplated by Section 5.14(c), (i) if there is a conflict of interest that under applicable rules of professional conduct would preclude legal counsel for one Party or one of its Subsidiaries representing another Party or one of its Subsidiaries or (ii) if any Third-Party Claim seeks equitable relief that would restrict or limit the future conduct of the non-responsible Party or one of its Subsidiaries or the business or operations of such non-responsible Party or one of its Subsidiaries, then the non-responsible Party shall be entitled to retain, at its sole expense, separate legal counsel to represent its interest and to participate in the defense, compromise, or settlement of that portion of the Third-Party Claim against that Party or one of its Subsidiaries.

(g) THE RELEASES AND INDEMNIFICATION OBLIGATIONS OF THE PARTIES IN THIS AGREEMENT ARE EXPRESSLY INTENDED, AND SHALL OPERATE AND BE CONSTRUED, TO APPLY EVEN WHERE THE LIABILITIES FOR WHICH THE RELEASE AND/OR INDEMNITY ARE GIVEN ARE CAUSED, IN WHOLE OR IN PART, BY THE SOLE, JOINT, JOINT AND SEVERAL, CONCURRENT, CONTRIBUTORY, ACTIVE OR PASSIVE NEGLIGENCE OR THE STRICT LIABILITY OR FAULT OF THE PARTY BEING RELEASED OR INDEMNIFIED.

Section 5.7. **Survival of Indemnities**. The rights and obligations of each of GRAIL and Illumina and their respective Indemnitees under this Article V shall survive (a) the sale or other transfer by any Party of any Assets or businesses or the assignment by it of any Liabilities, and (b) any merger, consolidation, business combination, sale of all or substantially all of the Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of its respective Subsidiaries.

Section 5.8. **Right of Contribution**. (a) *Contribution*. If any right of indemnification contained in this Article V is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts (including any costs, expenses, attorneys' fees, disbursements and expenses of counsel, expert and consulting fees and costs related thereto or to the investigation or defense thereof) paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault*. Solely for purposes of determining relative fault pursuant to this Section 5.8 in circumstances in which the indemnification is unavailable because of a fault associated with the business conducted by GRAIL, Illumina or a member of their respective Groups, (i) any fault associated with the business conducted with the Illumina Assets or Illumina Liabilities (except for the gross negligence or intentional misconduct of GRAIL or a member of the GRAIL Group) or with the ownership, operation or activities of the Illumina Business shall be deemed to be the fault of Illumina and the members of the Illumina Group, and no such fault shall be deemed to be the fault of GRAIL or any member of the GRAIL Group; and (ii) any fault associated with the business conducted with the GRAIL Assets or the GRAIL Liabilities (except for the gross negligence or intentional misconduct of Illumina or the members of the Illumina Group) or with the ownership, operation or activities of the GRAIL Business shall be deemed to be the fault of GRAIL and the members of the GRAIL Group, and no such fault shall be deemed to be the fault of Illumina or any member of the Illumina Group.

(c) *Contribution Procedures*. The provisions of Sections 5.5 and 5.6 shall govern any contribution claims.

Section 5.9. **Covenant Not to Sue (Liabilities and Indemnity)**. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator, administrative agency or other Governmental Authority anywhere in the world, alleging that: (a) the assumption of any GRAIL Liabilities by GRAIL or a member of the GRAIL Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the provisions of Article III are void or unenforceable for any reason; or (c) the provisions of this Article V are void or unenforceable for any reason.

Section 5.10. **No Impact on Third Parties**. For the avoidance of doubt, except as expressly set forth in this Agreement, the indemnifications provided for in this Article V are made only for purposes of allocating responsibility for Liabilities between the GRAIL Group, on the one hand, and the Illumina Group, on the other hand, and are not intended to, and shall not, affect any obligations to, or give rise to any rights of, any third parties.

Section 5.11. **No Cross-Claims or Third-Party Claims**. Each of Illumina and GRAIL agrees that it shall not, and shall not permit the members of its respective Group to, in connection with any Third-Party Claim, assert as a counterclaim or third-party claim against any member of the GRAIL Group or Illumina Group, respectively, any claim (whether sounding in contract, tort or otherwise) that arises out of or relates to this Agreement, any breach or alleged breach hereof, the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby on or prior to the date hereof), or the construction, interpretation, enforceability or validity hereof, which in each such case shall be asserted only as contemplated by Sections 9.2, 9.4 and 9.5.

Section 5.12. **Severability**. If any indemnification provided for in this Article V is determined by the sole arbitrator or arbitral tribunal (as the case may be) to be invalid, void or unenforceable, the liability shall be apportioned between the Indemnitee and the Indemnifying Party as determined in a separate proceeding in accordance with Sections 9.2, 9.4 and 9.5.

Section 5.13. **Exclusivity**. Except as otherwise provided in Section 9.17, the sole and exclusive remedy for any and all claims, Liabilities or other matters based upon, relating to or arising from this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby shall be the rights of indemnification set forth in this Article V, and no Person shall have any other entitlement, remedy or recourse, whether in contract, tort, strict liability, equitable remedy or otherwise, it being agreed that all of such other remedies, entitlements and recourse are expressly waived and released by the Parties to the fullest extent permitted by Law. This Section 5.13 shall not operate to interfere with or impede the operation of the covenants contained in this Agreement or any Ancillary Agreement, with respect to a Party's right to seek equitable remedies (including specific performance or injunctive relief). For the avoidance of doubt, this Section 5.13 shall not preclude any claim made pursuant to the Supply Agreement in connection with any indemnity or other remedy set forth therein.

Section 5.14. **Cooperation in Defense and Settlement**. (a) With respect to any Third-Party Claim that implicates both Parties in a material fashion due to the allocation of Liabilities, responsibilities for management of defense and related indemnities pursuant to this Agreement or any of the Ancillary Agreements, the Parties agree to use commercially reasonable efforts to cooperate fully and maintain a joint defense (in a manner that will preserve for the Parties any Privileges, joint defense or other privilege with respect thereto).

(b) To the extent there are documents, other materials, access to employees or witnesses related to or from a Party that is not responsible for the defense or Liability of a particular Action, such Party shall provide to the other Party (at such other Party's cost and expense) reasonable access to documents, other materials, employees, and shall permit employees, officers and directors to cooperate as witnesses in the defense of such Action.

(c) Each of GRAIL and Illumina agrees that at all times from and after the Effective Time, if an Action currently exists or is commenced by a Third Party with respect to which a Party (or the members of its Group) is a named defendant, but the defense of such Action and any recovery in such Action is otherwise not a Liability allocated under this Agreement or any Ancillary Agreement to that Party, then the other Party shall use commercially reasonable efforts to cause the named but not liable defendant to be removed from such Action and such defendants shall not be required to make any payments or contributions therewith.

Section 5.15. **Insurance Matters**. Each of GRAIL and Illumina acknowledges and agrees that GRAIL is and will be treated as the successor-in-interest to coverage under that certain D&O tail policy purchased by GRAIL in connection with the Original Transaction with all rights to seek coverage thereunder after the Effective Time.

ARTICLE VI

EXCHANGE OF INFORMATION; CONFIDENTIALITY

Section 6.1. **Agreement for Exchange of Information**. Except as otherwise provided in any Ancillary Agreement, each of Illumina and GRAIL, on behalf of itself and the members of its respective Group, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party, at any time before or after the Effective Time, as soon as reasonably practicable after written request therefor, any Information (or a copy thereof) in the possession or under the control of either Party or any of the members of its Group to the extent that: (i) such Information relates to the GRAIL Business or any GRAIL Asset or GRAIL Liability, if GRAIL is the requesting party, or to the Illumina Business or any Illumina Asset or Illumina Liability, if Illumina is the requesting party; (ii) such Information is required by the requesting party to comply with its obligations under this Agreement or any Ancillary Agreement; (iii) such Information is required to comply with reporting, disclosure, filing or other requirements imposed on Illumina or GRAIL, or any other member of its respective Group, as applicable (including under applicable securities Laws), by any national securities exchange or any Governmental Authority having jurisdiction over Illumina or GRAIL, or any other member of its respective Group, as applicable; and (iv) such Information is required for use in any other judicial, regulatory, administrative or other Action or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements (other than in the case of any Actions between any member of the GRAIL Group, on the one hand, and any member of the Illumina Group on the other hand); provided, however, that, in the event that the Party to whom the request has been made reasonably determines that any such provision of Information could be commercially detrimental, violate any Law or agreement or waive any Privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The

Party providing Information pursuant to this Section 6.1 shall only be obligated to provide such Information in the form, condition and format in which it then exists and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such Information, and nothing in this Section 6.1 shall expand the obligations of the Parties under Section 6.5. Notwithstanding the foregoing, nothing in this Section 6.1 shall be deemed to obligate GRAIL to provide any Information in connection with Illumina's obligations under the CVR Agreement, which is specifically and exclusively governed by Section 6.2.

Section 6.2. **CVR Information**. (a) Notwithstanding anything in this Agreement to the contrary but subject to Section 6.2(h), GRAIL, on behalf of itself and the members of its Group, shall promptly (and in any event in a manner consistent with the timelines set forth in the CVR Agreement and past practice) provide or make available, or cause to be provided or made available, to Illumina and its Representatives, each pursuant to the CVR Agreement, beginning at the Effective Time and for so long as Illumina has any obligations pursuant to the CVR Agreement, any Information reasonably necessary to comply with Illumina's obligations under the CVR Agreement and applicable Law (which Information may be disclosed and used by Illumina to comply with its obligations under the CVR Agreement and applicable Law) including: (i) the Covered Revenues and any other Information as is required by the CVR Agreement to be included in the Covered Revenues Statement; (ii) any Information as is required to comply with reporting, disclosure, filing or other requirements by any national securities exchange or any Governmental Authority having jurisdiction over Illumina; (iii) any Information as is required by Illumina to comply with any audit procedures pursuant to the CVR Agreement (including by providing access to third parties to comply with such procedures) or any bona fide audit initiated by an auditor of Illumina or any regulator or other Governmental Authority having jurisdiction over Illumina; (iv) any Information as is required by Illumina to defend any Action arising from or relating to the CVR Agreement; and (v) such other Information that Illumina determines is reasonably necessary or advisable for it to discharge its rights, responsibilities, privileges, protections, immunities and benefits under the CVR Agreement.

(b) Without limiting the generality of Section 6.2(a), GRAIL, on behalf of itself and the members of its Group, shall provide as soon as reasonably practicable but in any event no later than fifteen (15) business days following the end of any Covered Revenues Measuring Period, with respect to such completed Covered Revenues Measuring Period, a written certification to Illumina from the Chief Financial Officer of GRAIL certifying the accuracy of the information provided pursuant to Sections 6.2(a)(i) and 6.2(c).

(c) Without limiting the generality of Section 6.2(a) but subject to Section 6.2(h), GRAIL, on behalf of itself and the members of its Group, shall provide or make available, or cause to be provided or made available, to each of Illumina and an independent certified public accounting firm of nationally recognized standing designated by Illumina (in its sole discretion), beginning at the Effective Time and for so long as any CVR Liabilities are outstanding, in respect of any Fiscal Period, as soon as reasonably practicable but in any event no later than fifteen (15) business days following the completion of such Fiscal Period, the Covered Revenues attributable to the GRAIL Business realized in such Fiscal Period, including an allocation of amounts attributable to sales to Illumina, together with any supporting books and records, journal entries, other financial records and Information.

(d) Without limiting the generality of Section 6.2(a) but subject to Section 6.2(h), if Illumina proposes or reasonably intends to conduct a tender offer, exchange offer or consent solicitation or otherwise purchase all or any portion of the outstanding CVRs, upon request to GRAIL, GRAIL, on behalf of itself and the members of its Group, shall promptly provide or make available, or cause to be provided or made available, to Illumina, as soon as reasonably practicable, any Information Illumina determines is reasonably necessary or advisable to conduct such tender offer, exchange offer, consent solicitation or other purchase, including any Information necessary to comply with the applicable requirements of the Exchange Act and the rules and regulations of the SEC thereunder and/or any Information that would need to be provided in an information statement to ensure that such information statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) Without limiting the generality of Section 6.2(a) and the requirements of Section 6.2(b) but subject to Section 6.2(h), GRAIL, on behalf of itself and the members of its Group, shall provide or make available, or cause to be provided or made available, beginning at the Effective Time and for so long as any CVR Liabilities are outstanding, in respect of any Covered Revenues Measuring Period, as soon as reasonably practicable but in any event no later than fifteen (15) business days following the end of such Covered Revenues Measuring Period, the

Information necessary to be provided by Illumina in each Covered Revenues Statement in respect of the GRAIL Business in form and substance reasonably satisfactory to Illumina and reasonably consistent with practice prior to the Effective Time (including reasonably detailed descriptions of the applicable Covered Products and Services and itemized calculations in detail (including gross revenues, adjustments for the applicable period, reserves for uncollected debts, rebates and net revenue by general ledger account and category)).

(f) Each Person (other than Illumina) seeking to receive information from GRAIL in connection with a review pursuant to Section 6.5 of the CVR Agreement shall enter into, and shall cause its accounting firm to enter into, a reasonable and mutually satisfactory confidentiality agreement with GRAIL in accordance with the requirements of Section 6.5 of the CVR Agreement.

(g) The GRAIL Group shall keep true, complete and accurate records in sufficient detail to enable (i) the Holders and their consultants or professional advisors to determine the amounts payable thereunder and allow Illumina to comply with its obligations under the CVR Agreement and (ii) GRAIL to comply with its obligations hereunder.

(h) Nothing in this Section 6.2 shall require any member of the GRAIL Group to provide to Illumina or any other Person any forecasts, projections, long-range plans or other Information that relate to a future Fiscal Period.

(i) For the purposes of this Section 6.2, each of the following terms shall have the meanings ascribed thereto in the CVR Agreement: "Covered Products and Services", "Covered Revenues", "Covered Revenues Measuring Period", "Covered Revenues Statement", "CVRs", "Holder Representative", "Holders" and "Trustee".

Section 6.3. **Ownership of Information**. Any Information owned by one Group that is provided to a requesting Party pursuant to Section 6.1 or 6.8 shall remain the property of the providing Party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

Section 6.4. **Compensation for Providing Information**. The Party requesting Information pursuant to Section 6.1 agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, of gathering, copying, transporting and otherwise complying with the request with respect to such Information (including any costs and expenses incurred in any review of Information for purposes of protecting the Privileged Information of the providing Party or its Group or in connection with the restoration of backup media for purposes of providing the requested Information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall reflect the providing Party's actual costs and expenses. In connection with Section 6.2, GRAIL shall be responsible for the costs and fees described under Section 6.5(a) and (b) of the CVR Agreement if and to the extent Illumina would be obligated to make any payments thereunder.

Section 6.5. **Record Retention**. To facilitate the possible exchange of Information pursuant to this Article VI and other provisions of this Agreement, each Party shall use its reasonable best efforts to retain all Information in such Party's possession relating to the other Party or its businesses, Assets or Liabilities, this Agreement or the Ancillary Agreements in accordance with its respective record retention policies as in effect on the date hereof or such longer period as required by Law, this Agreement or the Ancillary Agreements.

Section 6.6. **Other Agreements Providing for Exchange of Information**. The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions in any Ancillary Agreement regarding the sharing, exchange or retention of Information.

Section 6.7. **Limitations of Liability**. Unless otherwise expressly provided in this Agreement, no Party shall have any liability to any other Party relating to or arising out of (a) any Information exchanged or provided pursuant to Section 6.1 that is found to be inaccurate in the absence of willful misconduct by the Party providing such Information or (b) the destruction of any Information after commercially reasonable efforts by such Party to comply with the provisions of Section 6.2 or Section 6.5.

Section 6.8. **Auditors and Audits**. (a) Until the first GRAIL fiscal year end occurring after the Effective Time and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs, each Party shall provide or provide access to the other Party on a timely basis, all Information reasonably required to meet its schedule for the preparation, printing, filing, and public dissemination of its annual financial statements and for management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated by the SEC and, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder.

(b) In the event a Party restates any of its financial statements that include such Party's audited or unaudited financial statements with respect to any balance sheet date or period of operation as of the end of and for the 2024 fiscal year and the three (3)-year period ending December 31, 2024, in the case of GRAIL, or December 29, 2024, in the case of Illumina, such Party will deliver to the other Party a substantially final draft, as soon as the same is prepared, of any report to be filed by such first Party with the SEC that includes such restated audited or unaudited financial statements (the "Amended Financial Report"); provided, however, that such first Party may continue to revise its Amended Financial Report prior to its filing thereof with the SEC, which changes will be delivered to the other Party as soon as reasonably practicable; provided, further, however, that such first Party's financial personnel will actively consult with the other Party's financial personnel regarding any changes which such first Party may consider making to its Amended Financial Report and related disclosures prior to the anticipated filing of such report with the SEC, with particular focus on any changes which would have an effect upon the other Party's financial statements or related disclosures. Each Party will reasonably cooperate with, and permit and make any necessary employees reasonably available to, the other Party, in connection with the other Party's preparation of any Amended Financial Reports.

Section 6.9. **Privileged Matters**(a). (a) The Parties recognize that legal and other professional services that have been and shall be provided prior to the Effective Time solely for the benefit of the Illumina Group and the GRAIL Group, as the case may be.

(b) The Parties agree as follows:

(i) Illumina shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information currently under its control or the control of a member of its Group; and

(ii) GRAIL shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information currently under its control or the control of a member of its Group.

(c) If any dispute arises between the Parties, or any member of their respective Groups, regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Groups, each Party agrees that it shall: (i) negotiate with the other Party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other Party and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except to protect its own legitimate interests.

(d) Upon receipt by any member of the GRAIL Group of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Information subject to a shared privilege or immunity or as to which Illumina or any of its Subsidiaries has the sole right hereunder to assert a privilege or immunity, or if GRAIL obtains knowledge that any of its, or any member of the GRAIL Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, GRAIL shall promptly provide written notice to Illumina of the existence of the request (which notice shall be delivered to Illumina no later than five (5) Business Days following the receipt of any such subpoena, discovery or other request) and shall provide Illumina a reasonable opportunity to review the Information and to assert any rights it or they may have, including under this Section 6.9 or otherwise, to prevent the production or disclosure of such Privileged Information.

(e) Upon receipt by any member of the Illumina Group of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Information subject to a shared privilege or immunity or as to which GRAIL or any member of the GRAIL Group has the sole right hereunder to assert a privilege or immunity, or if Illumina obtains knowledge that any of its, or any member of the Illumina Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, Illumina shall promptly provide written notice to GRAIL of the existence of the request (which notice shall be delivered to GRAIL no later than five (5) Business Days following the receipt of any such subpoena, discovery or other request) and shall provide GRAIL a reasonable opportunity to review the Information and to assert any rights it or they may have, including under this Section 6.9 or otherwise, to prevent the production or disclosure of such Privileged Information.

(f) Any furnishing of, or access to, Information pursuant to this Agreement are made and done in reliance on the agreement of the Parties set forth in this Section 6.9 and in Section 6.10 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(g) Nothing in this Section 6.9 shall be deemed to supersede the Joint Defense and Confidentiality Agreements, which the Parties acknowledge and agree shall continue in full force and effect from the Effective Time.

Section 6.10. **Confidentiality**. (a) *Confidentiality*. From and after the Effective Time, subject to Section 6.11 and except as contemplated by or otherwise provided in this Agreement or any Ancillary Agreement, Illumina, on behalf of itself and each of its Subsidiaries, and GRAIL, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to confidential and proprietary Information pursuant to the other Party's policies in effect as of the Effective Time, all confidential or proprietary Information concerning the other Party (or its business) and the other Party's Subsidiaries (or their respective businesses) that is either in its possession (including confidential or proprietary Information in its possession prior to the Effective Time) or furnished by the other Party or the other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement or any Ancillary Agreement, except, in each case, to the extent that such confidential or proprietary Information has been: (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential or proprietary Information or (iii) independently developed or generated without reference to or use of the respective proprietary or confidential Information of the other Party or any of its Subsidiaries. The foregoing restrictions shall not apply in connection with the enforcement of any right or remedy relating to this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby. If any confidential or proprietary Information of one Party or any of its Subsidiaries is disclosed to another Party or any of its Subsidiaries in connection with or providing services to such first Party or any of its Subsidiaries under this Agreement or any Ancillary Agreement, then such disclosed confidential or proprietary Information shall be used only as required to perform such services. From and after the Effective Time, Illumina, on behalf of itself and each of its Subsidiaries, and GRAIL, on behalf of itself and each of its Subsidiaries, agrees not to use, and to cause its respective Representatives not to use, any confidential or proprietary Information of the other Party or any of its Subsidiaries other than for such purposes as is expressly outlined in the applicable provision of this Agreement or the Ancillary Agreement pursuant to which the Information was provided. For the avoidance of doubt, in no event may either Party or its Group use, and each Party shall cause its Representatives not to use, any confidential or proprietary Information of the other Party and its Subsidiaries for competitive purposes or to obtain any commercial advantage with respect to the other Party and its Subsidiaries or attempt to divert from the Party and its Subsidiaries any business or customer of such Party and its Subsidiaries.

(b) *No Release; Return or Destruction*. Each Party agrees not to release or disclose, or permit to be released or disclosed, any confidential or proprietary Information of the other Party or its Subsidiaries addressed in Section 6.10(a) to any other Person, except its Representatives who need to know such Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Information), and except in compliance with Section 6.11. Without limiting the foregoing, when any Information furnished by the other Party after the Effective Time pursuant to this Agreement or any Ancillary Agreement is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party shall, at its option, promptly after receiving a written notice from the disclosing Party, either return to the disclosing Party all such Information in a tangible form (including all copies thereof and all notes, extracts or summaries to the extent based thereon) or certify to the disclosing Party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries to the extent based thereon); provided, however, that a Party shall not be required to destroy or return any such Information to the extent that (i) the Party is required to retain the Information in order to comply with any applicable Law, (ii) the Information has been backed up electronically pursuant to the Party's standard document retention policies and will be managed and ultimately destroyed consistent with such policies or (iii) the Information is kept in the Party's legal files for purposes of resolving any Dispute.

(c) *Third-Party Information; Privacy or Data Protection Laws*. Each Party acknowledges that it and its respective Subsidiaries may presently have and, after the Effective Time, may gain access to or possession of confidential or proprietary Information of, or personal Information relating to, Third Parties: (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or the other Party's Subsidiaries, on the other hand, prior to the Effective Time or (ii) that, as between the two parties, was originally collected by the other Party or the other Party's Subsidiaries and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause its Subsidiaries and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary Information of, or personal Information relating to, Third Parties in accordance with privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or the other Party's Subsidiaries, on the one hand, and such Third Parties, on the other hand.

(d) *Additional Obligations*. In no event shall this Section 6.10 be deemed to reduce any obligations agreed by any Party in any Ancillary Agreement or any other agreement between the Parties or members of their Group that survives after the Effective Time.

Section 6.11. **Protective Arrangements**. In the event that either Party or any of its Subsidiaries is requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law or the rules of any stock exchange on which the shares or other securities of the Party or any member of its Group are traded to disclose or provide any confidential or proprietary Information of the other Party that is subject to the confidentiality provisions hereof, such Party shall provide the other Party with written notice of such request or demand (to the extent legally permitted) as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order, at such other Party's own cost and expense. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such Information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide Information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

Section 6.12. **Witness Services**. At all times from and after the Effective Time, each of Illumina and GRAIL shall use its commercially reasonable efforts to make reasonably available to the other, upon reasonable written request, its and its Subsidiaries' officers, directors, employees and agents (taking into account the business demands of such individuals) as witnesses to the extent that (i) such Persons may reasonably be required to testify in connection with the prosecution or defense of any Action in which the requesting Party may from time to time be involved (except for Actions in which one or more members of one Group is adverse to one or more members of the other Group) and (ii) there is no conflict in the Action between the requesting Party and the other Party. A Party providing a witness to the other Party under this Section 6.12 shall be entitled to receive from the recipient of such witness services, upon the presentation of invoices therefor, payments for such amounts, relating to supplies, disbursements and other expenses (which shall include the costs of salaries and benefits of employees who are witnesses but not any pro rata portion of overhead or other costs of employing such employees which would have been incurred by such employees' employer regardless of the employees' service as witnesses), as may be reasonably incurred and properly paid under applicable Law.

ARTICLE VII

FURTHER ASSURANCES AND ADDITIONAL COVENANTS

Section 7.1. **Further Assurances**. (a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties hereto shall use its commercially reasonable efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable on its part under applicable Laws, regulations and agreements, to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with each other Party hereto, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain or make any Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Third Party consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by any other Party hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the GRAIL Assets and the assignment and assumption of the GRAIL Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party shall, at the reasonable request, cost and expense of any other Party, take such other actions as may be reasonably necessary to vest in such other Party all of the transferring Party's right, title and interest to the Assets allocated to such Party by this Agreement or any Ancillary Agreement, in each case, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Illumina and GRAIL in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by any Subsidiary of Illumina or Subsidiary of GRAIL, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

Section 7.2. **Performance**. Illumina shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Illumina Group or Affiliate of Illumina. GRAIL shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the GRAIL Group or Affiliate of GRAIL. Each Party (including its permitted successors and assigns) further agrees that it shall (a) give timely notice of the terms, conditions and continuing obligations contained in this Section 7.2 to all of the other members of its Group, and (b) cause all of the other members of its Group not to take, or omit to take, any action which action or omission would violate or cause such Party to violate this Agreement or any Ancillary Agreement or materially impair such Party's ability to consummate the transactions contemplated hereby or thereby.

Section 7.3. **No Restrictions on Post-Closing Competitive Activities**. Each of the Parties agrees that this Agreement shall not include any noncompetition or other similar restrictive arrangements with respect to the range of business activities that may be conducted, or investments that may be made, by the Groups. Accordingly, each of the Parties acknowledges and agrees that nothing set forth in this Agreement shall be construed to create any explicit or implied restriction or other limitation on the ability of any Group to engage in any business or other activity that overlaps or competes with the business of the other Group. Except as expressly provided herein, or in the Ancillary Agreements, each Group shall have the right to, and shall have no duty to abstain from exercising such right to, (i) engage or invest, directly or indirectly, in the same, similar or related business activities or lines of business as the other Group, (ii) make investments in the same or similar types of investments as the other Group, (iii) do business with any client, customer, vendor or lessor of any of the other Group or (iv) subject to Section 7.4, employ or otherwise engage any officer, director or employee of the other Group. For the avoidance of doubt, nothing in this Section 7.3 shall limit any of the obligations set forth in Section 6.10.

Section 7.4. **Non-Solicitation Covenant**. For a period of two (2) years from and after the Effective Time, Illumina shall not, and shall cause the other members of the Illumina Group not to, directly or indirectly, solicit to employ or employ any employees of the GRAIL Group set forth on Schedule 7.4 (including as external advisors) without the prior written consent of GRAIL; provided, however, that nothing in this Section 7.4 shall prevent (i) solicitations to employ any individual who responds to general solicitations for employees in the ordinary course of business and consistent with past practice (including by professional search firm), so long as such solicitations are not directed towards any employees of the GRAIL Group set forth on Schedule 7.4, (ii) solicitations to employ, or employment of, any such individual whose employment with or service to GRAIL was terminated at least three (3) months prior to the commencement of such solicitation or (iii) Illumina from negotiating the terms of employment with any person who contacts Illumina on his or her own initiative and without any direct or indirect solicitation by the Illumina Group in violation hereof.

Section 7.5. **Mail Forwarding**. (a) Illumina agrees that following the Effective Time it shall use its commercially reasonable efforts to forward to GRAIL any correspondence relating to the GRAIL Business (or a copy thereof to the extent such correspondence relates to both the GRAIL Business and the Illumina Business) that is delivered to Illumina and (b) GRAIL agrees that following the Effective Time it shall use its commercially reasonable efforts to forward to Illumina any correspondence relating to the Illumina Business (or a copy thereof to the extent such correspondence relates to both the Illumina Business and the GRAIL Business) that is delivered to GRAIL.

ARTICLE VIII

TERMINATION

Section 8.1. **Termination**. This Agreement may be terminated and the terms and conditions of the Separation and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by and in the sole and absolute discretion of the Illumina Board without the approval of any other Person, including GRAIL or Illumina or the stockholders of GRAIL or Illumina. In the event that this Agreement is terminated, this Agreement and any Ancillary Agreement that has been executed shall become null and void and no Party, nor any Party's directors, officers or employees, shall have any Liability of any kind to any Person by reason of this Agreement or such Ancillary Agreement. After the Distribution, this Agreement may not be terminated except by an agreement in writing signed by Illumina and GRAIL.

Section 8.2. **Effect of Termination**. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.1. **Counterparts; Entire Agreement; Power**. (a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to each other Party. The exchange of a fully executed Agreement (in counterparts or otherwise) by facsimile, electronic mail (including .pdf, docusign or other electronic signature) or other transmission method shall be deemed to have been duly and validly delivered and shall be sufficient to bind the parties to the terms and conditions of this Agreement.

(b) This Agreement, the Ancillary Agreements. the exhibits, annexes and schedules hereto and thereto, and the NDA Side Agreement, contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein or therein.

(c) Illumina represents on behalf of itself and each other member of the Illumina Group, and GRAIL represents on behalf of itself and each other member of the GRAIL Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been or will be duly executed and delivered by it and constitutes or will constitute a valid and binding agreement of it enforceable in accordance with the terms thereof.

Section 9.2. **Negotiation by Senior Executives**. Prior to bringing an Action relating to a Dispute, the Parties shall first seek to settle amicably all Disputes by negotiation. The Parties shall first attempt in good faith to resolve the Dispute by negotiation in the normal course of business at the operational level within thirty (30) days after written notice is received by either Party regarding the existence of a Dispute (the "Initial Notice"). If the Parties are unable to resolve the Dispute within such thirty (30)-day period, the Parties shall then attempt in good faith to resolve the Dispute by negotiation between executives designated by the Parties who hold, at a minimum, the office of Senior Vice President and/or General Counsel (such designated executives, the "Dispute Committee"). Such Dispute Committee members and other applicable executives shall meet in person or by teleconference or video conference within thirty (30) days following the end of the thirty (30)-day period of negotiations to seek a resolution of the Dispute. In the event that the Dispute Committee and other applicable executives are unable to agree to a format for such meeting, the meeting shall be convened in person at a mutually acceptable location in San Diego, California. Notwithstanding the foregoing, a Party may bring an Action without following the procedures set forth in this Section 9.2 in order to meet any applicable statute of limitations, other contractual survival term or in the event of *bona fide* exigent circumstances.

Section 9.3. **Arbitration**. (a) Any Dispute not finally resolved pursuant to Section 9.2 within sixty (60) days from the delivery of the Initial Notice shall be resolved by binding arbitration in accordance with this Section 9.3. Any Dispute subject to arbitration pursuant to this Section 9.3 shall be determined and resolved by final and binding arbitration, the seat of which shall be in New York, New York, before a panel of three arbitrators. The arbitration shall proceed in accordance with and shall be governed by the *Commercial Arbitration Rules* (the "AAA Rules") of the American Arbitration Association ("AAA") then in effect. The claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator within the time limits specified in the AAA Rules. The chairperson shall be nominated by the two (2) appointed arbitrators within fifteen (15) Business Days of the appointment of the second arbitrator, failing which the chairperson shall be appointed by the AAA. Unless the parties to the arbitration otherwise agree in writing, the arbitrators so selected shall be independent and shall not have any material past or existing affiliation with any Party.

(b) The arbitrators shall apply the governing law set forth in Section 9.4 and shall have authority to entertain a motion for summary judgment by any Party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. Unless otherwise agreed by the Parties in writing, discovery shall be limited to only: (i) documents directly related to the issues in controversy, (ii) no more than three (3) depositions per Party for any Dispute asserting claims exceeding $1 million (or equivalent value) or seeking injunctive relief, or two (2) depositions per Party for all other Disputes and (iii) ten (10) interrogatories per Party. The arbitration procedures shall include provision for production of documents relevant to the Dispute; provided that all discovery, if any, shall be completed within ninety (90) days of the appointment of the arbitrators or as soon as practicable thereafter.

(c) The provisions of this Section 9.3 are intended to provide the exclusive method of resolving any Dispute, including injunctive relief; provided, however, that a Party may commence and prosecute an action in any court of competent jurisdiction for the purpose of enforcing or seeking to vacate an arbitration award hereunder.

(d) The agreement to arbitrate any Dispute set forth in this Section 9.3 shall continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(e) Each Party shall bear its own costs of the arbitration and share equally the arbitrators' fee and the administrative costs; provided that the prevailing Party shall be entitled to payment of its reasonable attorneys' fees and costs (unless applicable Law restricts or prohibits such fee shifting).

(f) The Parties agree to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another Party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in legal proceedings before a court or other judicial authority.

Section 9.4. **Governing Law**. This Agreement (and any claims or Disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 9.5. **Waiver of Jury Trial**. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY AGREEMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY BASED UPON, RELATING TO OR ARISING FROM THIS AGREEMENT AND ANY OF THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.5.

Section 9.6. **Assignability**. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the other Party or the other parties hereto and thereto, respectively, and their respective successors and permitted assigns; provided, however, that no Party or party thereto may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement or the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Group from being party to or undertaking a change of control.

Section 9.7. **Third-Party Beneficiaries**. Except for the release and indemnification rights under this Agreement of any Illumina Indemnitee or GRAIL Indemnitee in their respective capacities as such, and the provisions of Section 5.1(d) as to directors and officers of Illumina Group and GRAIL Group: (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person (including any stockholders of Illumina or stockholders of GRAIL) except the Parties hereto any rights or remedies hereunder; and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third Person (including any stockholders of Illumina or stockholders of GRAIL) with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

Section 9.8. **Notices**. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable, and unless otherwise provided thereunder, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by email with receipt confirmed, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.8):

If to Illumina, to:

Illumina, Inc.
5200 Illumina Way
San Diego, CA 92122
Attention: Legal Department
Email: legalnotices@illumina.com

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP
Two Manhattan West
389 9th Avenue
New York, NY 10001
Attention: Andrew J. Pitts
Ting S. Chen
Daniel J. Cerqueira
Email: apitts@cravath.com
tchen@cravath.com
dcerquiera@cravath.com

If to GRAIL, to:

GRAIL, LLC
1525 O'Brien Drive
Menlo Park, California 94025
Attention: Bob Ragusa
Aaron Freidin
Abram Barth
Don Lang
Email: bragusa@grailbio.com
afreidin@grailbio.com
abarth@grailbio.com
dlang@grailbio.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071
Attention: W. Alex Voxman
Andrew Clark
Ross McAloon
Alexa Berlin
Email: alex.voxman@lw.com
andrew.clark@lw.com
ross.mcaloon@lw.com
alexa.berlin@lw.com

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

Section 9.9. **Severability**. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 9.10. **Force Majeure**. No Party shall be deemed in default of this Agreement or, unless otherwise provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation, other than a delay or failure to make a payment, so long as and to the extent to which any delay or failure in the fulfillment of such obligations is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

Section 9.11. **Publicity**. Each of GRAIL and Illumina shall consult with the other, and shall, subject to the requirements of Section 6.10, provide the other Party the opportunity to review and comment upon, any press releases or other public statements in connection with the Separation, Distribution or any of the other transactions contemplated hereby and any filings with any Governmental Authority or national securities exchange with respect thereto, in each case prior to the issuance or filing thereof, as applicable (including the Form 10, the Parties' respective Current Reports on Form 8-K to be filed on the Distribution Date, the Parties' respective Quarterly Reports on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs, or if such quarter is the fourth fiscal quarter, the Parties' respective Annual Reports on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs (each such Quarterly Report on Form 10-Q or Annual Report on Form 10-K, a "First Post-Distribution Report")). Each Party's obligations pursuant to this Section 9.11 shall terminate on the date on which such Party's First Post-Distribution Report is filed with the SEC. Notwithstanding the foregoing, no later than one (1) Business Day after the Effective Time, GRAIL and Illumina shall issue a joint press release mutually agreed by the Parties regarding the consummation of the Separation and Distribution.

Section 9.12. **Expenses** . Any expenses and costs incurred in connection with the Distribution after the Effective Time shall be borne by the Party which incurs such expenses.

Section 9.13. **Late Payments**. Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus one and one-half percent (1.5%) or the maximum rate permitted by Law, whichever is less.

Section 9.14. **Headings**. The article, section and paragraph headings and the table of contents contained in this Agreement or any Ancillary Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

Section 9.15. **Survival of Covenants**. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and the Ancillary Agreements, and liability for the breach of any obligations contained herein or therein, shall survive the Separation and the Distribution and shall remain in full force and effect in accordance with their terms.

Section 9.16. **Waivers of Default**. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 9.17. **Specific Performance**. Subject to Sections 9.2 and 9.3, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at Law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 9.18. **Amendments**. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it sought to enforce such waiver, amendment, supplement or modification is sought to be enforced; provided, at any time prior to the Effective Time, the terms and conditions of this Agreement, including terms relating to the Separation and the Distribution, may be amended, modified or abandoned by and in the sole and absolute discretion of the Illumina Board without the approval of any Person, including GRAIL or Illumina; provided, further, that if any such amendment or modification would affect the GRAIL Group adversely in a material respect after the Effective Time, then such amendment or modification shall require the prior written consent of GRAIL.

Section 9.19. **Construction**. This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against either Party. The Parties represent that this Agreement is entered into with full consideration of any and all rights which the Parties may have. The Parties have conducted such investigations they thought appropriate, and have consulted with such advisors as they deemed appropriate regarding this Agreement and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or their preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement.

Section 9.20. **Limited Liability**. Notwithstanding any other provision of this Agreement, no individual who is a stockholder, director, employee, officer, agent or representative of Illumina or GRAIL, in such individual's capacity as such, shall have any liability in respect of or relating to the covenants or obligations of Illumina or GRAIL, as applicable, under this Agreement or any Ancillary Agreement or in respect of any certificate delivered with respect hereto or thereto and, to the fullest extent legally permissible, each of Illumina or GRAIL, for itself and its respective Subsidiaries and its and their respective stockholders, directors, employees and officers, waives and agrees not to seek to assert or enforce any such liability that any such Person otherwise might have pursuant to applicable Law.

Section 9.21. **Exclusivity of Tax Matters**. Notwithstanding any other provision of this Agreement (other than Sections 4.2(c) and 5.5(g)), the Tax Matters Agreement shall exclusively govern all matters related to Taxes (including allocations thereof) addressed therein. If there is a conflict between any provision of this Agreement or of an Ancillary Agreement (other than the Tax Matters Agreement), on the one hand, and the Tax Matters Agreement, on the other hand, and such provisions relate to matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall control.

Section 9.22. **Exclusivity of Employee Matters**. Notwithstanding any other provision of this Agreement (other than Sections 4.2(c) and 5.6(f)), the Employee Matters Agreement shall exclusively govern all matters relating to employees (including allocations thereof) addressed therein. If there is a conflict between any provisions of this Agreement or of an Ancillary Agreement (other than the Employee Matters Agreement), on the one hand, and the Employee Matters Agreement, on the other hand, and such provisions relate to matters addressed by the Employee Matters Agreement, the Employee Matters Agreement shall control.

Section 9.23. **Exclusivity of Retained Stock Matters**. Notwithstanding any other provision of this Agreement (other than Sections 4.2(c) and 5.6(f)), the Registration Rights Agreement shall exclusively govern all matters relating to the Retained Stock (including allocations thereof) addressed therein. If there is a conflict between any provisions of this Agreement or of an Ancillary Agreement (other than the Registration Rights Agreement), on the one hand, and the Registration Rights Agreement, on the other hand, and such provisions relate to matters addressed by the Registration Rights Agreement, the Registration Rights Agreement shall control.

Section 9.24. **Limitations of Liability**. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR ANY ANCILLARY AGREEMENT TO THE CONTRARY, NEITHER GRAIL NOR ITS AFFILIATES, ON THE ONE HAND, NOR ILLUMINA NOR ITS AFFILIATES, ON THE OTHER HAND, SHALL BE LIABLE UNDER THIS AGREEMENT OR ANY ANCILLARY AGREEMENT TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER ARISING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (OTHER THAN (A) ANY SUCH LIABILITY WITH RESPECT TO INDEMNIFICATION OF SUCH DAMAGES, INCLUDING ALL COSTS, EXPENSES, INTEREST, ATTORNEYS' FEES, DISBURSEMENTS AND EXPENSES OF COUNSEL, EXPERT AND CONSULTING FEES AND COSTS RELATED THERETO OR TO THE INVESTIGATION OR DEFENSE THEREOF, PAID BY AN INDEMNITEE IN RESPECT OF A THIRD-PARTY CLAIM AND (B) ANY CONSEQUENTIAL DAMAGES TO THE EXTENT REASONABLY FORESEEABLE).

[Signature Page to Follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

ILLUMINA, INC.

By: _____
Name:
Its:

[*Signature Page to Separation and Distribution Agreement*]

GRAIL, LLC

By: _____
Name:
Its:

[*Signature Page to Separation and Distribution Agreement*]

CERTIFICATE OF INCORPORATION
OF
GRAIL, INC.

ARTICLE I

The name of the corporation is GRAIL, Inc. (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, and the name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL") as it now exists or may hereafter be amended and supplemented. The Corporation is being incorporated in connection with the conversion of GRAIL, LLC, a Delaware limited liability company (the "LLC"), to the Corporation, and this Certificate of Incorporation is being filed simultaneously with the Certificate of Conversion of the LLC (the "Certificate of Conversion") to the Corporation.

ARTICLE IV

The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of capital stock which the Corporation shall have authority to issue is [_____]. The total number of shares of Common Stock that the Corporation is authorized to issue is [_____], having a par value of $0.001 per share, and the total number of shares of Preferred Stock that the Corporation is authorized to issue is [_____], having a par value of $0.001 per share.

Upon the effectiveness of the Certificate of Conversion and this Certificate of Incorporation (the "Effective Time"), all limited liability company interests in the LLC outstanding immediately prior to the Effective Time will be deemed to be [_____] issued and outstanding, fully paid and non-assessable shares of Common Stock, without any action required on the part of the Corporation or the former holder of such limited liability company interests.

ARTICLE V

The designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

A. COMMON STOCK.

1. General. The voting, dividend, liquidation, and other rights and powers of the Common Stock are subject to and qualified by the rights, powers and preferences of any series of Preferred Stock as may be designated by the Board of Directors of the Corporation (the "Board of Directors") and outstanding from time to time.

2. Voting. Except as otherwise provided herein or expressly required by law, each holder of Common Stock, as such, shall be entitled to vote on each matter submitted to a vote of stockholders and shall be entitled to one (1) vote for each share of Common Stock held of record by such holder as of the record date for determining stockholders entitled to vote on such matter. Except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation (this "Certificate") (including any Certificate of Designation (as defined below)) that relates solely to the rights, powers, preferences (or the qualifications, limitations or restrictions thereof) or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate (including any Certificate of Designation) or pursuant to the DGCL.

Subject to the rights of any holders of any outstanding series of Preferred Stock, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

3. Dividends. Subject to applicable law and the rights and preferences of any holders of any outstanding series of Preferred Stock, the holders of Common Stock, as such, shall be entitled to the payment of dividends on the Common Stock when, as and if declared by the Board of Directors in accordance with applicable law.

4. Liquidation. Subject to the rights and preferences of any holders of any shares of any outstanding series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's stockholders shall be distributed among the holders of the then outstanding Common Stock pro rata in accordance with the number of shares of Common Stock held by each such holder.

B. PREFERRED STOCK

Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the creation and issuance of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designation relating thereto in accordance with the DGCL (a "Certificate of Designation"), to determine and fix the number of shares of such series and such voting powers,

full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, and to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the creation and issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law and this Certificate (including any Certificate of Designation). Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Certificate (including any Certificate of Designation).

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE VI

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

A. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the directors of the Corporation shall be classified with respect to the time for which they severally hold office into three classes, designated as Class I, Class II and Class III. The initial Class I directors shall serve for a term expiring at the first annual meeting of the stockholders following the initial registration of the Corporation's Common Stock pursuant to the Securities Exchange Act of 1934, as amended; the initial Class II directors shall serve for a term expiring at the second annual meeting of the stockholders following such registration; and the initial Class III directors shall serve for a term expiring at the third annual meeting following such registration. At each annual meeting of stockholders of the Corporation beginning with the first annual meeting of stockholders following the Effective Time, subject to any special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. Each director shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II and Class III.

B. Except as otherwise expressly provided by the DGCL or this Certificate, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors.

C. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the Board of Directors or any individual director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

D. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, except as otherwise provided by law, any vacancies on the Board of Directors resulting from death, resignation, disqualification, retirement, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled exclusively by the affirmative vote of a majority of the directors then in office, even though less than a quorum, or by a sole remaining director (other than any directors elected by the separate vote of one or more outstanding series of Preferred Stock), and shall not be filled by the stockholders. Any director appointed in accordance with the preceding sentence shall hold office until the expiration of the term of the class to which such director shall have been appointed or until his or her earlier death, resignation, retirement, disqualification, or removal.

E. Whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Certificate of Incorporation (including any Certificate of Designation). Notwithstanding anything to the contrary in this Article VI, the number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to paragraph B of this Article VI, and the total number of directors constituting the whole Board of Directors shall be automatically adjusted accordingly. Except as otherwise provided in the Certificate of Designation(s) in respect of one or more series of Preferred Stock, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such Certificate of Designation(s), the terms of office of all such additional directors elected by the holders of such series of Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

F. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal Bylaws of the Corporation. In addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Certificate of Incorporation (including any Certificate of Designation in respect of one or more series of Preferred Stock) or the Bylaws of the Corporation, the adoption, amendment or repeal of the Bylaws of the Corporation by the stockholders of the Corporation shall require the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote generally in an election of directors.

G. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

ARTICLE VII

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders of the Corporation, and shall not be taken by written consent in lieu of a meeting. Notwithstanding the foregoing, any action required or permitted to be taken by the holders of any series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Certificate of Designation relating to such series of Preferred Stock, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant series of Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the applicable provisions of the DGCL.

B. Subject to the special rights of the holders of one or more series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, at any time only by or at the direction of the Chief Executive Officer, the Board of Directors, or the Chairperson of the Board of Directors or the Lead Independent Director, and shall not be called by any other person or persons.

C. Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VIII

No director or officer of the Corporation shall have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director or officer, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Any amendment, repeal or modification of this Article VIII, or the adoption of any provision of the Certificate inconsistent with this Article VIII, shall not adversely affect any right or protection of a director or officer of the Corporation with respect to any act or omission occurring prior to such amendment, repeal, modification or adoption. If the DGCL is amended after approval by the stockholders of this Article VIII to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ARTICLE IX

The Corporation shall have the power to provide rights to indemnification and advancement of expenses to its current and former officers, directors, employees and agents and

to any person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE X

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or the bylaws of the Corporation or this Certificate (as either may be amended from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article X, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including all causes of action asserted against any defendant to such complaint. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article X. This Article X is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Notwithstanding the foregoing, the provisions of this Article X shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article X (including, without limitation, each portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XI

A. Notwithstanding anything contained in this Certificate to the contrary, in addition to any vote required by applicable law, the following provisions in this Certificate may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 66 2/3% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: Part B of Article V, Article VI, Article VII, Article VIII, Article IX, Article X, and this Article XI.

B. If any provision or provisions of this Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate (including, without limitation, each portion of any paragraph of this Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by applicable law, the provisions of this Certificate (including, without limitation, each such portion of any paragraph of this Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

IN WITNESS WHEREOF, the undersigned incorporator has executed this Certificate for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, as of the day of , 2024.

By: _____
Name:
Title:

[Signature Page to GRAIL, Inc. Certificate of Incorporation]

Exhibit 3.2

Amended and Restated Bylaws of

GRAIL, Inc.

(a Delaware corporation)

as of [ ], 2024

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Amended and Restated Bylaws of
GRAIL, Inc.

Article I—Corporate Offices

1.1 Registered Office.

The address of the registered office of GRAIL, Inc. (the "Corporation") in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the Corporation's certificate of incorporation, as the same may be amended and/or restated from time to time (the "Certificate of Incorporation").

1.2 Other Offices.

The Corporation may have additional offices at any place or places, within or outside the State of Delaware, as the Corporation's board of directors (the "Board") may from time to time establish or as the business of the Corporation may require.

Article II—Meetings of Stockholders

2.1 Place of Meetings.

Meetings of stockholders shall be held at such place, if any within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive offices.

2.2 Annual Meeting.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other proper business properly brought before the meeting in accordance with Section 2.4 of these amended and restated bylaws of the Corporation (the "Bylaws") may be transacted. The Board may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

2.3 Special Meeting.

Special meetings of the stockholders may be called only by such persons and only in such manner as set forth in the Certificate of Incorporation.

No business may be transacted at any special meeting of stockholders other than the business specified in the notice of such meeting. The Board may postpone, reschedule or cancel any previously scheduled special meeting of stockholders.

2.4 Notice of Business to be Brought before a Meeting.

a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in a notice of meeting given by or at the direction of the Board, (ii) if not specified in a notice of meeting, otherwise brought before the meeting by the Board or the Chairperson of the Board or (iii) otherwise properly brought before the meeting by a stockholder present in person who (A) (1) was a record owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (2) is entitled to vote at the meeting, and (3) has complied with this Section 2.4 in all applicable respects or (B) properly made such proposal in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"). The foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. The only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the person calling the meeting pursuant to Section 2.3, and stockholders shall not be permitted to propose business to be brought before a special meeting of the stockholders. For purposes of this Section 2.4 and Section 2.5 of these Bylaws, "present in person" shall mean that the stockholder proposing that the business be brought before the annual meeting of the Corporation, or a qualified representative of such proposing stockholder, appears at such annual meeting. A "qualified representative" of such proposing stockholder shall be a duly authorized officer, manager or partner of such stockholder or any other person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Stockholders seeking to nominate persons for election to the Board must comply with Section 2.5 and Section 2.6 of these Bylaws and this Section 2.4 shall not be applicable to nominations except as expressly provided in Section 2.5 and Section 2.6 of these Bylaws.

b) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting which, in the case of the first annual meeting of stockholders following the completion of the Corporation's spin-off transaction and listing of its common stock on a national stock exchange, the date of the preceding year's annual meeting shall be deemed to be [*month, day*]; *provided, however*, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not more than the hundred twentieth (120^{th}) day prior to such annual meeting and not later than (i) the ninetieth (90^{th}) day prior to such annual meeting or, (ii) if later, the tenth (10^{th}) day following the day on which public disclosure of the date of such annual meeting was first made by the Corporation (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

c) To be in proper form for purposes of this Section 2.4, a stockholder's notice to the Secretary shall set forth:

i. As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future; (C) the date or dates such shares were acquired; (D) the investment intent of such acquisition and (E) any pledge by such Proposing Person with respect to any of such shares (the disclosures to be made pursuant to the foregoing clauses (A) through (E) are referred to as "Stockholder Information");

ii. As to each Proposing Person, (A) the material terms and conditions of any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) or a "put equivalent position" (as such term is defined in Rule 16a-1(h) under the Exchange Act) or other derivative or synthetic arrangement in respect of any class or series of shares of the Corporation ("Synthetic Equity Position") that is, directly or indirectly, held or maintained by, held for the benefit of, or involving such Proposing Person, including, without limitation, (i) any option, warrant, convertible security, stock appreciation right, future or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, (ii) any derivative or synthetic arrangement having the characteristics of a long position or a short position in any class or series of shares of the Corporation, including, without limitation, a stock loan transaction, a stock borrow transaction, or a share repurchase transaction or (iii) any contract, derivative, swap or other transaction or series of transactions designed to (x) produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, (y) mitigate any loss relating to, reduce the economic risk (of ownership or otherwise) of, or manage the risk of share price decrease in, any class or series of shares of the Corporation, or (z) increase or decrease the voting power in respect of any class or series of shares of the Corporation of such Proposing Person, including, without limitation, due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the holder thereof may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the price or value of any class or series of shares of the Corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of

such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be required to disclose any Synthetic Equity Position that is, directly or indirectly, held or maintained by, held for the benefit of, or involving such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (D) any other material relationship between such Proposing Person, on the one hand, and the Corporation or any affiliate of the Corporation, on the other hand, (E) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (F) any proportionate interest in shares of the Corporation or a Synthetic Equity Position held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which any such Proposing Person (1) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (2) is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity; (G) a representation that such Proposing Person intends or is part of a group that intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies from stockholders in support of such proposal and (H) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (H) are referred to as "Disclosable Interests"); *provided*, *however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

iii. As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment), (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other person or entity (including their names) in connection with the proposal of such business by such stockholder, and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; *provided*, *however*, that the disclosures required by this Section 2.4 (iii) shall not include any

disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

For purposes of this Section 2.4, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

d) The Board may request that any Proposing Person furnish such additional information as may be reasonably required by the Board. Such Proposing Person shall provide such additional information within ten (10) days after it has been requested by the Board.

e) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the stockholders.

f) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 2.4. The presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.4, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

g) This Section 2.4 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 2.4 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

h) For purposes of these Bylaws, "*public disclosure*" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

2.5 Notice of Nominations for Election to the Board of Directors.

a) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (i) by or at the direction of the Board, including by any committee or persons authorized to do so by the Board or these Bylaws, or (ii) by a stockholder present in person who (A) was a record owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (B) is entitled to vote at the meeting, and (C) has complied with this Section 2.5 and Section 2.6 as to such notice and nomination. For purposes of this Section 2.5, "present in person" shall mean that the stockholder nominating any person for election to the Board at the meeting of the Corporation, or a qualified representative of such stockholder, appear at such meeting. A "qualified representative" of such proposing stockholder shall be a duly authorized officer, manager or partner of such stockholder or any other person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. The foregoing clause (ii) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting or special meeting.

b) (i) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting, the stockholder must (1) provide Timely Notice (as defined in Section 2.4) thereof in writing and in proper form to the Secretary of the Corporation, (2) provide the information, agreements and questionnaires with respect to such stockholder and its candidate for nomination as required to be set forth by this Section 2.5 and Section 2.6 and (3) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5 and Section 2.6.

(ii) Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling a special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board at a special meeting, the stockholder must (i) provide timely notice thereof (such notice, the "Special Meeting Nomination Timely Notice") in writing and in proper form to the Secretary of the Corporation at the principal executive offices of the Corporation, (ii) provide the information with respect to such stockholder and its candidate for nomination as required by this Section 2.5 and Section 2.6 and (iii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be a Special Meeting Nomination Timely Notice, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4) of the date of such special meeting was first made.

(iii) In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iv) In no event may a Nominating Person provide Timely Notice or a Special Meeting Nomination Timely Notice, as the case may be, with respect to a greater number of director candidates than are subject to election by stockholders at the applicable meeting. If the Corporation shall, subsequent to such notice, increase the number of directors subject to election at the meeting, such notice as to any additional nominees shall be due on the later of (i) the conclusion of the time period for Timely Notice or Special Meeting Nomination Timely Notice, as the case may be, (ii) the date set forth in Section 2.5(b)(ii) or (iii) the tenth day following the date of public disclosure (as defined in Section 2.4) of such increase.

c) To be in proper form for purposes of this Section 2.5, a stockholder's notice to the Secretary shall set forth:

i. As to each Nominating Person (as defined below), the Stockholder Information (as defined in Section 4(c)(i), except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(c)(i));

ii. As to each Nominating Person, any Disclosable Interests (as defined in Section 2.4(c)(ii), except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(c)(ii) and the disclosure with respect to the business to be brought before the meeting in Section 2.4(c)(ii) shall be made with respect to the election of directors at the meeting); and provided that, in lieu of including the information set forth in Section 2.4(c)(ii)(G), the Nominating Person's notice for purposes of this Section 2.5 shall include a representation as to whether the Nominating Person intends or is part of a group which intends to deliver a proxy statement and solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors in support of director nominees other than the Corporation's nominees in accordance with Rule 14a-19 promulgated under the Exchange Act; and

iii. As to each candidate whom a Nominating Person proposes to nominate for election as a director, (A) all information relating to such candidate for nomination that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such candidate's written consent to being named in a proxy statement and accompanying proxy card relating to the Corporation's next meeting of stockholders at which directors are to be elected and to serving as a director for a full term if elected), (B) a description of any direct or indirect material interest in any material contract or agreement between or among any Nominating Person, on the one hand, and each candidate for nomination or his or her respective associates or any other participants in such solicitation, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the candidate for nomination were a director or executive officer of such registrant (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "*Nominee Information*"), and (C) a completed and signed questionnaire, representation and agreement as provided in Section 2.6(a).

For purposes of this Section 2.5, the term "*Nominating Person*" shall mean (i) the stockholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, and

(iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

d) The Board may request that any Nominating Person furnish such additional information as may be reasonably required by the Board. Such Nominating Person shall provide such additional information within ten (10) days after it has been requested by the Board.

e) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any nomination or to submit any new nomination.

f) In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations. Notwithstanding the foregoing provisions of this Section 2.5, unless otherwise required by law, (i) no Nominating Person shall solicit proxies in support of director nominees other than the Corporation's nominees unless such Nominating Person has complied with Rule 14a-19 promulgated under the Exchange Act in connection with the solicitation of such proxies, including the provision to the Corporation of notices required thereunder in a timely manner and (ii) if any Nominating Person (1) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act and (2) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act, including the provision to the Corporation of notices required thereunder in a timely manner, or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Nominating Person has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence, then the nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included as a nominee in the Corporation's proxy statement, notice of meeting or other proxy materials for any annual meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). If any Nominating Person provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such Nominating Person shall deliver to the Corporation, no later than seven (7) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

2.6 Additional Requirements for Valid Nomination of Candidates to Serve as Director and, if Elected, to be Seated as Directors.

a) To be eligible to be a candidate for election as a director of the Corporation at an annual or special meeting, a candidate must be nominated in the manner prescribed in Section 2.5 and the candidate for nomination, whether nominated by the Board or by a stockholder of record, must have previously delivered (in accordance with the time period prescribed for delivery in a notice to such candidate given by or on behalf of the Board), to the Secretary at the principal executive offices of the Corporation, (i) a completed written questionnaire (in the form provided by the Corporation upon written request of any stockholder of record therefor) with respect to the background, qualifications, stock ownership and independence of such proposed nominee and (ii) a written representation and agreement (in the form provided by the Corporation upon written request of any stockholder of record therefor) that such candidate for nomination (A) is not and, if elected as a director during his or her term of office, will not become a party to (1) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") or (2) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (B) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation or reimbursement for service as a director that has not been disclosed therein or to the Corporation, (C) if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Secretary of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect), and (D) if elected as director of the Corporation, intends to serve the entire term until the next meeting at which such candidate would face re-election.

b) The Board may also require any proposed candidate for nomination as a director to furnish such other information as may reasonably be requested by the Board in writing prior to the meeting of stockholders at which such candidate's nomination is to be acted upon. Without limiting the generality of the foregoing, the Board may request such other information in order for the Board to determine the eligibility of such candidate for nomination to be an independent director of the Corporation or to comply with the director qualification standards and additional selection criteria in accordance with the Corporation's Corporate Governance Guidelines, including but not limited to reference and background checks. Such other information shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (or any other office specified by the Corporation in any public announcement) not later than five (5) business days after the request by the Board has been delivered to, or mailed and received by, the Nominating Person.

c) A candidate for nomination as a director shall further update and supplement the materials delivered pursuant to this Section 2.6, if necessary, so that the information provided or required to be provided pursuant to this Section 2.6 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (or any other office specified by the Corporation in any public announcement) not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or

postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any nomination or to submit any new proposal, including by changing or adding nominees, matters, business or resolutions proposed to be brought before a meeting of the stockholders.

d) No candidate shall be eligible for nomination as a director of the Corporation unless such candidate for nomination and the Nominating Person seeking to place such candidate's name in nomination has complied with Section 2.5 and this Section 2.6, as applicable. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with Section 2.5 and this Section 2.6, and, if he or she should so determine, he or she shall so declare such determination to the meeting, the defective nomination shall be disregarded and any ballots cast for the candidate in question (but in the case of any form of ballot listing other qualified nominees, only the ballots cast for the nominee in question) shall be void and of no force or effect.

e) Notwithstanding anything in these Bylaws to the contrary, no candidate for nomination shall be eligible to be seated as a director of the Corporation unless nominated and elected in accordance with Section 2.5 and this Section 2.6**.**

2.7 Notice of Stockholders' Meetings.

Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting of stockholders shall be sent or otherwise given in accordance with Section 8.1 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining stockholder entitled to notice of the meeting. The notice shall specify the place, if any, date and time of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.8 Quorum.

Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the holders of a majority in voting power of the stock issued and outstanding and entitled to vote, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (i) the person presiding over the meeting or (ii) a majority in voting power of the stockholders entitled to vote at the meeting, present in person, or by remote communication, if applicable, or represented by proxy, shall have power to recess the meeting or adjourn the meeting from time to time in the manner provided in Section 2.9 of these Bylaws until a quorum is present or represented. At any recessed or adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.9 Adjourned Meeting; Notice.

When a meeting is adjourned to another time or place, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken or are provided in any other manner permitted by the DGCL. At any adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such meeting as of the record date so fixed for notice of such adjourned meeting.

2.10 Conduct of Business.

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures (which need not be in writing) and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present (including, without limitation, rules and procedures for removal of disruptive persons from the meeting); (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting (including, without limitation, determinations with respect to the administration and/or interpretation of any of the rules, regulations or procedures of the meeting, whether adopted by the Board or prescribed by the person presiding over the meeting), shall, if the facts warrant, determine and declare to the meeting that a matter of business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

2.11 Voting.

Except as may be otherwise provided in the Certificate of Incorporation, these Bylaws or the DGCL, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder.

Except as otherwise provided by the Certificate of Incorporation, at all duly called or convened meetings of stockholders at which a quorum is present, for the election of directors, a plurality of the votes cast shall be sufficient to elect a director. Except as otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, each other matter presented to the stockholders at a duly called or convened meeting at which a quorum is present shall be decided by the affirmative vote of the holders of a majority in voting power of the votes cast (excluding abstentions and broker non-votes) on such matter.

2.12 Record Date for Stockholder Meetings and Other Purposes.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is first given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting; and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of capital stock, or for the purposes of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

2.13 Proxies.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law, including Rule 14a-19 promulgated under the Securities Exchange Act of 1934, as amended, filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of an electronic transmission which sets forth or is submitted with information from which it can be determined that the transmission was authorized by the stockholder.

Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board.

2.14 List of Stockholders Entitled to Vote.

The Corporation shall prepare, no later than the tenth day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Corporation's principal executive offices. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.14 or to vote in person or by proxy at any meeting of stockholders.

2.15 Inspectors of Election.

Before any meeting of stockholders, the Corporation shall appoint an inspector or inspectors of election to act at the meeting or its adjournment and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If any person appointed as inspector or any alternate fails to appear or fails or refuses to act, then the person presiding over the meeting shall appoint a person to fill that vacancy.

Such inspectors shall:

(i) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting and the validity of any proxies and ballots;

(ii) count all votes or ballots;

(iii) count and tabulate all votes;

(iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspector(s); and

(v) certify its or their determination of the number of shares represented at the meeting and its or their count of all votes and ballots.

Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspection with strict impartiality and according to the best of such inspector's ability. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated

therein. The inspectors of election may appoint such persons to assist them in performing their duties as they determine.

2.16 Delivery to the Corporation.

Whenever this Article II requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered. For the avoidance of doubt, the Corporation expressly opts out of Section 116 of the DGCL with respect to the delivery of information and documents to the Corporation required by this Article II.

Article III—Directors

3.1 Powers.

Except as otherwise provided by the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

3.2 Number of Directors.

Subject to the Certificate of Incorporation, the total number of directors constituting the Board shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 Election, Qualification and Term of Office of Directors.

Except as provided in Section 3.4 of these Bylaws, and subject to the Certificate of Incorporation, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term of the class, if any, for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal. Directors need not be stockholders. The Certificate of Incorporation or these Bylaws may prescribe qualifications for directors.

3.4 Resignation and Vacancies.

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. The resignation shall take effect at the time specified therein or upon the happening of an event specified therein, and if no time or event is specified, at the time of its receipt. When one or more directors so resigns and the resignation is effective at a future date or upon the happening of an event to occur on a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in Section 3.3.

Unless otherwise provided in the Certificate of Incorporation or these Bylaws, vacancies resulting from the death, resignation, disqualification or removal of any director, and newly created directorships resulting

from any increase in the authorized number of directors shall be filled solely by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders unless the Board determines that such newly created directorship or vacancy will be filled by the stockholders.

3.5 Place of Meetings; Meetings by Telephone.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to these Bylaws shall constitute presence in person at the meeting.

3.6 Regular Meetings.

Regular meetings of the Board may be held within or outside the State of Delaware and at such time and at such place as which has been designated by the Board and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, or by electronic mail or other means of electronic transmission. No further notice shall be required for regular meetings of the Board.

3.7 Special Meetings; Notice.

Special meetings of the Board for any purpose or purposes may be called at any time by the chairperson of the Board, the Chief Executive Officer, the President, the Secretary or a majority of the total number of directors constituting the Board.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile or electronic mail; or

(iv) sent by other means of electronic transmission,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, or other address for electronic transmission, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or electronic mail, or (iii) sent by other means of electronic transmission, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by U.S. mail, it shall be deposited in the U.S. mail at least four (4) days before the time of the holding of the meeting. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive offices) nor the purpose of the meeting.

3.8 Quorum.

At all meetings of the Board, unless otherwise provided by the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the Certificate of Incorporation or these Bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.9 Board Action without a Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of the proceedings of the Board, or the committee thereof, in the same paper or electronic form as the minutes are maintained. Such action by written consent or consent by electronic transmission shall have the same force and effect as a unanimous vote of the Board.

3.10 Fees and Compensation of Directors.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

Article IV—Committees

4.1 Committees of Directors.

The Board may designate one (1) or more committees, each committee to consist, of one (1) or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these Bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation.

4.2 Committee Minutes.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 Meetings and Actions of Committees.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings; meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings; notice);

(iv) Section 3.9 (board action without a meeting); and

(v) Section 7.13 (waiver of notice),

with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board or the chairperson of the applicable committee; and

(iii) the Board may adopt rules for the governance of any committee to override the provisions that would otherwise apply to the committee pursuant to this Section 4.3, provided that such rules do not violate the provisions of the Certificate of Incorporation or applicable law.

4.4 Subcommittees.

Unless otherwise provided in the Certificate of Incorporation, these Bylaws or the resolutions of the Board designating the committee, a committee may create one (1) or more subcommittees, each subcommittee to consist of one (1) or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

Article V—Officers

5.1 Officers.

The officers of the Corporation shall include a Chief Executive Officer, a President and a Secretary. The Corporation may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Financial Officer, a Treasurer, one (1) or more additional Presidents, one (1) or more Senior Vice Presidents, one (1) or more Assistant Vice Presidents, one (1) or more Assistant Treasurers, one (1) or more Assistant Secretaries, and any such other officers as may be appointed in accordance with the provisions of these Bylaws. Any number of offices may be held by the same person. No officer need be a stockholder or director of the Corporation.

5.2 Appointment of Officers.

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these Bylaws.

5.3 Subordinate Officers.

The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President(s) or Chief Financial Officer, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

5.4 Removal and Resignation of Officers.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 Vacancies in Offices.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.2.

5.6 Representation of Shares of Other Corporations.

The Chairperson of the Board, the Chief Executive Officer, or the President of this Corporation, or any other person authorized by the Board, the Chief Executive Officer or the President, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares or voting securities of any other corporation or other person standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 Authority and Duties of Officers.

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be provided herein or designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

5.8 Compensation.

The compensation of the officers of the Corporation for their services as such shall be fixed from time to time by or at the direction of the Board. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he or she is also a director of the Corporation.

Article VI—Records

A stock ledger consisting of one or more records in which the names of all of the Corporation's stockholders of record, the address and number of shares registered in the name of each such stockholder, and all issuances and transfers of stock of the corporation are recorded in accordance with Section 224 of the DGCL shall be administered by or on behalf of the Corporation. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, or method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases), provided that the records so kept can be converted into clearly legible paper form within a reasonable time and, with respect to the stock ledger, that the records so kept (i) can be used to prepare the list of stockholders specified in Sections 219 and 220 of the DGCL, (ii) record the information specified in Sections 156, 159, 217(a) and 218 of the DGCL, and (iii) record transfers of stock as governed by Article 8 of the Uniform Commercial Code as adopted in the State of Delaware.

Article VII—General Matters

7.1 Execution of Corporate Contracts and Instruments.

The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances.

7.2 Stock Certificates.

The shares of the Corporation shall be represented by certificates, provided that the Board by resolution may provide that some or all of the shares of any class or series of stock of the Corporation shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by, any two officers authorized to sign stock certificates representing the number of shares registered in certificate form. The Chairperson or Vice Chairperson of the Board, Chief Executive Officer, the President, Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation shall be specifically authorized to sign stock certificates. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Corporation in the case of

uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

7.3 Special Designation of Certificates.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or on the back of the certificate that the Corporation shall issue to represent such class or series of stock (or, in the case of uncertificated shares, set forth in a notice provided pursuant to Section 151 of the DGCL); provided, however, that except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face of back of the certificate that the Corporation shall issue to represent such class or series of stock (or, in the case of any uncertificated shares, included in the aforementioned notice) a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.4 Lost Certificates.

Except as provided in this Section 7.4, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.5 Shares Without Certificates

The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided the use of such system by the Corporation is permitted in accordance with applicable law.

7.6 Construction; Definitions.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural and the plural number includes the singular.

7.7 Dividends.

The Board, subject to any restrictions contained in either (i) the DGCL or (ii) the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

7.8 Fiscal Year.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.9 Seal.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.10 Transfer of Stock.

Shares of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate person or persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the persons from and to whom it was transferred.

7.11 Stock Transfer Agreements.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.12 Registered Stockholders.

The Corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner; and

(ii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

7.13 Waiver of Notice.

Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

Article VIII—Notice

8.1 Delivery of Notice; Notice by Electronic Transmission.

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provisions of the DGCL, the Certificate of Incorporation, or these Bylaws may be given in writing directed to the stockholder's mailing address (or by electronic transmission directed to the stockholder's electronic mail address, as applicable) as it appears on the records of the Corporation and shall be given (1) if mailed, when the notice is deposited in the U.S. mail, postage prepaid, (2) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address or (3) if given by electronic mail, when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation.

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice or electronic transmission to the Corporation. Notwithstanding the provisions of this paragraph, the Corporation may give a notice by electronic mail in accordance with the first paragraph of this section without obtaining the consent required by this paragraph.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iii) if by any other form of electronic transmission, when directed to the stockholder.

Notwithstanding the foregoing, a notice may not be given by an electronic transmission from and after the time that (1) the Corporation is unable to deliver by such electronic transmission two (2) consecutive notices

given by the Corporation and (2) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice, provided, however, the inadvertent failure to discover such inability shall not invalidate any meeting or other action.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Article IX—Indemnification

9.1 Indemnification of Directors and Officers.

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL as it presently exists or may hereafter be amended, any director or officer of the Corporation who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans (a "covered person"), against all liability and loss suffered and expenses (including attorneys' fees, judgments, fines ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred by such person in connection with any such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 9.4, the Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized in the specific case by the Board.

9.2 Indemnification of Others.

The Corporation shall have the power to indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any employee or agent of the Corporation and any other person serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, who is not a covered person but who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

9.3 Prepayment of Expenses.

The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by any covered person, and may pay the expenses incurred by any employee or agent of the Corporation, in defending any Proceeding in advance of its final disposition; *provided, however*, that such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt

of an undertaking by the person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Article IX or otherwise.

9.4 Determination; Claim.

If a claim for indemnification (following the final disposition of such Proceeding) under this Article IX is not paid in full within sixty (60) days, or a claim for advancement of expenses under this Article IX is not paid in full within thirty (30) days, after a written claim therefor has been received by the Corporation the claimant may thereafter (but not before) file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

9.5 Non-Exclusivity of Rights.

The rights conferred on any person by this Article IX shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

9.6 Insurance.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the DGCL.

9.7 Other Indemnification.

The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

9.8 Continuation of Indemnification.

The rights to indemnification and to prepayment of expenses provided by, or granted pursuant to, this Article IX shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

9.9 Amendment or Repeal; Interpretation.

The provisions of this Article IX shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as a director or officer of the Corporation (whether before or after the adoption of these Bylaws), in consideration of such person's performance of such services, and pursuant to this Article IX the Corporation intends to be legally bound to each such current or

former director or officer of the Corporation. With respect to current and former directors and officers of the Corporation, the rights conferred under this Article IX are present contractual rights and such rights are fully vested, and shall be deemed to have vested fully, immediately upon adoption of theses Bylaws. With respect to any directors or officers of the Corporation who commence service following adoption of these Bylaws, the rights conferred under this provision shall be present contractual rights and such rights shall fully vest, and be deemed to have vested fully, immediately upon such director or officer commencing service as a director or officer of the Corporation. Any repeal or modification of the foregoing provisions of this Article IX shall not adversely affect any right or protection (i) hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses to an officer or director of the Corporation in effect prior to the time of such repeal or modification.

Any reference to an officer of the Corporation in this Article IX shall be deemed to refer exclusively to the Chief Executive Officer, President, and Secretary, or other officer of the Corporation appointed by (x) the Board pursuant to Article V of these Bylaws or (y) an officer to whom the Board has delegated the power to appoint officers pursuant to Article V of these Bylaws, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors (or equivalent governing body) of such other entity pursuant to the certificate of incorporation and bylaws (or equivalent organizational documents) of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article IX.

Article X—Amendments

The Board is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the Corporation; *provided, however*, that such action by stockholders shall require, in addition to any other vote required by the Certificate of Incorporation or applicable law, the affirmative vote of the holders of at least two-thirds of the voting power of all the then-outstanding shares of voting stock of the Corporation with the power to vote generally in an election of directors, voting together as a single class.

Article XI—Definitions

As used in these Bylaws, unless the context otherwise requires, the following terms shall have the following meanings:

An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained,

retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

An "electronic mail" means an electronic transmission directed to a unique electronic mail address (which electronic mail shall be deemed to include any files attached thereto and any information hyperlinked to a website if such electronic mail includes the contact information of an officer or agent of the Corporation who is available to assist with accessing such files and information).

An "electronic mail address" means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox (commonly referred to as the "local part" of the address) and a reference to an internet domain (commonly referred to as the "domain part" of the address), whether or not displayed, to which electronic mail can be sent or delivered.

The term "person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity.

Exhibit 3.3

STATE OF DELAWARE

CERTIFICATE OF CONVERSION

FROM A LIMITED LIABILITY COMPANY

TO A CORPORATION

OF

GRAIL, LLC

Pursuant to Section 265 of the General Corporation Law of the State of Delaware and Section 18-216 of the Delaware Limited Liability Company Act

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1. The jurisdiction where the limited liability company was first formed is Delaware and the date the limited liability company first formed is September 11, 2020.
2. The jurisdiction immediately prior to filing this Certificate is Delaware.
3. The name of the limited liability company immediately prior to filing this Certificate is GRAIL, LLC.
4. The name of the corporation into which GRAIL, LLC shall be converted, as set forth in its Certificate of Incorporation, is GRAIL, Inc.
5. The conversion has been approved in accordance with Section 265 of the General Corporation Law of the State of Delaware and Section 18-216 of the Delaware Limited Liability Company Act.

IN WITNESS WHEREOF, the undersigned being duly authorized to sign on behalf of the converting limited liability company has executed this Certificate on the day of , A.D. 2024.

By: _____
Name:
Title:

Exhibit 10.1

FORM OF TAX MATTERS AGREEMENT

BY AND BETWEEN

ILLUMINA, INC.

AND

GRAIL, LLC
(to be converted into GRAIL, INC.)

DATED AS OF [ ]

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TAX MATTERS AGREEMENT

This Tax Matters Agreement (this "***Agreement***") is entered into effective as of [ ], by and between Illumina, Inc., a Delaware corporation ("***Illumina***"), and GRAIL, LLC, a wholly owned subsidiary of Illumina and a Delaware limited liability company ("***GRAIL LLC***"), to be converted to a corporation and renamed GRAIL, Inc. prior to the Distribution ("***GRAIL***"). Illumina and GRAIL are each a "***Party***" and are sometimes referred to herein collectively as the "***Parties***." Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Section 1 of this Agreement.

RECITALS

WHEREAS, Illumina, acting together with its Subsidiaries, currently conducts the Illumina Business and GRAIL, acting together with its Subsidiaries, currently conducts the GRAIL Business;

WHEREAS, Illumina and GRAIL have entered into a Separation and Distribution Agreement, dated as of [ ] (the "***Separation Agreement***"), pursuant to which the Separation will be consummated;

WHEREAS, Illumina intends to contribute the Disposal Funding to GRAIL pursuant to Section 3.1 of the Separation Agreement and GRAIL intends to convert from a Delaware limited liability company into a Delaware corporation in accordance with the Delaware Limited Liability Company Act (such contribution and conversion, the "***Contribution***");

WHEREAS, pursuant to the Separation Agreement, Illumina intends to effect the Distribution and retain the Retained Stock;

WHEREAS, the Parties intend that the Distribution, together with the Contribution and certain related transactions, each qualify for their Intended Tax Treatment;

WHEREAS, Illumina and GRAIL desire to set forth their agreement on the rights and obligations of Illumina and GRAIL and the members of the Illumina Group and the GRAIL Group, respectively, with respect to (A) the administration and allocation of federal, state, local, and foreign Taxes incurred in Tax Periods beginning prior to the Distribution Date, (B) Taxes resulting from the Distribution and transactions effected in connection therewith and (C) various other Tax matters.

NOW, **THEREFORE**, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

Section 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Separation Agreement.

"***Adjusted Grossed-Up Basis***" has the meaning set forth in Section 3.04(b) of this Agreement.

"***Adjustment Request***" means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit of Taxes, including (i) any amended Tax Return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, (ii) any claim for equitable recoupment or other offset, and (iii) any claim for refund or credit of Taxes previously paid.

"***Aggregate Deemed Asset Disposition Price***" has the meaning set forth in Section 3.04(b) of this Agreement.

"***Agreement***" has the meaning set forth in the recitals to this Tax Matters Agreement.

"***Capital Stock***" means all classes or series of capital stock of a corporation, including (i) common stock, (ii) all options, warrants and other rights to acquire such capital stock and (iii) all instruments properly treated as stock in such corporation for U.S. federal Income Tax purposes.

"***Closing of the Books Method***" means the apportionment of items between portions of a Tax Period based on a closing of the books and records on the close of the Distribution Date (in the event that the Distribution Date is not the last day of the Tax Period, as if the Distribution Date were the last day of the Tax Period), subject to adjustment for items accrued on the Distribution Date that are properly allocable to the Tax Period following the Distribution Date, as jointly determined by Illumina and GRAIL; *provided*, *however*, that with respect to Property Taxes, such apportionment shall be on the basis of elapsed days during the relevant portion of the Tax Period; *provided further, however*, that any items required to be included in the gross income of a U.S. shareholder (as defined in Section 951(b) of the Code) under Sections 951 or 951A of the Code (or any similar provision of state, local or foreign Tax Law) for a Straddle Period shall be apportioned between the Pre-Distribution Period and Post-Distribution Period as if the taxable year of each member of the Illumina Group and GRAIL Group that is a controlled foreign corporation within the meaning of Section 957 of the Code ended on the Distribution Date.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Contribution***" has the meaning set forth in the recitals to this Agreement.

"***Controlling Party***" has the meaning set forth in Section 9.02(c) of this Agreement.

"***Employee Matters Agreement***" means that Employee Matters Agreement, by and between Illumina and GRAIL, dated as of [ ].

"***Final Determination***" means the final resolution of liability for any Tax for any taxable period by or as a result of (i) a final and unappealable decision, judgment, decree or other order by any court of competent jurisdiction; (ii) a final settlement, compromise or other agreement with the relevant Tax Authority, an agreement that constitutes a determination under Section 1313(a)(4) of the Code, an agreement contained in an IRS Form 870-AD, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code or a comparable agreement under state, local or non-U.S. Law; (iii) the expiration of the applicable statute of limitations; or (iv) the payment of the Tax by a Party (or its Affiliate) that is responsible for payment of that Tax under applicable Law, including with respect to any item disallowed or adjusted by a Tax Authority, as long as both Parties agree that no action should be taken to recoup that payment.

"***GRAIL***" has the meaning provided in the preamble to this Agreement.

"***GRAIL ATB***" has the meaning set forth in Appendix B.

"***GRAIL Disqualifying Act***" means, with respect to any Specified Separation Taxes, (a) any act, or failure or omission to act, including, without limitation, the breach of any covenant or representation contained herein, by any member of the GRAIL Group following the Distribution that results in any Party (or any of its Affiliates) being liable for such Specified Separation Taxes pursuant to a Final Determination, regardless of whether such act or failure to act is covered by a Post-Distribution Ruling or Unqualified Tax Opinion, (b) any event (or series of events) involving Capital Stock of GRAIL or any assets of any member of the GRAIL Group other than the retention or disposition of any Retained Stock by Illumina or any other member of the Illumina Group, or (c) any failure to be true, inaccuracy in, or breach of any of the representations or statements contained in the Tax Materials to the extent descriptive of or otherwise relating to GRAIL or any member of the GRAIL Group or the GRAIL Business; *provided*, that no action required by this Agreement, the Separation Agreement or any Ancillary Agreement shall be considered a GRAIL Disqualifying Act.

"***GRAIL Equity Awards***" means options, share appreciation rights, restricted shares, share units or other compensatory rights with respect to GRAIL Stock.

"***GRAIL SAG***" means the separate affiliated group of GRAIL, within the meaning of Section 355(b)(3)(B) of the Code and the Treasury Regulations promulgated thereunder.

"***GRAIL Separate Return***" means any Tax Return of or including any member of the GRAIL Group (including any consolidated, combined or unitary return) that does not include any member of the Illumina Group.

"***Illumina Disqualifying Act***" means, with respect to any Specified Separation Taxes, (a) any act, or failure or omission to act, including, without limitation, the breach of any covenant or representation contained herein or in the Tax Materials, by any member of the Illumina Group following the Distribution that results in any Party (or any of its Affiliates) being liable for such Specified Separation Taxes pursuant to a Final Determination, (b) any event (or series of events) involving Capital Stock of Illumina or any assets of any member of the Illumina Group, (c) any failure to be true, inaccuracy in, or breach of any of the representations or statements contained in the Tax Materials to the extent descriptive of or otherwise relating to Illumina or any member of the Illumina Group or the Illumina Business or (d) the retention or disposition of any Retained Stock by Illumina or any other member of the Illumina Group; *provided*, that no action required by this Agreement, the Separation Agreement or any Ancillary Agreement shall be considered an Illumina Disqualifying Act.

"***Illumina Investor Selloff***" means 13.1%. The Illumina Investor Selloff is intended to represent dispositions of Illumina Capital Stock in the two-year period ending on the Distribution Date by any ten-percent (10%) shareholder of Illumina Capital Stock (within the meaning of Treasury Regulation § 1.355-7(h)(14)). For the avoidance of doubt, the Illumina Investor Selloff will equal 13.1% regardless of the actual amount of Illumina Capital Stock disposed of by any such ten-precent shareholder of Illumina Capital Stock in such two-year period.

"***Illumina Separate Return***" means any Tax Return of or including any member of the Illumina Group (including any consolidated, combined or unitary return) that does not include any member of the GRAIL Group.

"***Illumina Tax Opinion***" means any opinions or memoranda, as applicable, of Cravath, Swaine & Moore LLP, in form and substance satisfactory to Illumina in its sole discretion, deliverable to Illumina in connection with the Distribution with respect to the qualification of the Separation, Distribution and certain related transactions for their Intended Tax Treatment.

"***Income Tax***" means all U.S. federal, state, local and foreign income, franchise or similar Taxes imposed on (or measured by) net income or net profits, and any interest, penalties, additions to Tax or additional amounts in respect of the foregoing.

"***Intended Tax Treatment***" has the meaning set forth in Appendix A.

"***Interest Rate***" means, with respect to a date, the rate per annum in effect for such date for underpayments under Section 6621 of the Code.

"***IRS***" means the U.S. Internal Revenue Service or any successor agency.

"***Joint Return***" means any Tax Return that includes, by election or otherwise, one or more members of the Illumina Group together with one or more members of the GRAIL Group.

"***Non-Controlling Party***" has the meaning set forth in Section 9.02(c) of this Agreement.

"***Notified Action***" shall have the meaning set forth in Section 6.04(a) of this Agreement.

"***Other Separation Taxes***" means any Taxes imposed on any member of the Illumina Group or the GRAIL Group in connection with the transactions comprising the Separation, other than Specified Separation Taxes.

"***Ordinary Taxes***" means Taxes other than (i) Specified Separation Taxes and (ii) Other Separation Taxes.

"***Parties***" and "***Party***" have the meaning set forth in the preamble to this Agreement.

"***Payment Date***" means, with respect to a Tax Return, (A) the due date for any required installment of estimated Taxes, (B) the due date (determined without regard to extensions) for filing such Tax Return, or (C) the date such Tax Return is filed, as the case may be.

"***Payor***" has the meaning set forth in Section 4.03(a) of this Agreement.

"***PIPE Investment***" means any private placement of Capital Stock in GRAIL that occurs in connection with the Distribution.

"***Planned Acquisitions***" means (A) the retention or disposition of the Retained Stock, (B) the PIPE Investment and (C) the Illumina Investor Selloff.

"***Post-Distribution Period***" means any Tax Period beginning after the Distribution Date and, in the case of any Straddle Period, the portion of such Tax Period beginning on the day after the Distribution Date.

"***Post-Distribution Ruling***" means a ruling from the IRS in form and substance satisfactory to Illumina in its reasonable discretion to the effect that a transaction will not adversely affect any Intended Tax Treatment.

"***Pre-Distribution Period***" means any Tax Period ending on or before the Distribution Date and, in the case of any Straddle Period, the portion of such Straddle Period ending on and including the Distribution Date.

"***Pre-Distribution Ruling***" means any U.S. federal income Tax ruling and any supplements thereto, issued before the Distribution to Illumina by the IRS in connection with the Distribution and any related transactions.

"***Pre-Distribution Ruling Request***" means any information provided by Illumina or its Tax Advisors to the IRS in connection with a Pre-Distribution Ruling.

"***Prior Group***" means any group that filed or was required to file (or will file or be required to file) a Tax Return, for a Tax Period or portion thereof ending at or prior to the close of the Distribution Date, on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code) that includes at least one member of the Illumina Group and at least one member of the GRAIL Group.

"***Privilege***" means any privilege that may be asserted under applicable law, including, any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

"***Proposed Acquisition Transaction***" means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulations § 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by GRAIL management or shareholders, is a hostile acquisition, or otherwise, as a result of which any Person or any group of related Persons would (directly or indirectly) acquire, or have the right to acquire, any shares of Capital Stock in GRAIL that would, when combined with the Planned Acquisitions and any other post-Distribution direct or indirect acquisitions or changes in ownership of the Capital Stock in GRAIL for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, aggregate to forty-five percent 45% or more of the total combined value or voting power of all outstanding shares of Capital Stock of GRAIL as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction in such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by GRAIL of a shareholder rights plan, (ii) issuances by GRAIL that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations § 1.355-7(d), including such issuances net of exercise price and/or tax withholding (provided, however, that any sale of such stock in connection with a net exercise or tax withholding is not exempt under this clause (ii) unless it satisfies the requirements of Safe Harbor VII of Treasury Regulations § 1.355-7(d)) or (iii) acquisitions that satisfy Safe Harbor VII of Treasury Regulations § 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. For purposes of this definition, each reference to GRAIL shall include a reference to any entity treated as a successor thereto. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"***Protective Section 336(e) Election***" has the meaning set forth in Section 3.04(a) of this Agreement.

"***Representation Letter***" means the officer's certificate delivered or deliverable by Illumina, and any of its Affiliates, in connection with the Illumina Tax Opinion.

"***Required Party***" has the meaning set forth in Section 4.03(a) of this Agreement.

"***Responsible Party***" means, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return under this Agreement.

"***Retained Stock***" means any Capital Stock in GRAIL that Illumina retains after the Distribution.

"***Retention Date***" has the meaning set forth in Section 8.01 of this Agreement.

"***Section 336(e) Allocation Statement***" has the meaning set forth in Section 3.04(b) of this Agreement.

"***Section 336(e) Tax Benefit Percentage***" means, with respect to any Specified Separation Taxes and Tax-Related Losses related to the Distribution, the percentage equal to one hundred percent (100%) minus the percentage of such Specified Separation Taxes and Tax-Related Losses related to the Distribution for which Illumina is entitled to indemnification under this Agreement.

"***Separation Agreement***" has the meaning set forth in the recitals to this Agreement.

"***Specified Repurchases or Redemptions***" means repurchases or redemptions of GRAIL stock by GRAIL that satisfy the following criteria: (i) the repurchase or redemption is motivated by a non-tax business purpose, (ii) the stock to be repurchased or redeemed is widely held, (iii) the repurchase or redemption is made in the open market or from or through a securities brokerage or investment bank that is not related to GRAIL at an agreed price or formula (including through a call option or derivative), as part of a repurchase program (including an accelerated share repurchase program) in which the securities brokerage or investment bank purchases shares of stock of GRAIL from anonymous sellers, (iv) the repurchase or redemption is not motivated to any extent by a desire to increase or decrease the ownership percentage of any particular shareholder or group of shareholders, and (v) GRAIL will not know the identity of any shareholder from which its stock is redeemed or repurchased; *provided* that, no repurchase or redemption will be considered a Specified Repurchase or Redemption if at the time of the repurchase or redemption any shareholder of GRAIL was either (A) a controlling shareholder (within the meaning of Treasury Regulations § 1.355-7(h)(3)), (B) a ten-percent shareholder (within the meaning of Treasury Regulations § 1.355-7(h)(14)) or (C) a member of a controlled group of corporations within the meaning of Section 1563 of the Code of which GRAIL is a member.

"***Specified Separation Taxes***" means any and all Taxes incurred by the Illumina Group or the GRAIL Group as a result of the failure of the Separation, Distribution or certain related transactions to qualify for any Intended Tax Treatment; *provided*, *however*, that the failure of any particular amount of Tax Attributes to be in existence at the Distribution shall not be treated as Specified Separation Taxes; *provided further*, *however*, that Specified Separation Taxes shall be indemnified regardless of whether they are paid in cash or by utilizing Tax Attributes.

"***Straddle Period***" means any Tax Period that begins before and ends after the Distribution Date.

"***Tax***" or "***Taxes***" means any tax, assessments, duty or similar charge of any kind whatsoever imposed by any Governmental Authority or political subdivision thereof, in each case in the nature of a tax, and any interest, penalty, additions to tax or additional amounts in respect of the foregoing.

"***Tax Advisor***" means a Tax counsel or accountant, in each case of recognized national standing.

"***Tax Attribute***" means a net operating loss, net capital loss, unused investment credit, unused foreign Tax credit, excess charitable contribution, general business credit, research and development credit, earnings and profits, basis, or any other Tax Item that could reduce a Tax or create a Tax Benefit.

"***Tax Authority***" means, with respect to any Tax, the Governmental Authority or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

"***Tax Benefit***" means any refund, credit, or other item that causes reduction in otherwise required liability for Taxes.

"***Tax Contest***" means an audit, review, examination, contest, litigation, investigation or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

"***Tax Item***" means, with respect to any Income Tax, any item of income, gain, loss, deduction, or credit.

"***Tax Law***" means the Law of any Governmental Authority or political subdivision thereof relating to any Tax.

"***Tax Materials***" means all Pre-Distribution Rulings, Pre-Distribution Ruling Requests, the Illumina Tax Opinion, and Representation Letters.

"***Tax Period***" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

"***Tax Records***" means any (i) Tax Returns, (ii) Tax Return workpapers, (iii) documentation relating to any Tax Contests, and (iv) any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) maintained or required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority, in each case filed or required to be filed with respect to or otherwise relating to Taxes.

"***Tax-Related Losses***" means, with respect to any Specified Separation Taxes, (i) all accounting, legal and other professional fees, and court costs incurred in connection with such Specified Separation Taxes, as well as any other out-of-pocket costs incurred in connection with such Specified Separation Taxes; and (ii) all costs, expenses and damages associated with shareholder litigation or controversies and any amount paid by Illumina (or any Illumina Affiliate) or GRAIL (or any GRAIL Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Tax Authority.

"***Tax Return***" means any report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document filed or required to be filed under the Code or other Tax Law with respect to Taxes, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"***Treasury Regulations***" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

"***Unqualified Tax Opinion***" means an unqualified "will" opinion of a Tax Advisor, which Tax Advisor is reasonably acceptable to Illumina, on which Illumina is permitted to rely to the effect that a transaction will not adversely affect any Intended Tax Treatment; *provided*, that if the Illumina Tax Opinion is not an unqualified "will" opinion with respect to any Intended Tax Treatment, the Unqualified Tax Opinion shall be at the same level of comfort, and subject to the same qualifications, as the Illumina Tax Opinion with respect to such Intended Tax Treatment. The Tax Advisor, in issuing its opinion, shall be permitted to rely on the validity and correctness, as of the date given, of any Pre-Distribution Ruling and the Illumina Tax Opinion, unless such reliance would be unreasonable under the circumstances as a result of a change in Law or facts following the Distribution, and shall assume that the Distribution, Contribution and any related transaction, as applicable, would have qualified for its Intended Tax Treatment if the transaction in question did not occur.

Section 2. Allocation of Tax Liabilities and Tax-Related Losses.

Section 2.01. General Rule.

(a) Illumina Liability. Except with respect to Taxes and Tax-Related Losses described in Section 2.01(b) of this Agreement, Illumina shall be liable for, and shall indemnify and hold harmless the GRAIL Group from and against any liability for:

(i) Taxes that are allocated to Illumina under this Section 2;

(ii) any Taxes resulting from a breach of any of Illumina's representations, warranties or covenants in this Agreement, the Separation Agreement or any Ancillary Agreement;

(iii) Specified Separation Taxes and Tax-Related Losses that are allocated to Illumina under Section 6.05(a) of this Agreement;

(iv) Other Separation Taxes; and

(v) Taxes imposed on GRAIL or any member of the GRAIL Group pursuant to the provisions of Treasury Regulations § 1.1502-6 (or similar provisions of state, local, or foreign Tax Law) as a result of any such member being or having been a member of a Prior Group.

(b) GRAIL Liability. GRAIL shall be liable for, and shall indemnify and hold harmless the Illumina Group from and against any liability for:

(i) Taxes that are allocated to GRAIL under this Section 2;

(ii) any Taxes resulting from a breach of any of GRAIL's representations, warranties or covenants in this Agreement, the Separation Agreement or any Ancillary Agreement; and

(iii) any Specified Separation Taxes and Tax-Related Losses that are allocated to GRAIL under Section 6.05(a) of this Agreement.

Section 2.02. Allocation Principles. Except as otherwise provided in this Section 2 or in Section 6.05(a) of this Agreement, Taxes shall be allocated as follows:

(a) Allocation of Ordinary Taxes for Joint Returns. Illumina shall be allocated all Ordinary Taxes reported, or required to be reported, on any Joint Return for any taxable period.

(b) Allocation of Ordinary Taxes for Separate Returns.

(i) Illumina shall be allocated all Ordinary Taxes reported, or required to be reported, on an Illumina Separate Return for any taxable period.

(ii) GRAIL shall be allocated all Ordinary Taxes reported, or required to be reported, on a GRAIL Separate Return for any taxable period.

Section 2.03. Allocation Conventions.

(a) All Taxes allocated pursuant to Section 2.02 of this Agreement shall be allocated in accordance with the Closing of the Books Method.

(b) Any Tax Item of any member of the Illumina Group or GRAIL Group arising from a transaction engaged in outside of the ordinary course of business on the Distribution Date after the Effective Time shall be properly allocable to such member's Group and any such transaction occurring after the Effective Time shall be treated for all Tax purposes (to the extent permitted by applicable Tax Law) as occurring at the beginning of the day following the Distribution Date in accordance with the principles of Treasury Regulation § 1.1502-76(b) or any similar provisions of state, local or foreign Law.

Section 3. Preparation and Filing of Tax Returns.

Section 3.01. Illumina Separate Returns and Joint Returns.

(a) Illumina shall prepare and file, or cause to be prepared and filed, all Joint Returns and Illumina Separate Returns, and each member of the GRAIL Group to which any such Joint Return relates shall execute and file such consents, elections and other documents as Illumina may determine, after consulting with GRAIL in good faith, are required or appropriate, or otherwise requested by Illumina in connection with the filing of such Joint Return. GRAIL will elect and join, and will cause its respective Affiliates to elect and join, in filing any Joint Returns that Illumina determines are required to be filed or that Illumina elects to file, in each case pursuant to this Section 3.01(a). With respect to any Joint Return or Illumina Separate Return that could reasonably be expected to adversely affect any member of the GRAIL Group,

Illumina shall submit a draft of such Tax Return to GRAIL at least thirty (30) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions), GRAIL shall have the right to review such Tax Return and to submit to Illumina any reasonable changes to such Tax Return no later than fifteen (15) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). The Parties agree to consult and to attempt to resolve in good faith any issues arising as a result of the review of any such Tax Return; *provided*, *however*, that nothing in this Section 3.01 shall prevent Illumina from timely filing (or causing to be timely filed) such Tax Return.

(b) The Parties and their respective Affiliates shall elect to close the Tax Period of each member of the GRAIL Group on the Distribution Date, to the extent permitted by applicable Tax Law.

Section 3.02. GRAIL Separate Returns. GRAIL shall prepare and file (or cause to be prepared and filed) all GRAIL Separate Returns. With respect to any GRAIL Separate Return that could reasonably be expected to adversely affect any member of the Illumina Group, GRAIL shall submit a draft of such Tax Return to Illumina at least thirty (30) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions), Illumina shall have the right to review such Tax Return and to submit to GRAIL any reasonable changes to such Tax Return no later than fifteen (15) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). The Parties agree to consult and to attempt to resolve in good faith any issues arising as a result of the review of any such Tax Return; *provided*, *however*, that nothing in this Section 3.02 shall prevent GRAIL from timely filing (or causing to be timely filed) such Tax Return.

Section 3.03. Tax Reporting Consistent with Intended Tax Treatment. The Parties shall prepare all Tax Returns consistent with the Intended Tax Treatment unless, and then only to the extent, required pursuant to a Final Determination.

Section 3.04. Protective Section 336(e) Elections.

(a) General. The Parties hereby agree that, if Illumina shall determine in its sole discretion, prior to the applicable due dates of such elections, that the Parties should make a protective election under Section 336(e) of the Code (and any similar provision of applicable state or local Tax Law) with respect to the Distribution for GRAIL (the "***Protective Section 336(e) Election***"), then the Parties shall enter into a written, binding agreement to make the Protective Section 336(e) Election, and the Parties shall timely make the Protective Section 336(e) Election in accordance with Treasury Regulations § 1.336-2(h). For the avoidance of doubt, such agreement is intended to constitute a written, binding agreement to make the Protective Section 336(e) Election within the meaning of Treasury Regulations § 1.336-2(h)(1)(i).

(b) Cooperation and Reporting. Illumina and GRAIL shall cooperate in making the Protective Section 336(e) Election, if any, including filing any statements, amending any Tax Returns or undertaking such other actions reasonably necessary to carry out the Protective Section 336(e) Election. Illumina shall determine the "***Aggregate Deemed Asset Disposition Price***" and the "***Adjusted Grossed-Up Basis***" (each as defined under applicable

Treasury Regulations) and the allocation of such Aggregate Deemed Asset Disposition Price and Adjusted Grossed-Up Basis among the disposition date assets of the applicable member or members of the Illumina Group or GRAIL Group, each in accordance with the applicable provisions of Section 336(e) of the Code and applicable Treasury Regulations (the "***Section 336(e) Allocation Statement***"). Illumina shall submit a draft of the Section 336(e) Allocation Statement to GRAIL and accept any reasonable changes thereto requested by GRAIL no later than sixty (60) days following GRAIL's receipt of such draft. Each Party agrees not to take any position (and to cause each of its Affiliates not to take any position) that is inconsistent with the Protective Section 336(e) Election, including the Section 336(e) Allocation Statement, on any Tax Return, in connection with any Tax Contest or for any other Tax purposes (in each case, excluding any position taken for financial accounting purposes), except as required by a Final Determination.

(c) Tax Benefit Payments by GRAIL. In the event that the Distribution fails to qualify for its Intended Tax Treatment and Illumina is not entitled to indemnification for one hundred percent (100%) of any Specified Separation Taxes and Tax-Related Losses relating to the Distribution arising from such failure, Illumina shall be entitled to quarterly payments from GRAIL equal to the Section 336(e) Tax Benefit Percentage of the actual Tax savings if, as and when realized by the GRAIL Group arising from the step up in Tax basis (including, for the avoidance of doubt, any such step up attributable to payments made pursuant to this Section 3.04(c)) resulting from the Protective Section 336(e) Election in the Tax Period in which such step up in Tax basis is depreciated, amortized or used to reduce taxable income or gain on a disposition, determined on a "with and without" basis (treating any deductions or amortization attributable to the step up in Tax basis resulting from the Protective 336(e) Election, or any other recovery of such step up, as the last items claimed for any taxable year), including after the utilization of any available net operating loss carryforwards; *provided*, *however*, that such payments: (i) shall be reduced by all reasonable costs incurred by any member of the GRAIL Group to amend any Tax Returns or other governmental filings related to such Protective Section 336(e) Election and (ii) shall not exceed the amount of any Specified Separation Taxes and Tax-Related Losses relating to the Distribution incurred by the Illumina Group (not taking into account this Section 3.04(c)) as a result of such failure for which Illumina is not entitled to indemnification under this Agreement.

Section 3.05. GRAIL Carrybacks and Claims for Refund.

(a) GRAIL hereby agrees that, unless Illumina consents in writing (which consent may not be unreasonably withheld, conditioned, or delayed) or as required by Law, no member of the GRAIL Group (nor its successors) shall file any Adjustment Request with respect to any Tax Return that could affect any Joint Return or any other Tax Return reflecting Taxes for which Illumina could reasonably be expected to be responsible under Section 2.

(b) Illumina hereby agrees that, unless GRAIL consents in writing (which consent may not be unreasonably withheld, conditioned, or delayed) or as required by Law, no member of the Illumina Group shall file any Adjustment Request with respect to any GRAIL Separate Return.

Section 3.06. Apportionment of Tax Attributes. Tax Attributes arising in a Pre-Distribution Period will be allocated to (and the benefits and burdens of such Tax Attributes will inure to) the members of the Illumina Group and the members of the GRAIL Group in accordance with the Code, Treasury Regulations, and any other applicable Tax Law.

Section 4. Tax Payments.

Section 4.01. Taxes Shown on Tax Returns. Illumina shall pay (or cause to be paid) to the proper Tax Authority the Tax shown as due on any Tax Return that a member of the Illumina Group is responsible for preparing under Section 3 of this Agreement, and GRAIL shall pay (or cause to be paid) to the proper Tax Authority the Tax shown as due on any Tax Return that a member of the GRAIL Group is responsible for preparing under Section 3 of this Agreement.

Section 4.02. Adjustments Resulting in Underpayments. In the case of any adjustment pursuant to a Final Determination with respect to any Tax, the Party to which such Tax is allocated pursuant to this Agreement shall pay to the applicable Tax Authority when due any additional Tax required to be paid as a result of such adjustment.

Section 4.03. Indemnification Payments.

(a) If any Party (the "***Payor***") is required under applicable Tax Law to pay to a Tax Authority a Tax that another Party (the "***Required Party***") is liable for under this Agreement, including in the case of any adjustment pursuant to a Final Determination with respect to any Tax, the Required Party shall reimburse the Payor within ten (10) Business Days of delivery by the Payor to the Required Party of an invoice for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Except as otherwise provided in the following sentence, the Required Party shall also pay to the Payor any reasonable third-party costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses) within ten (10) Business Days after the Payor's written demand therefor, accompanied by evidence of payment and a statement detailing the amounts paid and describing in reasonable detail the particulars relating thereto. If and to the extent any Specified Separation Taxes are determined regarding the failure of the Intended Tax Treatment, the Party allocated responsibility for Tax-Related Losses associated with such Specified Separation Taxes under Section 2.01 of this Agreement shall pay such Tax-Related Losses to Illumina (if such responsible Party is GRAIL) or GRAIL (if such responsible Party is Illumina) within ten (10) Business Days after written demand therefor, accompanied by evidence of payment and a statement detailing the amounts paid and describing in reasonable detail the particulars relating thereto. Notwithstanding the foregoing, if Illumina or GRAIL disputes in good faith the fact or the amount of its obligation hereunder, then no payment of the amount in dispute shall be required until any such good faith dispute is resolved; *provided*, *however*, that any amount not paid by the due date otherwise provided in this Section 4 shall bear interest from such due date computed at the Interest Rate with respect to such due date or the maximum rate permitted by Law, whichever is less.

(b) All indemnification payments under this Agreement shall be made by Illumina directly to GRAIL and by GRAIL directly to Illumina; *provided*, *however*, that if the Parties mutually agree for administrative convenience with respect to any such indemnification payment, any member of the Illumina Group, on the one hand, may make such indemnification payment to any member of the GRAIL Group, on the other hand, and vice versa.

Section 5. Tax Refunds. Illumina shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which Illumina is liable hereunder and any other payment from a Tax Authority in respect of a Tax Return that Illumina is required to file under Section 3.01, and GRAIL shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which GRAIL is liable hereunder and any other payment from a Tax Authority in respect of a Tax Return that GRAIL is required to file under Section 3.02; *provided*, *however*, that if a Party that receives a refund or other amount pays over to the other Party such refund or other amount in accordance with this Section 5, the Party entitled to such refund or other amount shall, upon request of the Party that received such refund or other amount, repay such refund or other amount to the Party that received such refund or other amount in the event that the Party that received such refund or other amount is required to repay such refund or other amount to the applicable Tax Authority.

Section 6. Intended Tax Treatment.

Section 6.01. Restrictions on Members of the GRAIL Group.

(a) GRAIL will not, and will not permit any other member of the GRAIL Group to, take or fail to take, as applicable, (i) any action where such action or failure to act would be inconsistent with or cause to be untrue any statement, information, covenant or representation in the Tax Materials or (ii) any action where such action or failure to act could reasonably be expected to adversely affect any Intended Tax Treatment.

(b) GRAIL and each other member of the GRAIL Group agrees that, from the Distribution Date until the first Business Day after the two-year anniversary of the Distribution Date:

(i) GRAIL will continue and cause to be continued the GRAIL ATB by the GRAIL SAG;

(ii) GRAIL will not enter into any Proposed Acquisition Transaction or, to the extent GRAIL or any other member of the GRAIL Group has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (A) redeeming rights under a shareholder rights plan, (B) finding a tender offer to be a "permitted offer" under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, (C) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the General Corporation Law of the State of Delaware or any similar corporate statute, any "fair price" or other provision of the charter or bylaws of GRAIL, (D) amending its certificate of incorporation to declassify its board of directors or approving any such amendment or (E) otherwise);

(iii) GRAIL will not, nor will it agree to, merge, consolidate or amalgamate with any other Person, unless, in the case of a merger or consolidation, GRAIL is the survivor of the merger or consolidation;

(iv) GRAIL will not in a single transaction or series of transactions sell, transfer or otherwise dispose of (including any transaction treated for U.S. federal Income Tax purposes as a sale, transfer or disposition), or permit any other member of the GRAIL Group to sell, transfer or otherwise dispose of, thirty percent (30%) or more of the gross assets of the GRAIL ATB (such percentage to be measured based on fair market value as of the Distribution Date), in each case other than (A) sales, transfers or other dispositions of assets in the ordinary course of business, (B) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (C) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal Income Tax purposes, (D) any mandatory or optional repayment (or pre-payment) of any indebtedness of GRAIL or any member of the GRAIL Group or (E) any sales, transfers or other dispositions of assets within the GRAIL SAG;

(v) GRAIL will not redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, of GRAIL, except (A) to the extent such repurchases are Specified Repurchases or Redemptions (without regard to the proviso in the definition of "Specified Repurchases or Redemptions"), provided that there is no plan or intention that the aggregate amount of stock repurchases will equal or exceed 20 percent of the outstanding stock of GRAIL, (B) to the extent reasonably necessary to pay the total tax liability arising from the vesting of a GRAIL Equity Award, or (C) through a net exercise of a GRAIL Equity Award;

(vi) GRAIL will not amend, or permit any other member of the GRAIL Group to amend, its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of Capital Stock of GRAIL (including, without limitation, through the conversion of one class of Capital Stock of GRAIL into another class of Capital Stock of GRAIL); and

(vii) GRAIL will not take, or permit any other member of the GRAIL Group to take, any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Tax Materials) which in the aggregate (and taking into account any other transactions described in this subparagraph (b)) would reasonably be expected to result in a failure to preserve any Intended Tax Treatment;

unless, in each case, prior to taking any such action set forth in the foregoing clauses (i) through (vii), (A) Illumina shall have obtained a Post-Distribution Ruling, (B) Illumina shall have obtained an Unqualified Tax Opinion in form and substance satisfactory to Illumina in its reasonable discretion or (C) Illumina shall have waived the requirement to obtain such Post-Distribution Ruling or Unqualified Tax Opinion. In determining whether any Post-Distribution

Ruling or Unqualified Tax Opinion is in form and substance satisfactory to Illumina in its reasonable discretion, Illumina (I) may consider, among other factors, the appropriateness of any underlying assumptions and management's representations used as a basis for such Post-Distribution Ruling or Unqualified Tax Opinion and Illumina's views on the substantive merits of the legal analysis contained therein, and (II) must exercise such discretion in good faith solely to preserve the Intended Tax Treatment.

Section 6.02. Restrictions on Members of the Illumina Group. Illumina will not, and will not permit any other member of the Illumina Group to, take or fail to take, as applicable, any action where such action or failure to act would be inconsistent with or cause to be untrue any statement, information, covenant or representation in the Tax Materials. Illumina agrees that it will not take or fail to take, or permit any member of the Illumina Group, as the case may be, to take or fail to take, any action where such action or failure to act could reasonably be expected to adversely affect any Intended Tax Treatment.

Section 6.03. Tax Opinions. The Parties shall use their best efforts to cause the Illumina Tax Opinion to be issued, including by executing any Representation Letters reasonably requested in connection with the Illumina Tax Opinion; provided, that each Party shall have been provided with a reasonable opportunity to review, comment and consent to the content of any Representation Letter to be executed by it (such consent not to be unreasonably withheld, conditioned or delayed).

Section 6.04. Procedures Regarding Opinions and Post-Distribution Rulings.

(a) If GRAIL notifies Illumina that it desires to take one of the actions described in Section 6.01(b) of this Agreement (a "***Notified Action***"), Illumina shall cooperate with GRAIL in good faith and use its commercially reasonable efforts to seek to obtain a Post-Distribution Ruling or Unqualified Tax Opinion for the purpose of permitting GRAIL to take the Notified Action unless Illumina shall have waived the requirement (in Illumina's sole discretion) to obtain such Post-Distribution Ruling or Unqualified Tax Opinion. If such a Post-Distribution Ruling is to be sought, Illumina shall apply for such Post-Distribution Ruling, and Illumina and GRAIL shall jointly control the process of obtaining such Post-Distribution Ruling. In no event shall Illumina be required to file any request for a Post-Distribution Ruling under this Section 6.04(a) unless GRAIL represents that all information and representations, if any, relating to any member of the GRAIL Group, contained in such request documents are (subject to any qualifications therein) true, correct and complete and obtains certification from any counterparty to any Proposed Acquisition Transaction that all information and representations relating to such counterparty in such request documents are (subject to any qualifications therein) true, correct and complete. GRAIL shall reimburse Illumina for all reasonable costs and expenses incurred by the Illumina Group in connection with such cooperation within ten (10) Business Days after receiving an invoice from Illumina therefor, accompanied by evidence of payment and a statement detailing the amounts paid and describing in reasonable detail the particulars relating thereto.

(b) Illumina shall have the right to obtain a Post-Distribution Ruling or tax opinion at any time in its sole and absolute discretion. If Illumina determines to obtain such a Post-Distribution Ruling or tax opinion, Illumina shall have exclusive control over the process and GRAIL shall (and shall cause its Affiliates to) cooperate with Illumina and take any and all actions reasonably requested by Illumina in connection with obtaining the Post-Distribution Ruling or tax opinion (including, without limitation, by making any reasonable representation or covenant or providing any materials or information requested by the IRS or any Tax Advisor). Illumina shall reimburse GRAIL for all reasonable costs and expenses incurred by the GRAIL Group in connection with such cooperation within ten (10) Business Days after receiving an invoice from GRAIL therefor, accompanied by evidence of payment and a statement detailing the amounts paid and describing in reasonable detail the particulars relating thereto.

(c) Following the Effective Time, GRAIL shall not, nor shall GRAIL permit any of its Affiliates to, seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Separation (including the impact of any transaction on any Intended Tax Treatment) or a Pre-Distribution Period without obtaining Illumina's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

Section 6.05. Liability for Specified Separation Taxes and Tax-Related Losses.

(a) In the event that Specified Separation Taxes become due and payable to a Tax Authority pursuant to a Final Determination, then, notwithstanding anything to the contrary in this Agreement:

(i) if such Specified Separation Taxes are attributable to a GRAIL Disqualifying Act, then GRAIL shall be allocated such Specified Separation Taxes and corresponding Tax-Related Losses;

(ii) if such Specified Separation Taxes are attributable to an Illumina Disqualifying Act, then Illumina shall be allocated such Specified Separation Taxes and corresponding Tax-Related Losses;

(iii) if such Specified Separation Taxes are attributable to both a GRAIL Disqualifying Act and an Illumina Disqualifying Act, then such Specified Separation Taxes and corresponding Tax-Related Losses shall be allocated between Illumina and GRAIL in proportion to the relative contribution of the members of the Illumina Group, one the one hand, and the members of the GRAIL Group, on the other hand, to the circumstances giving rise to such Specified Separation Taxes; and

(iv) if such Specified Separation Taxes are not attributable to either a GRAIL Disqualifying Act or an Illumina Disqualifying Act, then Illumina shall be allocated such Specified Separation Taxes and corresponding Tax-Related Losses.

(b) GRAIL shall pay Illumina the amount of any Specified Separation Taxes for which GRAIL is responsible under this Section 6.05 as a result of a Final Determination no later than two (2) Business Days after the date such Specified Separation Taxes are determined as a result of a Final Determination to be due.

Section 6.06. Planned Acquisitions. Illumina hereby represents and warrants to GRAIL that (i) the Planned Acquisitions have not and will not result in an acquisition of more than 33% of either the total combined value or voting power of all outstanding shares of Capital Stock of GRAIL determined as of the Distribution Date, and (ii) other than the Planned Acquisitions, there have not been any direct or indirect acquisitions of Capital Stock of GRAIL that may be treated as part of a "plan" or "series of related transactions" with the Distribution for purposes of Section 355(e) of the Code.

Section 7. Assistance and Cooperation.

Section 7.01. Assistance and Cooperation.

(a) The Parties shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, as reasonably requested in connection with Tax matters relating to the Parties and their Affiliates, including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession relating to any other Party and its Affiliates reasonably available to such other Party as provided in Section 7 of this Agreement. Each of the Parties shall also make available to any other Party, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Parties or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes.

(b) Any information or documents provided under this Agreement shall be kept confidential by the Party receiving the information or documents, except to the extent otherwise necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. In addition, in the event that Illumina determines that the provision of any information or documents to GRAIL or any GRAIL Affiliate, or GRAIL determines that the provision of any information or documents to Illumina or any Illumina Affiliate, could be commercially detrimental, violate any Law or agreement or waive any Privilege, the Parties shall use commercially reasonable efforts to permit each other's compliance with its obligations under this Section 7 in a manner that avoids any such harm or consequence.

(c) Tax Return Information. Each of Illumina and GRAIL, and each member of their respective Groups, acknowledges that time is of the essence in relation to any request for information, assistance or cooperation made pursuant to this Section 7. Each of Illumina and GRAIL, and each member of their respective Groups, acknowledges that failure to conform to the reasonable deadlines set by the Party making such request could cause irreparable harm. Each Party shall provide to the other Party information and documents relating to its Group reasonably required by the other Party to prepare Tax Returns, including any pro forma returns required by the Responsible Party for purposes of preparing such Tax Returns. Any information or documents the Responsible Party requires to prepare such Tax Returns shall be provided in such form as the Responsible Party reasonably requests and at or prior to the time reasonably specified by the Responsible Party so as to enable the Responsible Party to file such Tax Returns on a timely basis.

(d) Reliance by Illumina. If any member of the GRAIL Group supplies information to a member of the Illumina Group in connection with a Tax liability and an officer of a member of the Illumina Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Illumina Group identifying the information being so relied upon, the chief financial officer of GRAIL (or any officer of GRAIL as designated by the chief financial officer of GRAIL) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. GRAIL agrees to indemnify and hold harmless each member of the Illumina Group and its directors, officers and employees from and against any fine, penalty or other cost or expense of any kind attributable to a member of the GRAIL Group having supplied, pursuant to this Section 7, a member of the Illumina Group with inaccurate or incomplete information in connection with a Tax liability.

(e) Reliance by GRAIL. If any member of the Illumina Group supplies information to a member of the GRAIL Group in connection with a Tax liability and an officer of a member of the GRAIL Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the GRAIL Group identifying the information being so relied upon, the chief financial officer of Illumina (or any officer of Illumina as designated by the chief financial officer of Illumina) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. Illumina agrees to indemnify and hold harmless each member of the GRAIL Group and its directors, officers and employees from and against any fine, penalty or other cost or expense of any kind attributable to a member of the Illumina Group having supplied, pursuant to this Section 7, a member of the GRAIL Group with inaccurate or incomplete information in connection with a Tax liability.

Section 8. Tax Records.

Section 8.01. Retention of Tax Records. Each of Illumina and GRAIL shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Distribution Periods, and Illumina shall preserve and keep all other Tax Records relating to Taxes of the Illumina and GRAIL Groups for Pre-Distribution Periods, for so long as the contents thereof may be or become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (i) the expiration of any applicable statutes of limitations, or (ii) seven (7) years after the Distribution Date (such later date, the "***Retention Date***"). After the Retention Date, each of Illumina and GRAIL may dispose of such Tax Records at any time prior to receiving written notice from the other Party that such other Party will take possession of such Tax Records. If, prior to the Retention Date, (a) Illumina or GRAIL reasonably determines that any Tax Records which it would otherwise be required to preserve and keep under this Section 8 are no longer material in the administration of any matter under the Code or other applicable Tax Law, then such first Party may dispose of such Tax Records upon sixty (60) Business Days' prior notice to the other Party unless such Party receives

prior written notice from such other Party that it will take possession of such Tax Records. Any notice of an intent to dispose given pursuant to this Section 8.01 shall include a list of the Tax Records to be disposed of describing in reasonable detail each file, book, or other record accumulation being disposed. A Party providing timely written notice that it intends to take possession of Tax Records pursuant to this Section 8.01 shall have the opportunity, at its cost and expense, to copy or remove, within sixty (60) Business Days of providing such notification, all or any part of such Tax Records. If, at any time prior to the Retention Date, a Party or any of its Affiliates determines to decommission or otherwise discontinue any computer program or information technology system used to access or store any Tax Records, then such program or system may be decommissioned or discontinued upon ninety (90) Business Days' prior notice to the other Party and the other Party shall have the opportunity, at its cost and expense, to copy, within such ninety (90) Business Day period, all or any part of the underlying data relating to the Tax Records accessed by or stored on such program or system.

Section 8.02. Access to Tax Records. The Parties and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records (and, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession pertaining to (i) in the case of any Tax Return of the Illumina Group, the portion of such return that relates to Taxes for which the GRAIL Group may be liable pursuant to this Agreement, if any, or (ii) in the case of any Tax Return of the GRAIL Group, the portion of such return that relates to Taxes for which the Illumina Group may be liable pursuant to this Agreement, if any, and shall permit the other Party and its Affiliates, authorized agents and representatives and any representative of a Tax Authority or other Tax auditor direct access, at the cost and expense of the requesting Party, during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Party in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation, or the resolution of items under this Agreement.

Section 8.03. Preservation of Privilege. The Parties and their respective Affiliates shall not provide access to, copies of, or otherwise disclose to any Person any documentation relating to Taxes existing prior to the Distribution Date to which Privilege may reasonably be asserted without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

Section 9. Tax Contests.

Section 9.01. Notice. Each Party shall provide prompt notice to the other Party of any written communication from a Tax Authority regarding any pending Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware (i) related to Taxes for Tax Periods for which the other Party may reasonably be expected to be required to indemnify the receiving Party hereunder or for which the receiving Party may be required to indemnify the other Party hereunder, (ii) relating to a GRAIL Separate Return that could reasonably be expected to materially adversely affect any member of the Illumina Group or (iii) otherwise relating to the Intended Tax Treatment or the Separation (including the resolution of any Tax Contest relating thereto). Such notice shall attach copies of the pertinent portion of any written

communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. A failure by an indemnified Party to give notice as provided in this Section 9.01 shall not relieve the indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party is actually prejudiced by such failure.

Section 9.02. Control of Tax Contests.

(a) Illumina Control. Notwithstanding anything in this Agreement to the contrary, Illumina shall have the exclusive right to control any Tax Contest with respect to any Tax matters relating to (i) a Joint Return, (ii) an Illumina Separate Return, (iii) Specified Separation Taxes and (iv) Other Separation Taxes. Subject to Section 9.02(c) and Section 9.02(d), Illumina shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any such Tax Contest.

(b) GRAIL Control. Except as otherwise provided in this Section 9.02, GRAIL shall have the right to control any Tax Contest with respect to any Tax matters relating to any GRAIL Separate Return. Subject to Section 9.02(c) and Section 9.02(d) of this Agreement, GRAIL shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any such Tax Contest.

(c) Settlement Rights. The Controlling Party shall have the sole right to contest, litigate, compromise and settle any Tax Contest without obtaining the prior consent of the Non-Controlling Party; *provided*, that to the extent any such Tax Contest (i) could reasonably be expected to give rise to a claim for indemnity by the Controlling Party or its Affiliates against the Non-Controlling Party or its Affiliates under this Agreement, or (ii) could reasonably be expected to materially adversely affect any member of the other Party's Group, then the Controlling Party shall not settle any such Tax Contest without the Non-Controlling Party's prior written consent (which consent may not be unreasonably withheld, conditioned, or delayed). Subject to Section 9.02(e) of this Agreement, and unless waived by the Parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement: (I) the Controlling Party shall keep the Non-Controlling Party reasonably informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (II) the Controlling Party shall timely provide the Non-Controlling Party copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (III) the Controlling Party shall timely provide the Non-Controlling Party with copies of the relevant portions of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; (IV) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; and (V) the Controlling Party shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation

that it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually and materially harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party. In the case of any Tax Contest described in this Section 9, "***Controlling Party***" means the Party entitled to control the Tax Contest under such Section and "***Non-Controlling Party***" means (x) Illumina if GRAIL is the Controlling Party and (y) GRAIL if Illumina is the Controlling Party.

(d) Tax Contest Participation. Subject to Section 9.02(e) of this Agreement, and unless waived by the Parties in writing, the Controlling Party shall provide the Non-Controlling Party with written notice reasonably in advance of, and the Non-Controlling Party shall have the right to attend, any formally scheduled meetings with Tax Authorities or hearings or proceedings before any judicial authorities in connection with any potential adjustment in a Tax Contest (i) pursuant to which the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement or (ii) that is with respect to a GRAIL Separate Return that could reasonably be expected to materially adversely affect any member of the Illumina Group. The failure of the Controlling Party to provide any notice specified in this Section 9.02(d) to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

(e) Joint Returns. Notwithstanding anything in this Section 9 to the contrary, in the case of a Tax Contest related to a Joint Return, the rights of GRAIL and its Affiliates under Section 9.02(c) and Section 9.02(d) of this Agreement shall be limited in scope to the portion of such Tax Contest relating to Taxes for which GRAIL may reasonably be expected to become liable to make any indemnification payment to Illumina under this Agreement.

(f) Power of Attorney. Each member of the GRAIL Group shall execute and deliver to Illumina (or such member of the Illumina Group as Illumina shall designate) any power of attorney or other similar document reasonably requested by Illumina (or such designee) in connection with any Tax Contest (as to which Illumina is the Controlling Party) described in this Section 9. Each member of the Illumina Group shall execute and deliver to GRAIL (or such member of the GRAIL Group as GRAIL shall designate) any power of attorney or other similar document reasonably requested by GRAIL (or such designee) in connection with any Tax Contest (as to which GRAIL is the Controlling Party) described in this Section 9.

Section 10. Survival of Obligations. The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 11. Tax Treatment of Payments.

Section 11.01. General Rule. Unless otherwise required by a Final Determination, the Parties will treat any payment made pursuant to Section 3.2 of the Separation Agreement or any indemnity payment made pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement as an adjustment to the Disposal Funding contributed in the Contribution (and with respect to aggregate amounts in excess of the Disposal Funding, if any, a non-taxable distribution) or a capital contribution, as the case may be, made immediately prior to the Distribution; *provided*, *however*, that any such payment that is made or received by a Person other than Illumina or GRAIL, as the case may be, shall be treated as if made or received by the payor or the recipient as agent for Illumina or GRAIL, in each case as appropriate.

Section 11.02. Interest. Notwithstanding anything in Section 12 or otherwise herein or in the Separation Agreement to the contrary, to the extent one Party makes a payment of interest to the other Party under this Agreement with respect to the period from the date that the Party receiving the interest payment made a payment of Tax to a Tax Authority to the date that the Party making the interest payment reimbursed the Party receiving the interest payment for such Tax payment, (I) the interest payment shall be treated as interest expense to the Party making such payment (deductible to the extent provided by Law) and as interest income by the Party receiving such payment (includible in income to the extent provided by Law) and (II) the amount of the payment shall not be adjusted to take into account any associated Tax Benefit to the Party making such payment or increase in Tax to the Party receiving such payment.

Section 12. Indemnification Payments. Any indemnity payment made under this Agreement, the Separation Agreement or any Ancillary Agreement that is not governed by Section 3.04(c) shall be (i) increased as necessary so that after making all payments in respect to Taxes imposed on or attributable to such indemnity payment, the recipient Party receives an amount equal to the sum it would have received had no such Taxes been imposed, and (ii) reduced to take into account any Tax Benefit actually realized by the indemnified Party resulting from the incurrence of the liability, obligation, loss or payment in respect of which the indemnity payment is made.

Section 13. General Provisions.

Section 13.01. Complete Agreement. This Agreement, the Separation Agreement, the Ancillary Agreements and the exhibits, annexes and schedules hereto and thereto, contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein or therein.

Section 13.02. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to each other Party. The exchange of a fully executed Agreement (in counterparts or otherwise) by facsimile, electronic mail (including .pdf, docusign or other electronic signature) or other transmission method shall be deemed to have been duly and validly delivered and shall be sufficient to bind the parties to the terms and conditions of this Agreement.

Section 13.03. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by email with receipt confirmed, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 13.03):

If to Illumina, to:

Illumina, Inc.
5200 Illumina Way
San Diego, CA 92122
Attention: Scott Kreil
Email: skreil@illumina.com

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP
Two Manhattan West
375 Ninth Avenue
New York, NY 10001
Attention: Ronald E. Creamer Jr.
Email: rcreamer@cravath.com

If to GRAIL, to:

[ ]

Attention: [ ]
Email: [ ]

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

Section 13.04. Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 13.05. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it sought to enforce such waiver, amendment, supplement or modification is sought to be enforced.

Section 13.06. Assignability. This Agreement shall be binding upon and inure to the benefit of the other Party or the other parties hereto and thereto, respectively, and their respective successors and permitted assigns; *provided*, *however*, that no Party or party hereto may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement in whole in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Group from being party to or undertaking a change of control.

Section 13.07. Subsidiaries. Each of the Parties shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any entity that is a Subsidiary of such Party after the Effective Time.

Section 13.08. Headings. The article, section and paragraph headings and the table of contents contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 13.09. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware applicable to contracts made and to be performed in the state of Delaware.

Section 13.10. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY AGREEMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY BASED UPON, RELATING TO OR ARISING FROM THIS AGREEMENT AND ANY OF THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.10.

Section 13.11. Specific Performance. Subject to Section 9.2 of the Separation Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its or their rights under this Agreement, in addition

to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 13.12. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 13.13. Payment Terms.

(a) Except as otherwise expressly provided to the contrary in this Agreement, any amount to be paid or reimbursed by a Party (where applicable, or a member of such Party's Group) to the other Party (where applicable, or a member of such other Party's Group) under this Agreement shall be paid or reimbursed hereunder within thirty (30) Business Days after presentation of an invoice or a written demand therefor, in either case setting forth, or accompanied by, reasonable documentation or other reasonable explanation supporting such amount.

(b) Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement (and any amount billed or otherwise invoiced or demanded and properly payable that is not paid within thirty (30) Business Days of such bill, invoice or other demand) shall bear interest at a rate per annum equal to the Interest Rate with respect to the due date of such payment or the maximum rate permitted by Law, whichever is less, calculated for the actual number of days elapsed, accrued from the date on which such payment was due up to the date of the actual receipt of payment.

(c) Without the consent of the Party receiving any payment under this Agreement specifying otherwise, all payments to be made by either Illumina or GRAIL under this Agreement shall be made in U.S. dollars. Except as expressly provided herein, any amount which is not expressed in U.S. dollars shall be converted into U.S. dollars by using the exchange rate published on Bloomberg at 5:00 pm, Eastern time, on the day before the relevant date, or in *The Wall Street Journal* on such date if not so published on Bloomberg. Except as expressly provided herein, in the event that any Tax indemnity payment required to be made hereunder may be denominated in a currency other than U.S. dollars, the amount of such payment shall be converted into U.S. dollars on the date in which notice of the claim is given to the indemnifying Party.

Section 13.14. No Admission of Liability. The allocation of assets and liabilities herein is solely for the purpose of allocating such assets and liabilities between Illumina and GRAIL and is not intended as an admission of liability or responsibility for any alleged liabilities vis-à -vis any Third Party, including with respect to the liabilities of any non-wholly owned subsidiary of Illumina or GRAIL.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

ILLUMINA, INC.

By: _____
Name:
Title:

[GRAIL, LLC]

By: _____
Name:
Title:

[Signature Page to Tax Matters Agreement]

Intended Tax Treatment

"***Intended Tax Treatment***" means the following U.S. federal income Tax consequences in connection with the Contribution, the Distribution, and certain related transactions:

a) the qualification of the Contribution and Distribution, taken together, as a "reorganization" under Section 355(a) and 368(a)(1)(D) of the Code;

b) the qualification of the Distribution as a transaction in which the GRAIL Capital Stock distributed to holders of Illumina Capital Stock is "qualified property" for purposes of Sections 355 and 361(a) of the Code (and neither Section 355(d) nor Section 355(e) of the Code causes such GRAIL Capital Stock to be treated as other than "qualified property" for such purposes);

c) the nonrecognition of income, gain, or loss by Illumina or GRAIL on the Contribution and the Distribution under Sections 355, 361, and/or 1032 of the Code, as applicable;

d) the nonrecognition of income, gain, or loss by holder of Illumina Capital Stock upon the receipt of GRAIL Capital Stock in the Distribution (except with respect of cash in lieu of fractional shares of GRAIL Capital Stock, if any) under Section 355 of the Code.

GRAIL ATB

"***GRAIL ATB***" means the multi-cancer early detection testing business conducted by GRAIL, LLC and GRAIL UK immediately before the Distribution and since at least August 18, 2021, the date upon which Illumina completed its acquisition of GRAIL, LLC. The GRAIL ATB includes the business of developing, manufacturing, marketing and selling, distributing, and performing Galleri-branded multi-cancer early detection tests.

Exhibit 10.2

FORM OF

EMPLOYEE MATTERS AGREEMENT

by and between

ILLUMINA, INC.

and

GRAIL, LLC
(to be converted into GRAIL, INC.)

Dated as of [ ], 2024

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FORM OF

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (this "Agreement"), is entered into as of [ ], by and between Illumina, Inc., a Delaware corporation ("Illumina"), and GRAIL, LLC, a wholly owned subsidiary of Illumina and a Delaware limited liability company ("GRAIL LLC"), to be converted to a corporation and renamed GRAIL, Inc. prior to the Distribution ("GRAIL"). Illumina and GRAIL are each a "Party" and are sometimes referred to herein collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, Illumina, acting together with its Subsidiaries, currently conducts the Illumina Business and GRAIL, acting together with its Subsidiaries, currently conducts the GRAIL Business;

WHEREAS, Illumina and GRAIL have entered into a Separation and Distribution Agreement, dated as of [ ] (the "Separation Agreement"), pursuant to which the Separation will be consummated;

WHEREAS, pursuant to the Separation Agreement, Illumina and GRAIL have agreed to enter into this Agreement for the purpose of allocating between them Assets, Liabilities and responsibilities with respect to certain employee matters and employee compensation and benefit plans and programs and to address certain other employment-related matters.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

Definitions and Interpretation

Section 1.1. General. As used in this Agreement, the following terms shall have the following meanings. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Separation Agreement, unless otherwise indicated.

"2024 Cash-Based Incentive Award Agreement" means each award agreement evidencing a grant of a GRAIL 2024 Cash-Based Incentive Award.

"Aggregate Award Value" shall have the meaning ascribed to it in the applicable LTIP Award Agreement.

"Agreement" shall have the meaning set forth in the Preamble.

"Baseline Equity Value" shall have the meaning ascribed to it in the applicable LTIP Award Agreement.

"Benefit Arrangement" shall mean any compensation or employee benefit plan, program, policy, agreement or other arrangement, whether or not an "employee benefit plan" (within the meaning of Section 3(3) of ERISA, and whether or not subject to ERISA), including any Welfare Plan and any other compensation or benefit plan, program, policy, agreement or arrangement providing cash- or equity-based compensation or incentives, vacation, paid or unpaid leave, severance, retention, change in control, termination, deferred compensation, individual employment or consulting, supplemental income, retirement, post-retirement or other fringe compensation or benefits (whether or not taxable) or employee loans, but excluding workers' compensation plans, programs, policies, agreements and arrangements.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collective Bargaining Agreement" shall mean all agreements with the collective bargaining representatives, employee representatives, trade unions, labor or management organizations, groups of employees, or works councils or similar representative bodies of GRAIL Employees, including all national or sector specific collective agreements which are applicable to GRAIL Employees, in each case in effect immediately prior to the Effective Time, that set forth terms and conditions of employment of GRAIL Employees, and all modifications of, or amendments to, such agreements and any rules, procedures, awards or decisions of competent jurisdiction interpreting or applying such agreements.

"Converted GRAIL Awards" shall mean the Converted GRAIL RSUs, the Converted GRAIL 2024 Cash-Based Incentive Awards and the Converted GRAIL Options.

"Employee Representative" shall mean any works council, employee representative, trade union, labor or management organization, group of employees or similar representative body for GRAIL Employees.

"Equity Value" shall have the meaning ascribed to it in the applicable LTIP Award Agreement.

"Equity Value Percentage Change" shall have the meaning ascribed to it in the applicable LTIP Award Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"GRAIL 2024 Cash-Based Incentive Award" means each cash-based incentive award granted by any member of the GRAIL Group on or after March 31, 2024, as agreed between Illumina and GRAIL, which for the avoidance of doubt, shall not include any award identified as an "equity appreciation award".

"GRAIL Benefit Arrangement" shall mean any Benefit Arrangement that is (a) sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by any member of the GRAIL Group, excluding any Benefit Arrangement that is sponsored or maintained by a member of the Illumina Group, or (b) an Individual Agreement to which a member of the GRAIL Group is a party (including for clarity, each GRAIL LTIP Award and each GRAIL 2024 Cash-Based Incentive Award).

"GRAIL Conversion Price" shall mean the average of the volume weighted average per share price of GRAIL Stock on the first four trading days immediately following the Distribution Date, as reported by Bloomberg L.P.

"GRAIL RSU Conversion Ratio" shall mean the Illumina RSU Conversion Price divided by the GRAIL Conversion Price.

"GRAIL Employee" shall mean each individual who is employed by a member of the GRAIL Group as of immediately prior to the Effective Time, regardless of whether any such employee is actively at work or is not actively at work as a result of disability or illness, a leave of absence (including military leave with unemployment rights under federal Law and leave under the Family and Medical Leave Act of 1993), vacation, personal day or similar short- or long-term absence.

"GRAIL Former Employee" means each individual who, as of immediately prior to the Effective Time, is not an employee of a member of the GRAIL Group or a member of the Illumina Group, but who was previously employed by a member of the GRAIL Group.

"GRAIL LTIP Award" means each cash-based equity appreciation award granted by any member of the GRAIL Group.

"GRAIL Option Conversion Ratio" shall mean the Illumina Option Conversion Price divided by the GRAIL Conversion Price.

"Grant Date" shall have the meaning ascribed to it in the applicable LTIP Award Agreement.

"Illumina" shall have the meaning set forth in the Preamble.

"Illumina Benefit Arrangement" shall mean any Benefit Arrangement that is (a) sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by any member of the Illumina Group, in each case, excluding any Benefit Arrangement that is sponsored or maintained by a member of the GRAIL Group or (b) an Individual Agreement to which a member of the Illumina Group is a party.

"Illumina Employee" shall mean each individual who is employed by a member of the Illumina Group as of immediately prior to the Effective Time, regardless of whether any such employee is actively at work or is not actively at work as a result of disability or illness, a leave of absence (including military leave with unemployment rights under federal Law and leave under the Family and Medical Leave Act of 1993), vacation, personal day or similar short- or long-term absence.

"Illumina Former Employee" means each individual who, as of immediately prior to the Effective Time, is not an employee of a member of the GRAIL Group or a member of the Illumina Group, but who was previously employed by a member of the Illumina Group.

"Illumina LTIP" shall mean the Illumina, Inc. Amended and Restated 2015 Stock and Incentive Plan or any prior version of such equity plan in existence at the time the applicable GRAIL LTIP Award was granted.

"Illumina Non-Qualified Plan" shall mean each nonqualified deferred compensation plan or arrangement, including any such plan that is an excess defined benefit or defined contribution plan, that is an Illumina Benefit Arrangement.

"Illumina Option Award" shall mean an option to purchase shares of Illumina Stock granted under the Illumina LTIP.

"Illumina Option Conversion Price" shall mean the average of the volume weighted average per share price of Illumina Stock trading "regular way with due bills" on the Distribution Date and the four immediately preceding trading days, as reported by Bloomberg L.P.

"Illumina RSU Conversion Price" shall mean the closing price of Illumina Stock on the date of the Illumina RSU Conversion.

"Individual Agreement" shall mean a Benefit Arrangement that is an individual employment contract or other similar agreement between, on the one hand, any member of the Illumina Group or any member of the GRAIL Group and, on the other hand, any Illumina Employee, Illumina Former Employe, GRAIL Employee, or GRAIL Former Employee.

"LTIP Award Agreement" means each award agreement evidencing a GRAIL LTIP Award grant.

"Quarterly Measurement Date" shall have the meaning ascribed to it in the applicable LTIP Award Agreement.

"Party" and "Parties" shall have the meanings set forth in the Preamble.

"Separation" shall have the meaning set forth in the Recitals.

"Separation Agreement" shall have the meaning set forth in the Recitals.

"Welfare Plan" shall mean, where applicable, a "welfare plan" (as defined in Section 3(1) of ERISA and in 29 C.F.R. §2510.3-1) or a "cafeteria plan" under Section 125 of the Code, and any benefits offered thereunder, and any other plan offering health benefits (including medical, prescription drug, dental, vision and mental health and substance use disorder), disability benefits, or life, accidental death and disability, pre-tax premium conversion benefits, dependent care assistance programs, employee assistance programs, contribution funding toward a health savings account, flexible spending accounts, tuition reimbursement or adoption assistance programs or cashable credits.

Section 1.2. References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words "include", "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation." Unless the context otherwise requires, references in this Agreement to Articles, Sections, Annexes, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement. Unless the context otherwise requires, the words "hereof", "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement. The words "written request" when used in this Agreement shall include email.

Reference in this Agreement to any time shall be to New York City, New York time unless otherwise expressly provided herein. Unless the context requires otherwise, references in this Agreement to "Illumina" shall also be deemed to refer to the applicable member(s) of the Illumina Group, references to "GRAIL" shall also be deemed to refer to the applicable member(s) of the GRAIL Group and, in connection therewith, any references to actions or omissions to be taken, or refrained from being taken, as the case may be, by Illumina or GRAIL shall be deemed to require Illumina or GRAIL, as the case may be, to cause the applicable members of the Illumina Group or the GRAIL Group, respectively, to take, or refrain from taking, any such action.

ARTICLE II

General Principles

Section 2.1. Nature of Liabilities. All Liabilities assumed or retained by a member of the Illumina Group under this Agreement shall be Illumina Liabilities. All Liabilities assumed or retained by a member of the GRAIL Group under this Agreement shall be GRAIL Liabilities.

Section 2.2. Assumption and Retention of Liabilities Generally. (a) From and after the Effective Time, except as otherwise provided in this Agreement, Illumina shall, or shall cause one or more members of the Illumina Group to, accept, assume (or, as applicable, retain) and perform, discharge and fulfill: (i) all Liabilities under all Illumina Benefit Arrangements, whenever incurred; (ii) all Liabilities with respect to the employment, service, termination of employment or termination of service of all Illumina Employees and their respective dependents and beneficiaries (and any alternate payees in respect thereof), whenever incurred; (iii) all Liabilities with respect to all Illumina Former Employees and their respective dependents and beneficiaries (and any alternate payees in respect thereof) to the extent such Liabilities are with respect to employment or service to the Illumina Group or the termination of such employment or service with the Illumina Group, whenever incurred; and (iv) all other Liabilities or obligations expressly assigned to or assumed by a member of the Illumina Group under this Agreement.

(b) From and after the Effective Time, except as otherwise provided in this Agreement, GRAIL shall, or shall cause one or more members of the GRAIL Group to, accept, assume (or, as applicable, retain) and perform, discharge and fulfill: (i) all Liabilities under all GRAIL Benefit Arrangements, whenever incurred; (ii) all Liabilities with respect to the employment, service, termination of employment or termination of service of all GRAIL Employees, and their respective dependents and beneficiaries (and any alternate payees in respect thereof), whenever incurred; (iii) all Liabilities with respect to all GRAIL Former Employees and their respective dependents and beneficiaries (and any alternate payees in respect thereof) to the extent such Liabilities are with respect to employment or service to the GRAIL Group or the termination of such employment or service with the GRAIL Group, whenever incurred; and (iv) all other Liabilities or obligations expressly assigned to or assumed by a member of the GRAIL Group under this Agreement.

(c) The Parties shall promptly reimburse one another, upon reasonable request of the Party requesting reimbursement and the presentation by such Party of such substantiating documentation as the other Party shall reasonably request, for the cost of any obligations or Liabilities satisfied or assumed by the Party requesting reimbursement or its Affiliates that are, or that have been made pursuant to this Agreement, the responsibility of the other Party or any of its Affiliates.

Section 2.3. Collective Bargaining Agreements. Notwithstanding anything in this Agreement to the contrary, Illumina and GRAIL shall, to the extent required by applicable Law, take or cause to be taken all actions that are necessary (if any) for GRAIL or a member of the GRAIL Group to continue to maintain and comply, in each case, as applicable, with any Collective Bargaining Agreements and any pre-existing collective bargaining relationships (in each case including obligations that arise in respect of the period both before and after the date of employment by the GRAIL Group) in respect of any GRAIL Employees based in the United Kingdom and any applicable Employee Representatives. Nothing in this Agreement is intended to alter the provisions of any applicable Collective Bargaining Agreement or modify in any way the obligations of the GRAIL Group to any applicable Employee Representative or any other Person as described in such agreement.

Section 2.4. Information and Consultation. The Parties shall comply with all requirements and obligations to inform, consult or otherwise notify any Illumina Employees or GRAIL Employees or Employee Representatives in relation to the transactions contemplated by this Agreement and the Separation Agreement, whether required pursuant to any Collective Bargaining Agreement or other applicable Law.

Section 2.5. Non-Acceleration; Non-Termination of Employment. Except as otherwise required by applicable Law (if any), neither this Agreement, the Separation Agreement nor any Ancillary Agreement shall or shall be construed so as to create any right (other than rights to receive Converted GRAIL Awards) or accelerate any entitlement to any compensation or benefit on the part of any GRAIL Employee, GRAIL Former Employee, Illumina Employee or Illumina Former Employee. Without limiting the generality of the foregoing, except as otherwise required by applicable Law, none of the transactions contemplated by or undertaken pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement shall (i) cause any individual to be deemed to have incurred a termination of employment, (ii) have created any entitlement to any severance payments or benefits or the commencement of any compensation or benefits under any GRAIL Benefit Arrangement or Illumina Benefit Arrangement or (iii) constitute or give rise to an "employment loss" or employment separation within the meaning of the federal Worker Adjustment and Retraining Notification Act (WARN) of 1988 (the "WARN Act"), or any other foreign, federal, state or local Law or other legal requirement addressing mass employment separations.

Section 2.6. No Transfer of Assets. Nothing in this Agreement shall require any member of the Illumina Group or any Illumina Benefit Arrangement to transfer Assets or reserves with respect to the Illumina Benefit Arrangements to any member of the GRAIL Group or any GRAIL Benefit Arrangement or require any member of the GRAIL Group or any GRAIL Benefit Arrangement to transfer Assets or reserves with respect to the GRAIL Benefit Arrangements to any member of the Illumina Group or any Illumina Benefit Arrangement.

ARTICLE III

Equity Incentive Awards

Section 3.1. GRAIL Stock Plan. Effective on or before the Distribution Date, subject to the approval of Illumina and the Illumina Board (or any duly authorized committee thereof), GRAIL shall establish and adopt an equity compensation plan for the benefit of the GRAIL Group following the Distribution Date (the "GRAIL Stock Plan"). For the avoidance of doubt, the GRAIL Group shall not be permitted to grant any equity-based incentive compensation awards pursuant to the GRAIL Stock Plan or otherwise prior to the Distribution Date without Illumina's prior written consent.

Section 3.2. GRAIL LTIP Award Valuation. Effective as of immediately prior to the Illumina RSU Conversion (as defined below), the Aggregate Award Value for each then outstanding and unvested portion of the GRAIL LTIP Award shall be adjusted in accordance with Section 1(b) of the applicable LTIP Award Agreement, with the Equity Value Percentage Change determined based on (a) an Equity Value that is equal to GRAIL's average market capitalization determined by reference to the volume weighted average per share price of GRAIL Stock for the four trading days immediately following the Distribution Date, multiplied by the shares of GRAIL Stock outstanding, in each case, as reported by Bloomberg L.P., compared to (b) the Baseline Equity Value; provided that, for purposes of the foregoing, the Baseline Equity Value shall be deemed to be equal to the aggregate equity value of GRAIL as of the applicable Grant Date as reflected in the consolidated financial statements of Illumina and its consolidated Subsidiaries included or

incorporated by reference in the materials filed or furnished, as applicable, with the SEC by Illumina for the fiscal quarter in which such Grant Date occurred. For the avoidance of doubt, the date on which the conversion described in the immediately preceding sentence occurs shall be a Quarterly Measurement Date.

Section 3.3. Illumina RSU Conversion. Effective as of immediately prior to the Distribution, each then outstanding and unvested portion of the GRAIL LTIP Award shall be converted (such conversion, including the proviso below, the "Illumina RSU Conversion") into an award of restricted stock units with respect to Illumina Stock (each, a "Converted Cash Award") in accordance with Section 2(a) of the applicable LTIP Award Agreement, with the number of shares of Illumina Stock subject to each Converted Cash Award equal to the product of (a) the applicable Aggregate Award Value (as determined in Section 3.2) divided by (b) the closing price of Illumina Stock on the date of the Illumina RSU Conversion; provided that, with respect to the portion of the Converted Cash Award that has a regularly scheduled vesting date (based on the original vesting date set forth in the applicable LTIP Award Agreement without accounting for any accelerated vesting entitlements under any GRAIL Benefit Arrangement) after the Distribution Date but on or before December 31, 2024, the number of shares of Illumina Stock subject to such portion shall be adjusted, to the extent such adjustment would result in an increase, following the conversion described above in order to be equal to (i) one-fourth of the Aggregate Award Value of the applicable GRAIL LTIP Award, determined as of the applicable Grant Date (i.e., without applying any Equity Value Percentage Change since the Grant Date, including that provided for in Section 3.2) divided by (ii) the closing price of Illumina Stock on the date of the Illumina RSU Conversion. For the avoidance of doubt, the foregoing calculation shall be rounded up to the nearest whole restricted stock unit.

Section 3.4. GRAIL RSU Conversion.

(a) Converted Cash Award. Effective as of the Distribution, each Converted Cash Award shall be equitably adjusted in accordance with Section 15(a) of the Illumina LTIP by converting such Converted Cash Award into an award of restricted stock units with respect to GRAIL Stock (each, a "Converted GRAIL RSU"), with the number of shares of GRAIL Stock subject to each Converted GRAIL RSU equal to the product, rounded to the nearest whole share, of (a) the number of shares of Illumina Stock subject to such Converted Cash Award as of immediately prior to the Distribution and (b) the GRAIL RSU Conversion Ratio. All other terms and conditions of the Converted GRAIL RSUs, including vesting and payment timing terms, shall be the terms and conditions that applied to the applicable Converted Cash Award.

(b) GRAIL 2024 Cash-Based Incentive Award. Effective as of the Distribution, each then outstanding and unvested portion of each GRAIL 2024 Cash-Based Incentive Award shall be converted into an award of restricted stock units with respect to GRAIL Stock (each, a "Converted GRAIL 2024 Cash-Based Incentive Award"), with the number of shares of GRAIL Stock subject to each Converted GRAIL 2024 Cash-Based Incentive Award determined in accordance with Section 2 of the applicable 2024 Cash-Based Incentive Award Agreement.

Section 3.5. Option Awards. Effective as of the Distribution, each Illumina Option Award held as of immediately prior to the Distribution by any GRAIL Employee, whether vested or unvested, shall be converted into an option to purchase shares of GRAIL Stock (a "Converted GRAIL Option"), with the number of shares of GRAIL Stock subject to the Converted GRAIL Option equal to the product, rounded down to the nearest whole share, of (a) the number of shares of Illumina Stock subject to such Illumina Option Award as of immediately prior to the Distribution and (b) the GRAIL Option Conversion Ratio. Each Converted GRAIL Option shall have a per-share exercise price equal to (i) the per-share exercise price of the corresponding Illumina Option Award divided by (ii) the GRAIL Option Conversion Ratio, rounded up to the nearest cent. All other terms and conditions of the Converted GRAIL Options, including vesting terms, shall be the terms and conditions that applied to the applicable Illumina Option Award.

Section 3.6. Miscellaneous. For the avoidance of doubt, each Converted GRAIL RSU, Converted GRAIL 2024 Cash-Based Incentive Award and Converted GRAIL Option shall take into account (and count as continued employment or service) all employment and service with both Illumina and GRAIL, and their respective Subsidiaries and Affiliates, for purposes of determining when such awards vest and terminate. The GRAIL Group shall be solely responsible for all Liabilities with respect to the GRAIL Stock Plan and the Converted GRAIL RSUs, Converted GRAIL 2024 Cash-Based Incentive Award and Converted GRAIL Options. The Parties shall take all actions reasonably necessary or appropriate so that the GRAIL LTIP Awards, GRAIL 2024 Cash-Based Incentive Awards and the equity-based incentive compensation awards granted under the Illumina LTIP, in each case, outstanding as of immediately prior to the Distribution shall be treated as set forth in this Article III. The adjustment or conversion of any equity-based incentive compensation award pursuant to Sections 3.4 and 3.5 shall be effectuated in a manner that is intended to preserve the economic value of the award on the Distribution Date (after giving effect to Sections 3.2 and 3.3) and to comply with applicable Law and avoid the imposition of any penalty or other taxes on the holders thereof pursuant to Code Section 409A or otherwise, and shall be interpreted in accordance with the foregoing intent for all purposes.

ARTICLE IV

Non-Qualified Deferred Compensation

Section 4.1. Treatment of Illumina Non-Qualified Plans. The Illumina Group shall retain sponsorship of each Illumina Non-Qualified Plan and all Assets and Liabilities arising out of or relating to such Illumina Non-Qualified Plan, including those relating to GRAIL Employees (to the extent accrued and vested under the terms of the applicable plans). Following the Distribution Date, GRAIL shall notify Illumina of any "separation from service" under Section 409A of the Code of the GRAIL Employee who participates in an Illumina Non-Qualified Plan, as promptly as practicable but in no event later than thirty (30) days thereafter, and shall promptly provide to Illumina any other relevant information reasonably requested by Illumina for purposes of administering payments pursuant to the Illumina Non-Qualified Plans to such GRAIL Employee. In the event of a subsequent acquisition, divestiture, spinoff or other corporate transaction involving the GRAIL Group that is not treated as a "separation from service" under an Illumina Non-Qualified Plan, GRAIL shall use commercially reasonable efforts to ensure comparable cooperation from the successor employer.

Section 4.2. No Separation from Service. The Parties acknowledge that none of the transactions contemplated by this Agreement, the Separation Agreement or any Ancillary Agreement shall be treated as a "separation from service" for purposes of the Illumina Non-Qualified Plans for any participant therein.

ARTICLE V

Additional Matters

Section 5.1. Code Section 409A. Notwithstanding anything in this Agreement or the Tax Matters Agreement to the contrary, the Parties shall negotiate in good faith regarding the need for any treatment different from that otherwise provided herein with respect to the payment of compensation to ensure that the treatment of such compensation does not cause the imposition of a Tax under Section 409A of the Code. In no event, however, shall any Party be liable to another in respect of any Taxes imposed under, or any other costs or Liabilities relating to, Section 409A of the Code.

Section 5.2. Confidentiality. Article VI of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandis*.

Section 5.3. Tax Deductions. The Illumina Group shall be solely entitled to claim any income Tax deduction arising after the Effective Time with respect to any payment or benefit under any Illumina Benefit Arrangement. The GRAIL Group shall be solely entitled to claim any income Tax deduction arising after the Effective Time with respect to any payment or benefit under any GRAIL Benefit Arrangement.

ARTICLE VI

General And Administrative

Section 6.1. Employer Rights. Nothing in this Agreement shall be deemed to be an amendment to any Illumina Benefit Arrangement or GRAIL Benefit Arrangement or to prohibit Illumina, GRAIL, or any member of the Illumina Group or GRAIL Group, as the case may be, from amending, modifying or terminating any Illumina Benefit Arrangement or GRAIL Benefit Arrangement at any time within its sole discretion.

Section 6.2. Effect on Employment. Nothing in this Agreement is intended to or shall confer upon any Illumina Employee, Illumina Former Employe, GRAIL Employee, or GRAIL Former Employee or any other employee or service provider of Illumina, the Illumina Group, GRAIL or the GRAIL Group any right to continued employment, continued service, or any recall or similar rights to any such individual on layoff or any type of approved leave.

Section 6.3. Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party and such consent is withheld, the Parties shall use their commercially reasonable efforts to implement the applicable provisions of this Agreement to the fullest extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties hereto shall negotiate in good faith to implement the provision (as applicable) in a mutually satisfactory manner.

Section 6.4. Access to Employees. On and after the Effective Time, Illumina and GRAIL shall, or shall cause each of their respective Affiliates to, make available to each other those of their employees who may reasonably be needed in order to defend or prosecute any legal or administrative action (other than a legal action between Illumina and GRAIL) to which any employee or director of the Illumina Group or the GRAIL Group or any Illumina Benefit Arrangement or GRAIL Benefit Arrangement is a party and which relates to an Illumina Benefit Arrangement or GRAIL Benefit Arrangement. The Party to whom an employee is made available in accordance with this Section 6.4 shall pay or reimburse the other Party for all reasonable expenses which may be incurred by such employee in connection therewith, including all reasonable travel, lodging, and meal expenses, but excluding any amount for such employee's time spent in connection herewith.

Section 6.5. Beneficiary Designation/Release of Information/Right to Reimbursement. To the extent permitted by applicable Law and except as otherwise provided for in this Agreement, all beneficiary designations, authorizations for the release of information and rights to reimbursement made by or relating to GRAIL Employees or GRAIL Former Employees under Illumina Benefit Arrangements shall be transferred to and be in full force and effect under the corresponding GRAIL Benefit Arrangements until such beneficiary designations, authorizations or rights are replaced or revoked by, or no longer apply, to the relevant GRAIL Employee or GRAIL Former Employee.

Section 6.6. No Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and, except to the extent otherwise expressly provided herein, nothing in this Agreement, express or implied, is intended to confer any rights, benefits, remedies, obligations or Liabilities under this Agreement upon any Person, including any GRAIL Employee, GRAIL Former Employee, Illumina Employee, Illumina Former Employee or other current or former employee, officer, director or contractor of the Illumina Group or GRAIL Group, other than the Parties and their respective successors and assigns.

Section 6.7. No Acceleration of Benefits. Except as otherwise provided in this Agreement, no provision of this Agreement shall be construed to create any right, or accelerate vesting or entitlement, to any compensation or benefit whatsoever on the part of any GRAIL Employee, GRAIL Former Employee, Illumina Employee, Illumina Former Employee or other former, current or future employee of the Illumina Group or GRAIL Group under any Illumina Benefit Arrangement or GRAIL Benefit Arrangement. Without limiting the generality of the foregoing, neither the Separation nor the Distribution shall cause any individual to be deemed to have incurred a termination of employment or to have

created any entitlement to any severance payments or benefits or the commencement of any benefits under any Illumina Benefit Arrangement or GRAIL Benefit Arrangement. Neither the Separation nor the Distribution shall constitute a "change in control" (or term of similar meaning) for purposes of any Illumina Benefit Arrangement or any GRAIL Benefit Arrangement.

Section 6.8. Employee Benefits Administration. At all times following the date hereof, the Parties will cooperate in good faith as necessary to facilitate the administration of employee benefits and the resolution of related employee benefit claims with respect to GRAIL Employees, including with respect to the provision of employee-level information necessary for the other Party to manage, administer, finance and file required reports with respect to such administration.

ARTICLE VII

Miscellaneous

Section 7.1. Entire Agreement; Power.

(a) This Agreement and the Separation Agreement, including the Exhibits and Schedules thereto, shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments, course of dealings and writings with respect to such subject matter.

(b) Illumina represents on behalf of itself and each other member of the Illumina Group, and GRAIL represents on behalf of itself and each other member of the GRAIL Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been or will be duly executed and delivered by it and constitutes or will constitute a valid and binding agreement of it enforceable in accordance with the terms thereof.

Section 7.2. Counterparts. This Agreement may be executed in more than one counterpart, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to each of the Parties. The exchange of a fully executed Agreement (in counterparts or otherwise) by facsimile, electronic mail (including .pdf, docusign or other electronic signature) or other transmission method shall be deemed to have been duly and validly delivered and shall be sufficient to bind the Parties to the terms and conditions of this Agreement.

Section 7.3. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by email with receipt confirmed, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 7.3):

If to Illumina, to:

Illumina, Inc.
5200 Illumina Way
San Diego, CA 92122
Attention: Legal Department
Email: legalnotices@illumina.com

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP
Two Manhattan West
389 9th Avenue
New York, NY 10001
Attention: Andrew J. Pitts
Ting S. Chen
Daniel J. Cerqueira
Email: apitts@cravath.com
tchen@cravath.com
dcerqueira@cravath.com

If to GRAIL, to:

GRAIL, LLC
1525 O'Brien Drive
Menlo Park, California 94025
Attention: Bob Ragusa
Aaron Freidin
Abram Barth
Don Lang
Email: bragusa@grailbio.com
afreidin@grailbio.com
abarth@grailbio.com
dlang@grailbio.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071
Attention: W. Alex Voxman
Andrew Clark
Ross McAloon
Alexa Berlin
Email: alex.voxman@lw.com
andrew.clark@lw.com
ross.mcaloon@lw.com
alexa.berlin@lw.com

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

Section 7.4. Waivers. Any consent required or permitted to be given by any Party to the other Party under this Agreement shall be in writing and signed by the Party giving such consent and shall be effective only against such Party.

Section 7.5. Specific Performance. Subject to Sections 9.2 and 9.3 of the Separation Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its or their rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at Law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 7.6. Assignment. This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party hereto without the prior written consent of the other Party, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void. Notwithstanding the foregoing, this Agreement shall be assignable to a bona fide third party in connection with a merger, reorganization, consolidation or the sale of all or substantially all the assets of a party hereto so long as the resulting, surviving or transferee entity assumes all the obligations of the relevant party hereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party to this Agreement; provided, however, that, no assignment permitted by this Section 7.6 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

Section 7.7. Successors and Assigns. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the Parties and their respective successors and permitted assigns.

Section 7.8. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it sought to enforce such waiver, amendment, supplement or modification is sought to be enforced; provided, at any time prior to the Effective Time, the terms and conditions of this Agreement may be amended, modified or abandoned by and in the sole and absolute discretion of the Illumina Board without the approval of any Person, including GRAIL or Illumina; provided, further, that if any such amendment or modification would affect the GRAIL Group adversely in a material respect after the Effective Time, then such amendment or modification shall require the prior written consent of GRAIL.

Section 7.9. Subsidiaries. Each of the Parties shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary of such Party or by any entity that becomes a Subsidiary of such Party at and after the Effective Time, to the extent such Subsidiary remains a Subsidiary of the applicable Party.

Section 7.10. Governing Law. This Agreement (and any claims or Disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 7.11. Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

Section 7.12. No Duplication; No Double Recovery. Nothing in this Agreement is intended to confer to or impose upon any Party a duplicative right, entitlement, obligation or recovery with respect to any matter arising out of the same facts and circumstances.

Section 7.13. No Waiver. No failure to exercise and no delay in exercising, on the part of any Party, any right, remedy, power or privilege hereunder shall operate as a waiver hereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 7.14. No Admission of Liability. The allocation of Assets and Liabilities herein is solely for the purpose of allocating such Assets and Liabilities between Illumina and GRAIL and is not intended as an admission of liability or responsibility for any alleged Liabilities vis-à -vis any third party, including with respect to the Liabilities of any non-wholly owned subsidiary of Illumina or GRAIL.

Section 7.15. Incorporation by Reference. Sections 9.2 (Negotiation by Senior Executives), 9.3 (Arbitration), 9.5 (Waiver of Jury Trial), 9.9 (Severability), 9.10 (Force Majeure), 9.14 (Headings), 9.15 (Survival of Covenants), 9.16 (Waivers of Default) and 9.19 (Construction) of the Separation Agreement are hereby incorporated into this Agreement *mutatis mutandis*.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

ILLUMINA, INC.,

by _____
Name:
Title:

GRAIL, LLC,

by _____
Name:
Title:

[Employee Matters Agreement Signature Page]

Exhibit 10.3

STOCKHOLDER AND REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of [ ], 2024, between Illumina, Inc., a Delaware corporation ("Illumina"), and GRAIL, LLC, a Delaware limited liability company ("GRAIL LLC"), to be converted to a corporation and renamed GRAIL, Inc. (the "Company").

WHEREAS, Illumina and the Company have entered into a Separation and Distribution Agreement, dated as of [ ], 2024 (the "Separation Agreement") and certain other ancillary agreements;

WHEREAS, Illumina currently owns the entire limited liability company interest of GRAIL LLC and will own all of the issued and outstanding shares of common stock, par value $0.001 per share, of the Company (the "Common Stock");

WHEREAS, pursuant to the Separation Agreement, Illumina will distribute a portion of the issued and outstanding shares of Common Stock to holders of shares of Illumina common stock, on a pro rata basis (the "Distribution"), and retain any shares of Common Stock that are not distributed in the Distribution;

WHEREAS, following the Distribution, Illumina may (i) sell or transfer any retained shares, including pursuant to one or more offerings or other transactions registered under the Securities Act of 1933, as amended (the "Securities Act"), or (ii) transfer all or a portion of the retained shares to Illumina stockholders as dividends or directly or indirectly in exchange for outstanding shares of Illumina common stock or in exchange for Illumina indebtedness (any such transaction described in this clause (ii), an "Other Disposition");

WHEREAS, Illumina desires to grant the Company a proxy to vote the retained shares in proportion to the votes cast by the Company's other stockholders; and

WHEREAS, Illumina and the Company desire to make certain arrangements to provide Illumina and its permitted transferees with registration rights with respect to the retained shares.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties, intending to be legally bound, hereby agree as follows:

Section 1. Effectiveness of Agreement.

1.1. Effective Time. This Agreement shall become effective upon the effectiveness of the Separation (as defined in the Separation Agreement) (the "Effective Time").

1.2. Shares Covered. This Agreement covers all shares of Common Stock that are beneficially owned by Illumina as of the Effective Time (the "Shares"). The Shares shall include any securities issued or issuable with respect to the Shares by way of a stock dividend or a stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

Illumina and any Permitted Transferees (as defined in Section 2.5) are each referred to herein as a "Holder" and collectively as the "Holders", and the Holders of Shares proposed to be included in any registration under this Agreement are each referred to herein as a "Selling Holder" and collectively as the "Selling Holders".

Section 2. Demand Registration.

2.1. Notice. Upon the terms and subject to the conditions set forth herein, upon written notice of any Holder requesting that the Company effect the registration under the Securities Act of 1933, as amended (the "Securities Act"), of all or a portion of the Shares held by such Holder, which notice shall specify the Shares intended to be disposed of by such Holder and the intended method or methods of disposition of such Shares (which methods may include a Shelf Registration (as such term is defined in Section 2.6)), the Company will, no later than the fifth Business Day (as such term is defined in Section 10.7(g)) after receipt of such notice from any Holder, give written notice of the proposed registration to all other Holders, if any, and will use its reasonable best efforts to effect (at the earliest reasonable date) the registration under the Securities Act of such Shares (and the Shares of any other Holders joining in such registration request as specified in a written notice received by the Company within 10 days after receipt of the Company's written notice of the proposed registration) for disposition in accordance with the intended method or methods of disposition stated in such registration request (each registration request pursuant to this Section 2.1 is sometimes referred to herein as a "Demand Registration"); provided, however, that:

(a) the Company shall not be obligated to effect registration with respect to any Shares pursuant to this Section 2.1 (i) in violation of the Separation Agreement, (ii) in violation of any underwriting agreement entered into in connection with any offering effected in accordance with this Agreement (so long as the lock-up period in such underwriting agreement does not exceed 90 days) or (iii) within 60 days after the effective date of a previous registration, other than a Shelf Registration, effected with respect to Shares pursuant to this Section 2;

(b) if at the time a Demand Registration is requested pursuant to this Section 2, the Company determines in good faith that (i) such Demand Registration would require the disclosure of material nonpublic information, the disclosure of which would be reasonably likely to have a material adverse effect on the Company, (ii) such Demand Registration would materially impede, delay or interfere with any material financing, acquisition, divestiture, joint venture, merger, consolidation, other business combination, corporate reorganization, tender offer or other material transaction of the Company or (iii) the Company is unable to comply with SEC requirements for effectiveness of such Demand Registration (each of clauses (i) through (iii), a "Disadvantageous Condition"), the Company may postpone the filing or effectiveness (but not the preparation) of such registration until the earlier of (A) 7 days after the date on which the Disadvantageous Condition no longer exists or (B) 90 days after the date on which the Company makes such determination that a Disadvantageous Condition exists; provided, however, that the Company may delay a Demand Registration pursuant to this Section 2.1(b) no more than twice during any 12-month period following the Distribution; and provided further that the postponement rights in this Section 2.1(b) and Section 4.3(a) shall not be applicable to the Holders for more than a total of 120 days during any 12-month period;

(c) the number of Shares originally requested to be registered pursuant to any registration requested pursuant to this Section 2 shall cover Shares with an aggregate Fair Market Value (as defined below) as of the date of the notice delivered to the Company pursuant to this Section 2.1 of at least $100,000,000 or such lesser amount that constitutes all Shares owned by the Holders requesting such registration (for purposes of this Agreement, "Fair Market Value" shall mean, as of any date, the closing price per share of the Common Stock on the NASDAQ Global Select Market ("Nasdaq") or, if the Common Stock is not listed on Nasdaq, any securities exchange on which such Common Stock is listed or admitted for trading on the trading day immediately preceding such date);

(d) if the intended method of disposition is a Demand Registration that is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Shares requested to be included in such offering exceeds the number of Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Shares initially requesting such registration or without materially adversely affecting the market for the Common Stock, the Company shall include in such registration the number of Shares requested by Holders of a majority of the Shares to be included therein which, in the opinion of such Holders based upon advice of the managing underwriters, can be sold in an orderly manner within the price range of such offering and without materially adversely affecting the market for the Common Stock, in accordance with the following priorities: (x) first, up to the number of Shares requested to be included in such registration by Illumina and its Affiliates (as defined below) and (y) second, up to the number of Shares requested to be included in such registration by Selling Holders other than Illumina and its Affiliates, pro rata among such Selling Holders of such Shares on the basis of the number of Shares requested to be registered by each such Selling Holder; and

(e) the Company shall not be obligated to effect more than five Demand Registrations in the aggregate, and no more than three Demand Registrations in any 12-month period; provided that, the Company shall not be required to effect a Demand Registration within sixty (60) days after the effective date of a previous registration by the Company, other than a Shelf Registration, effected pursuant to this Section 2.

For the purposes of this Agreement, an "Affiliate" of any Person (as defined in Section 6(e)) means a Person that controls, is controlled by or is under common control with such Person. As used herein, "control" of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise; provided, however, that (a) the Company and the other members of the GRAIL Group (as defined in the Separation Agreement) shall not be considered Affiliates of Illumina or any of the other members of the Illumina Group (as defined in the Separation Agreement) and (b) Illumina and the other members of the Illumina Group shall not be considered Affiliates of the Company or any of the other members of the GRAIL Group.

2.2. Registration Expenses. All Registration Expenses (as defined in Section 8) for any registration requested pursuant to this Section 2 (including any registration that is delayed or withdrawn, subject to the provisions of Section 2.9) shall be paid by the Company.

2.3. Selection of Professionals. Illumina, in the event Illumina is participating, or the Holders of a majority of the Shares included in any Demand Registration, in the event Illumina is not participating, shall have the right to select the investment banks and managers to underwrite or otherwise administer the offering and counsel for the Selling Holders; provided that, such investment banks, managers and counsel shall also be approved by the Company, such approval not to be unreasonably withheld, conditioned or delayed; provided further that, for the avoidance of doubt, counsel for the Selling Holders may be (but shall not be required to be) the same counsel as counsel for the Company in such offering.

2.4. Third Person Shares. In the case of any offering for cash that is not an Other Disposition, the Company shall have the right to cause the registration of securities for sale for the account of any Person (as defined in Section 6(e)) (including the Company) other than the Selling Holders (the "Third Person Shares") in any registration of the Shares requested pursuant to this Section 2 so long as the Third Person Shares are disposed of in accordance with the intended method or methods of disposition requested by Holders pursuant to this Section 2.

If a Demand Registration in which the Company proposes to include Third Person Shares is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Shares and Third Person Shares requested to be included in such offering exceeds the number of Shares and Third Person Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Shares initially requesting such registration or without materially adversely affecting the market for the Common Stock (the "Maximum Number"), the Company shall not include in such registration any Third Person Shares unless all of the Shares initially requested by Holders to be included therein are so included, and then only to the extent of the Maximum Number.

2.5. Permitted Transferees. As used in this Agreement, "Permitted Transferees" shall mean any transferee, whether direct or indirect, of Shares that (a) (i) as of the time of transfer of the Shares to such transferee is, and as of immediately prior to the sale of Shares pursuant to the Demand Registration or Piggyback Registration (as defined in Section 3.1), as the case may be, will be, a member of the Illumina Group (as defined in the Separation Agreement), (ii) is a financial intermediary (a "Participating Bank") to whom Illumina or any member of the Illumina Group will transfer Shares in exchange, directly or indirectly, for any equity interest or indebtedness of Illumina or another member of the Illumina Group or (iii) acquires from any member or members of the Illumina Group an aggregate of at least 5% of the issued and outstanding shares of Common Stock as of the time of such acquisition and (b) is designated by Illumina (or a subsequent Holder) in a written notice to the Company. Any Permitted Transferee of the Shares shall be subject to and bound by and benefit from all of the terms and conditions herein applicable to Holders. For the avoidance of doubt, any Permitted Transferee of Shares shall be subject to and bound by and benefit from all of the terms and conditions applicable to Holders generally and not those applicable to Illumina (or any member of the Illumina Group) specifically including, without limitation, the voting provisions contained in Section 9. The notice required by this Section 2.5 shall be signed by both the transferring Holder and the Permitted Transferees so designated and shall include an undertaking by the Permitted Transferees to comply with the terms and conditions of this Agreement applicable to Holders.

2.6. Shelf Registration; Other Disposition. With respect to any Demand Registration, the requesting Holders may, but shall not be required to, request the Company to effect a registration of the Shares (a) at any time after the date hereof when the Company is eligible to register the Shares on Form S-3 (or any successor form), under a registration statement pursuant to Rule 415 under the Securities Act (or any successor rule) (a "Shelf Registration") or (b) in the form of an Other Disposition. The Company shall use its reasonable best efforts to comply with any such request, subject to the terms and conditions of this Agreement.

2.7. SEC Form; Information. The Company shall use its reasonable best efforts to cause Demand Registrations to be registered on Form S-3 (or any successor form), and if the Company is not then eligible under the Securities Act to use Form S-3, such Demand Registrations shall be registered on Form S-1 (or any successor form), or, in the case of an exchange offer, Form S-4 (or any successor form). The Company shall use its reasonable best efforts to become eligible to use Form S-3 and, after becoming eligible to use Form S-3, shall use its reasonable best efforts to remain so eligible. All such Demand Registrations shall comply with the applicable requirements of the Securities Act and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") thereunder, and, together with each prospectus included, filed or otherwise furnished by the Company in connection therewith, the relevant registration statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Company shall timely file all reports on Forms 10-K, 10-Q and 8-K (or any successor forms), and all material required to be filed, pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to the extent that such filing shall be a condition to the initial filing or continued use or effectiveness of any Demand Registration or to the extent required to enable any Holder to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act (or any similar rule or regulation hereafter promulgated by the SEC). From and after the date hereof through the earlier of (a) the expiration or termination of this Agreement or (b) the date upon which the Illumina Group ceases to own any Shares, the Company shall forthwith upon written request by a Holder (i) furnish to any Holder (A) a written statement by the Company as to whether it has complied with such requirements and, if not, the specifics thereof, (B) a copy of the most recent annual or quarterly report of the Company and (C) such other reports and documents filed by the Company with the SEC and (ii) take such further action as such Holder may reasonably request in availing itself of an exemption for the sale of Shares without registration under the Securities Act.

2.8. Other Registration Rights. The Company shall not (i) grant to any Persons the right to request the Company to register any equity securities of the Company, or any securities convertible or exchangeable into or exercisable for such securities, whether pursuant to "demand," "piggyback" or other rights that are more favorable to such Persons as compared to the rights of the Holders under this Agreement or (ii) enter into any agreement, take any action or permit any change to occur, with respect to securities that violates or subordinates the rights of the Holders under this Agreement.

2.9. Withdrawal. At any time prior to the effective date of the registration statement or the filing of a prospectus relating to such registration, the Holder making such request for registration may withdraw such request, without liability to any of the other Holders, by providing a written notice to the Company withdrawing such request. A request, so withdrawn, shall be considered to be a Demand Registration unless (a) such withdrawal arose out of the fault of the Company (in which case the Company shall be obligated to pay all Registration Expenses in connection with such withdrawn request), (b) such withdrawal was in response to the Company's exercise of its postponement rights in Section 2.1(b) and Section 4.3(a) or (c) the Holder making such request for registration reimburses the Company for all Registration Expenses (other than the expenses set forth under Section 8(g)) in connection with such withdrawn request.

Section 3. Piggyback Registrations.

3.1. Notice and Registration. If the Company proposes to register any of its securities for public sale under the Securities Act (whether proposed to be offered for sale by the Company or any other Person), on a form and in a manner that would permit registration of the Shares for sale to the public under the Securities Act (a "Piggyback Registration"), it will give at least 15 days' advance written notice to the Holders of its intention to do so, and upon the written request of any or all of the Holders delivered to the Company within 10 days after the giving of any such notice (which request shall specify the Shares intended to be disposed of by such Holders), the Company will use its reasonable best efforts to effect, in connection with the registration of such other securities, the registration under the Securities Act of all of the Shares which the Company has been so requested to register by such Holders (which shall then become Selling Holders), to the extent required to permit the disposition (in accordance with the same method of disposition as the Company proposes to use to dispose of the other securities) of the Shares to be so registered; provided, however, that:

(a) if, at any time after giving such written notice of its intention to register any of its other securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason to delay registration of, or not to register, such other securities, the Company may, at its election, give written notice of such determination to the Selling Holders (or, if prior to the expiration of the 15-day period described above in this Section 3.1, the Holders) and, thereupon, (i) in the case of a determination to delay registration, the Company shall be permitted to delay registering such Shares for the same period as the delay in registering such other securities and (ii) in the case of a determination not to register, the Company shall be relieved of its obligation to register such Shares in connection with the registration of such other securities (but not from its obligation to pay Registration Expenses to the extent incurred in connection therewith as provided in Section 3.3), without prejudice, however, to the rights (if any) of any Selling Holders immediately to request (subject to the terms and conditions of Section 2) that such registration be effected as a registration under Section 2 or to include such Shares in any subsequent Piggyback Registration pursuant to this Section 3;

(b) the Company shall not be required to effect any registration of the Shares under this Section 3 incidental to the registration of any of its securities (i) on Form S-4 or S-8 or any successor or similar forms, (ii) relating to equity securities issuable upon exercise of employee stock or similar options or in connection with any employee benefit or similar plan of the Company or (iii) in connection with an acquisition of, or an investment in, another entity by the Company;

(c) the Company's filing of a Shelf Registration shall not be deemed to be a Piggyback Registration; provided, however, that the proposal to file any prospectus supplement filed pursuant to a Shelf Registration with respect to an offering of the Company's securities (whether proposed to be offered for sale by the Company or any other Person) will be a Piggyback Registration unless such offering qualifies for an exemption under this Section 3.1; and provided further that, if the Company files a Shelf Registration, the Company agrees that it shall use its reasonable best efforts to include in such registration statement such disclosures as may be required by Rule 430B under the Securities Act in order to ensure that the Holders may be added to such Shelf Registration at a later time through the filing of a prospectus supplement rather than a post-effective amendment;

(d) if a Piggyback Registration is an underwritten registration on behalf of the Company (whether or not selling security holders are included therein) and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number that can be sold in such offering without materially adversely affecting the marketability of the offering or the market for the Common Stock (the "Piggyback Maximum Number"), the Company shall include the following securities in such registration up to the Piggyback Maximum Number and in accordance with the following priorities: (w) first, the securities the Company proposes to sell, (x) second, up to the number of Shares requested to be included in such registration by Illumina, (y) third, up to the number of Shares requested to be included in such registration by Selling Holders other than Illumina, pro rata among such Selling Holders of such Shares on the basis of the number of Shares requested to be registered by each such Selling Holder and (z) fourth, up to the number of any other securities requested to be included in such registration;

(e) no registration of the Shares effected under this Section 3 shall relieve the Company of its obligation to effect a registration of Shares pursuant to Section 2; and

(f) at any time prior to the execution of an underwriting agreement with respect thereto, any Selling Holder may withdraw any or all of its Shares from a Piggyback Registration by providing a written notice to the Company.

3.2. Selection of Professionals. In the event of any Piggyback Registration, the Company shall select the investment banks and managers to underwrite or otherwise administer the offering and the financial printer for the offering. One counsel for the Holders participating in such offering may be selected by (i) Illumina, in the event Illumina is participating in such offering, or (ii) Holders of a majority of the Shares included in such offering, in the event Illumina is not participating in such offering, provided that, in the case of both clauses (i) and (ii) above, such selection of counsel shall also be approved by the Company, such approval not to be unreasonably withheld, conditioned or delayed, provided further that, for the avoidance of doubt, counsel for the Selling Holders may be (but shall not be required to be) the same counsel as counsel for the Company in such offering.

3.3. Registration Expenses. The Company shall pay all of the Registration Expenses in connection with any registration pursuant to this Section 3.

Section 4. Registration Procedures.

4.1. Registration and Qualification. If and whenever the Company is required to use its reasonable best efforts to effect the registration of any of the Shares under the Securities Act as provided in Sections 2 and 3, including an underwritten offering pursuant to a Shelf Registration, the Company shall use its reasonable best efforts to:

(a) as promptly as practicable (and in any event within 30 days (in the case of a registration statement on Form S-3 or Form S-4) or 60 days (in the case of all other registration statements)) after the date of any request for registration under Section 2, prepare and file with the SEC a registration statement with respect to such Shares and cause such registration statement to become effective as soon as practicable after the initial filing thereof; provided that, before filing a registration statement or prospectus or any amendment or supplement thereto, the Company shall furnish to the Selling Holders and the underwriters, if any, copies of all such documents proposed to be filed (which documents shall be subject to the review and comment of such parties) and the Company shall not file with the SEC any registration statement or prospectus or amendments or supplements thereto to which the Selling Holders or the underwriters, if any, shall reasonably object;

(b) except in the case of a Shelf Registration effected on Form S-3, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all such Shares until the earlier of (i) such time as all such Shares have been disposed of in accordance with the intended methods of disposition set forth in such registration statement or (ii) the expiration of 90 days after such registration statement becomes effective, plus the number of days that any filing or effectiveness has been delayed under Section 2.1(b);

(c) in the case of a Shelf Registration effected on Form S-3, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Shares subject thereto for a period ending on the earlier of (i) 36 months after the effective date of such registration statement plus the number of days that any filing or effectiveness has been delayed under Section 2.1(b) or suspended under Section 4.3(a) and (ii) the date on which all the Shares subject thereto have been sold pursuant to such registration statement;

(d) furnish to the Selling Holders and the underwriters, if any, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus and such other documents as the Selling Holders or such underwriters may reasonably request;

(e) register or qualify all of the Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Selling Holders or any underwriter shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable the Selling Holders or any underwriter to consummate the disposition in such jurisdictions of the Shares covered by such registration statement, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where it is not so qualified, subject itself to taxation in any such jurisdiction or consent to general service of process in any such jurisdiction;

(f) in the case of an underwritten offering, (i) furnish to the underwriters, addressed to them, an opinion of counsel for the Company and (ii) furnish to the underwriters, addressed to them, a "cold comfort" letter signed by the independent public accountants who have certified the Company's financial statements included in such registration statement, covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other matters as the underwriters may reasonably request, in each case, in form and substance and as of the dates reasonably satisfactory to the underwriters;

(g) enter into such customary agreements (including, if applicable, an underwriting agreement containing customary provisions for indemnification and contribution covering the Selling Holders, the underwriters and their affiliates) and take such other actions as the Selling Holders shall reasonably request in order to expedite or facilitate the disposition of such Shares (it being understood that the relevant Selling Holders may be parties to any such underwriting agreement and may, at their option, require that the Company make to and for the benefit of such Selling Holders the representations, warranties and covenants of the Company which are being made to and for the benefit of such underwriters);

(h) notify the Selling Holders and the managing underwriters, if any, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company, (i) when the applicable registration statement or any amendment thereto has been filed or becomes effective, and when the applicable prospectus or any amendment or supplement to such prospectus has been filed, (ii) of any comments (written or oral) by the SEC or

any request by the SEC or any other federal or state governmental authority (written or oral) for amendments or supplements to such registration statement or such prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or any order preventing or suspending the use of any preliminary or final prospectus or the initiation or threatening of any proceedings for such purposes, (iv) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(i) comply with all applicable rules and regulations of the SEC, and make generally available to its security holders, as soon as reasonably practicable after the effective date of the relevant registration statement (and in any event within 90 days after the end of such 12-month period described hereafter), an earnings statement (which need not be audited) covering the period of at least 12 consecutive months beginning with the first day of the Company's first calendar quarter after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(j) immediately notify the Selling Holders and the managing underwriters, if any, at any time when a prospectus relating to a registration pursuant to Section 2 or 3 is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and at the request of the Selling Holders or the underwriters prepare and file with the SEC (and furnish to the Selling Holders and the underwriters a reasonable number of copies of) a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) permit any Selling Holders comprising holders of a majority of the Shares to be included in such registration to participate in the preparation of such registration statement (including having prompt access to any SEC comment letters or other communications in connection with such registration and the Company's responses thereto) and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such Selling Holders and their counsel should be included, subject to the Company's approval, such approval not to be unreasonably withheld, conditioned or delayed;

(l) provide and cause to be maintained a transfer agent and registrar for all such Shares covered by such registration statement not later than the effective date of such registration statement;

(m) provide a CUSIP number for all such Shares, not later than the effective date of such registration statement;

(n) in the case of an underwritten offering, cause the senior executive officers of the Company to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto, including participation of such officers in road show presentations, during normal business hours, upon reasonable notice and in a manner that does not unreasonably interfere with the operations of the Company's business;

(o) cooperate with the Selling Holders and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Shares to be sold, and cause such Shares to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Shares to the underwriters or, if not an underwritten offering, in accordance with the instructions of the Selling Holders at least one Business Day prior to any sale of Shares and instruct any transfer agent and registrar of Shares to release any stop transfer orders in respect thereof; provided that the Company may satisfy its obligations under this Section 4.1(o) without issuing physical stock certificates through the use of the Depository Trust Company's Direct Registration System;

(p) take no direct or indirect action prohibited by Regulation M under the Exchange Act; provided, however, that, to the extent that any prohibition is applicable to the Company, the Company will take such action as is necessary to make any such prohibition inapplicable;

(q) in the event of the issuance of any stop order suspending the effectiveness of such registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in such registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts promptly to obtain the withdrawal of such order;

(r) cause the Shares covered by such registration statement to be registered with or approved by such other government agencies or authorities, as may be necessary to enable the sellers thereof to consummate the disposition of such Shares;

(s) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Shares; and

(t) without limiting the applicability of, and obligations described in, clauses (a) through (s) above, in the case of any Demand Registration in the form of an Other Disposition, the Company shall take such corresponding actions described in clause (a) through (s) above that are customarily applicable to such transactions and shall use its reasonable best efforts to effect such Other Disposition.

The Company may require the Selling Holders to furnish the Company with such information regarding the Selling Holders and the distribution of such Shares, and other customary certifications and agreements, as the Company may from time to time reasonably request in writing and as shall be required by law, the SEC or any securities exchange on which any shares of Common Stock are then listed for trading in connection with any registration.

Each Selling Holder will as promptly as reasonably practicable notify the Company, at any time when a prospectus relating thereto is required to be delivered (or deemed delivered) under the Securities Act, of the occurrence of an event, of which such Selling Holder has knowledge, relating to such Selling Holder or its disposition of Shares thereunder requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered (or deemed delivered) to the purchasers of such Shares, such prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Illumina agrees, and any other Selling Holder agrees by acquisition of such Shares, that, upon receipt of any written notice from the Company of the occurrence of any event of the kind described in Section 4.1(j), such Selling Holder will forthwith discontinue disposition of Shares pursuant to such registration statement until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4.1(j), or until such Selling Holder is advised in writing by the Company that the use of the prospectus may be resumed, and if so directed by the Company, such Selling Holder will deliver to the Company (at the Company's expense) all copies of the prospectus covering such Shares current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable registration statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Shares covered by such registration statement either receives the copies of the supplemented or amended prospectus contemplated by Section 4.1(j) or is advised in writing by the Company that the use of the prospectus may be resumed.

No Selling Holder may participate in any underwritten offering or registered exchange offer hereunder unless such Selling Holder (a) agrees to sell such Selling Holder's securities on the basis provided in any underwriting agreements or other applicable agreements, approved by the Company or other Persons entitled to approve such agreements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, other applicable agreements and other documents reasonably required under the terms of such underwriting or other agreements or this Agreement.

Each Selling Holder agrees that, in connection with any offering pursuant to this Agreement, it will not prepare, use or refer to any "free writing prospectus" (as defined in Rule 405 of the Securities Act) without the prior written authorization of the Company, such approval not to be unreasonably withheld, conditioned or delayed, and will not distribute any written materials in connection with any offering of the Shares under any registration statement registered pursuant to this Agreement other than the applicable prospectus and any such free writing prospectus so authorized.

4.2. Underwriting. If requested by the underwriters for any underwritten offering (or exchange agent for an exchange offer) in connection with a registration requested hereunder (including any registration under Section 3 which involves, in whole or in part, an underwritten offering), the Company will enter into an underwriting agreement with such underwriters (or exchange agent agreement with such exchange agents) for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements or exchange agent agreements, as applicable, with respect to that offering, including indemnification and contribution obligations and the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 4.1(f). The Company may require that the Shares requested to be registered pursuant to Section 3 be included in such underwritten offering on the same terms and conditions as shall be applicable to the other securities being sold through underwriters under such registration; provided, however, that no Selling Holder shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such Holder and such Holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in Section 6 hereof. The Selling Holders shall be parties to any such underwriting agreement, and the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such Selling Holders.

4.3. Blackout Periods for Shelf Registrations.

(a) At any time when a Shelf Registration effected pursuant to Section 2 relating to the Shares is effective, upon written notice from the Company to the Selling Holders that the Company has determined in good faith that (i) the Selling Holders' sale of the Shares pursuant to the Shelf Registration would require the disclosure of material nonpublic information, the disclosure of which would be reasonably likely to have a material adverse effect on the Company, (ii) the Selling Holders' sale of the Shares pursuant to the Shelf Registration would materially impede, delay or interfere with any material acquisition, divestiture, joint venture, merger, consolidation, other business combination, corporate reorganization, tender offer or other material transaction of the Company or (iii) the Company is unable to comply with SEC requirements for continued use or effectiveness of the Shelf Registration (each of clauses (i) through (iii), an "Information Blackout"), the Selling Holders shall suspend sales of the Shares pursuant to such Shelf Registration until the earlier of (A) the date upon which such material information is disclosed to the public or ceases to be material (or the Company otherwise complies with applicable SEC requirements), (B) 45 days after the date on which the Company makes such good faith determination that an Information Blackout exists (unless resuming use of the Shelf Registration is then prohibited by applicable SEC rules or published interpretations) or (C) such time as the Company notifies the Selling Holders that sales pursuant to such Shelf Registration may be resumed (the number of days from such suspension of sales of the Shares until the day when such sales may be resumed hereunder is hereinafter called a "Sales Blackout Period"). The postponement rights in this Section 4.3(a) and Section 2.1(b) and the holdback obligation in Section 4.5(c) shall not be applicable to the Holders for more than a total of 120 days during any 12-month period.

(b) If there is an Information Blackout and the Selling Holders do not notify the Company in writing of their desire to cancel such Shelf Registration, the period set forth in Section 4.1(c)(i) shall be extended for a number of days equal to the number of days in the Sales Blackout Period. The fact that a Sales Blackout Period is required under this Section 4.3 or SEC rules shall not relieve the contractual duty of the Company as set forth in Section 2.7 to file timely reports and otherwise file material required to be filed under the Exchange Act.

4.4. Listing and Other Requirements. In connection with the registration of any offering of the Shares pursuant to this Agreement, the Company agrees to use its reasonable best efforts to effect the listing of such Shares on any securities exchange on which any shares of the Common Stock are then listed and otherwise facilitate the public trading of such Shares. The Company will take all other lawful actions reasonably necessary and customary under the circumstances to expedite and facilitate the disposition by the Selling Holders of Shares registered pursuant to this Agreement as described in the prospectus relating thereto, including timely preparation and delivery of stock certificates, if any, in appropriate denominations and furnishing any required instructions or legal opinions to the Company's transfer agent in connection with Shares sold or otherwise distributed pursuant to an effective registration statement; provided that the Company may satisfy its obligations under this Section 4.4 without issuing physical stock certificates through the use of the Depository Trust Company's Direct Registration System.

4.5. Holdback Agreements.

(a) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to, and during the 90-day period beginning on, the effective date of any registration statement in connection with a Demand Registration (other than a Shelf Registration) or a Piggyback Registration, except pursuant to such Demand Registration or Piggyback Registration or registrations on Form S-8 or S-4 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(b) If the Holders of Shares notify the Company in writing that they intend to effect an underwritten sale of Shares registered pursuant to a Shelf Registration pursuant to Section 2, the Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for its equity securities, during the seven days prior to, and during the 90-day period beginning on, the date specified in such notice for such proposed sale, except pursuant to such intended Shelf Registration or registrations on Form S-8 or S-4 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(c) If the Company completes an underwritten registration with respect to any of its securities (whether offered for sale by the Company or any other Person) on a form and in a manner that would have permitted registration of the Shares and the Company has complied with its obligations pursuant to Section 3 in connection with such underwritten registration, the Holders shall not effect any public sales or distributions of

equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, until the termination of the holdback period required from the Company by any underwriters in connection with such previous registration; provided that the holdback period applicable to the Holders shall (i) in no event be longer than a period of seven days prior to, and during the 90-day period beginning on, the effective date of such registration statement, (ii) not apply to any distribution of Shares to stockholders of a Holder, (iii) not apply to any Holder owning less than 5% of the Company's outstanding voting securities and (iv) not apply unless all directors and executive officers of the Company are subject to substantially comparable restrictions as those proposed to be imposed on the Holders; provided further that for the purposes of clause (iii) all members of the Illumina Group shall be treated as a single Selling Holder and that for the purposes of clause (iv), each such party shall, upon request, execute a lock-up agreement containing such terms in a customary form and, to the extent required by any underwriter participating in an underwritten public offering, the Company shall use reasonable best efforts to cause its executive officers and directors to execute such lock-up agreements in connection with such underwritten public offering, which lock-up agreements shall not have a duration shorter than that of the lock-up agreement or provisions applicable to the Company.

Section 5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering the Shares under the Securities Act and each sale of the Shares thereunder, the Company will give each Selling Holder and the underwriters, if any, and their respective counsel and accountants representing such Selling Holders and underwriters, access to its reasonably requested financial and other records, pertinent corporate documents and properties of the Company and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of the Selling Holders and such underwriters or such counsel, to conduct a reasonable investigation within the meaning of the Securities Act; provided that each Selling Holder agrees that the information obtained by it pursuant to this Section 5 shall be kept confidential by it and, except as required by law, not disclosed by it, in each case, unless and until such information is made generally available to the public other than by such Selling Holder, and each Selling Holder further agrees that it will, upon learning that disclosure of such information is sought from such Selling Holder in a court of competent jurisdiction, promptly give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the information deemed confidential; provided further that for purposes of this Section 5, all members of the Illumina Group shall be treated as a single Selling Holder.

Section 6. Indemnification and Contribution.

(a) In the event of any registration of any of the Shares hereunder, the Company shall enter into customary indemnification arrangements to indemnify and hold harmless each of the Selling Holders, each of their respective directors, officers, employees, advisors and agents, each Person who participates as an underwriter in the offering or sale of such securities, each director, officer, employee, advisor and agent of each underwriter and each Person, if any, who controls each such Selling Holder or any such underwriter within the meaning of the Securities Act or the Exchange Act

(collectively, the "Holder Covered Persons") against any losses, claims, damages, liabilities (or actions or proceedings in respect thereof) and expenses, joint or several (each, a "Loss" and collectively, "Losses"), to which such Person may be subject under the Securities Act or otherwise insofar as such Losses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any related registration statement filed under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, any free writing prospectus, or any document incorporated by reference therein, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any prospectus, in light of the circumstances under which they were made), and the Company will reimburse each such Holder Covered Person, as incurred, for any legal or any other expenses reasonably incurred by such Holder Covered Person in connection with investigating or defending any such Loss; provided, however, that the Company shall not be liable in any such case to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus or final prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company after the Distribution by such Selling Holder or such underwriter specifically for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any such Holder Covered Person and shall survive the transfer of such securities by the Selling Holders.

(b) Each of the Selling Holders, by virtue of exercising its respective registration rights hereunder, agrees and undertakes to enter into customary indemnification arrangements to indemnify and hold harmless (in the same manner and to the same extent as set forth in clause (a) of this Section 6) the Company, its directors, officers, employees, advisors and agents, each Person who participates as an underwriter in the offering or sale of such securities, each director, officer, employee, advisor and agent of each underwriter, and each Person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act (collectively, the "Company Covered Persons"), with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any free writing prospectus, if such statement or omission is contained in written information furnished by such Selling Holder to the Company specifically for inclusion in such registration statement or prospectus; provided, however, that the obligation for each Selling Holder to indemnify shall be several and not joint, and shall be limited to the net amount of proceeds received by such Selling Holder from the sale of Shares pursuant to such registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Company Covered Person and shall survive the transfer of the registered securities by the Selling Holders.

(c) Any Person entitled to indemnification hereunder (each, an "Indemnified Party") shall (i) give prompt written notice to the Person against whom such indemnity may be sought (the "Indemnifying Party") of any claim with respect to which it seeks indemnification; provided, however, that the failure to give prompt notice shall not impair any Indemnified Party's rights to indemnification hereunder to the extent such failure has not materially prejudiced the Indemnifying Party; and (ii) unless in such Indemnified Party's reasonable judgment a conflict of interest between such Indemnified Party and Indemnifying Party may exist with respect to such claim, permit such Indemnifying Party to assume the defense of such claim with counsel reasonably satisfactory to the Indemnified Party. For any such claim, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel, (ii) in the reasonable judgment of such Indemnified Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, including one or more defenses or counterclaims that are different from or in addition to those available to the Indemnifying Party, or (iii) such Indemnifying Party shall have failed to assume the defense within a reasonable time of notice pursuant to this Section 6(c). If such defense is assumed by the Indemnifying Party, no Indemnified Party will consent to entry of any judgment or enter into any settlement without the Indemnifying Party's written consent to such judgment or settlement (but such consent shall not be unreasonably withheld, conditioned or delayed). No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (i) includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and (ii) does not include any injunctive or other equitable or non-monetary relief applicable to or affecting such Indemnified Party.

(d) In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (a) any Holder exercising rights under this Agreement, or any controlling person of any such Holder, makes a claim for indemnification pursuant to this Section 6, but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 6 provides for indemnification in such case, or (b) contribution under the Securities Act may be required on the part of any such Holder or any such controlling person in circumstances for which indemnification is provided under this Section 6, then, and in each such case, the Company and such Holder will contribute to the aggregate Losses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and of the Holder on the other hand in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations, where the relevant fault of the Company and the Holder will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Company or by the Holder and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; and provided further, however, that, in any such case: (i) no such Holder will

be required to contribute any amount in excess of the net amount of proceeds of all such Shares offered and sold by such Holder pursuant to such registration statement and (ii) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity, or any department, agency or political subdivision thereof.

(f) The rights and obligations of the Company and the Selling Holders under this Section 6 shall survive the termination of this Agreement.

Section 7. Benefits and Termination of Registration Rights.

(a) The Holders may exercise the registration rights granted hereunder in such manner and proportions as they shall agree among themselves. The registration rights hereunder shall cease to apply to any particular Shares and such securities shall cease to be Shares when: (i) a registration statement with respect to the sale of such Shares shall have become effective under the Securities Act and such Shares shall have been disposed of in accordance with such registration statement; (ii) (x) as to Illumina, any other member of the Illumina Group or any Participating Bank, such Shares shall have been sold to the public pursuant to Rule 144 under the Securities Act (or any successor provision) ("Rule 144") and (y) as to any other Holder not enumerated in the immediately preceding clause (x), such Shares may be sold to the public pursuant to Rule 144 without being subject to the volume or manner of sale limitations of such rule; (iii) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company (if applicable) and subsequent public distribution of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force; or (iv) such Shares shall have ceased to be outstanding.

(b) If any Shares are held in non-certificated book-entry form and are subject to any stop transfer or similar instructions or restrictions, the Company shall, at the request of the applicable Holder, use commercially reasonable efforts to cause such stop transfer or similar instructions or restrictions to be promptly terminated and removed if (i) such Shares are registered for resale under the Securities Act, (ii) the applicable Holder provides the Company with reasonable assurance that such Shares can be sold, assigned or transferred pursuant to Rule 144(b)(1) or otherwise without registration under the applicable requirements of the Securities Act, including, if requested by the Company or its transfer agent, an opinion of Holder's outside legal counsel, reasonably acceptable to the Company and its transfer agent, to such effect and (iii) the applicable Holder delivers to the Company a representation letter in form and substance reasonably acceptable to the Company agreeing that such Shares will be sold only under an effective registration statement or pursuant to Rule 144(b)(1) or otherwise without registration in compliance with an exemption under the Securities Act.

Section 8. Registration Expenses. As used in this Agreement, the term "Registration Expenses" means all expenses incident to the Company's performance of or compliance with the registration requirements set forth in this Agreement, including:

(a) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares to be disposed of;

(b) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to the underwriters;

(c) the cost of printing and producing any agreements among underwriters, any underwriting agreements, any blue sky or legal investment memoranda, any selling agreements and any amendments thereto or other documents in connection with the offering, sale or delivery of the Shares to be disposed of;

(d) all registration, qualification and filing fees, including the filing fees incident to securing any required review by Nasdaq, and any other securities exchange on which the Common Stock is then traded or listed, of the terms of the sale of the Shares to be disposed of and the trading or listing of all such Shares on each such exchange;

(e) all expenses in connection with the qualification of the Shares to be disposed of for offering and sale under state or non-U.S. securities laws, including the fees and disbursements of counsel for the underwriters in connection with such qualification and in connection with any blue sky and legal investment surveys;

(f) all expenses and application fees incurred in connection with any filing with, and clearance of an offering by the Financial Industry Regulatory Authority, Inc.;

(g) internal expenses of the Company (including all salaries and expenses of its officers and employees performing legal or accounting duties);

(h) expenses incurred in connection with any road show presentation to potential investors;

(i) the costs of preparing stock certificates (if any);

(j) the costs and charges of the Company's transfer agent and registrar; and

(k) the fees and disbursements of any custodians or agents.

Registration Expenses shall not include (i) underwriting discounts and underwriters' commissions attributable to the Shares being registered for sale on behalf of the Selling Holders, which shall be paid by the Selling Holders, (ii) stock transfer taxes, which shall be paid by the Selling Holders and (iii) the fees, disbursements and expenses of the Selling Holders' counsel and accountants in connection with the registration of the Shares to be disposed of under the Securities Act.

Section 9. Voting Restrictions.

9.1. Voting of the Shares.

(a) From the date of the Distribution until the date that the Illumina Group ceases to own any Shares, Illumina shall, and shall cause each member of the Illumina Group to (in each case, to the extent that they own any Shares), be present, in person or by proxy, at each and every stockholder meeting of the Company, and otherwise to cause all Shares owned by them to be counted as present for purposes of establishing a quorum at any such meeting, and to vote or consent on any matter (including waivers of contractual or statutory rights), or cause to be voted or consented on any such matter, all such Shares in proportion to the votes cast by the other holders of the Common Stock on such matter.

(b) From the date of the Distribution until the date that the Illumina Group ceases to own any Shares, Illumina hereby grants, and shall cause each member of the Illumina Group (in each case, to the extent that they own any Shares) to grant, an irrevocable proxy, which shall be deemed coupled with an interest sufficient in law to support an irrevocable proxy to the Company or its designees, to vote, with respect to any matter, all Shares owned by them, in proportion to the votes cast by the other holders of the Common Stock on such matter; provided that (i) such proxy shall automatically be revoked as to a particular Share upon any sale, assignment or transfer of such Share from a member of the Illumina Group to a Person other than a member of the Illumina Group and (ii) nothing in this Section 9.1(b) shall limit or prohibit any such sale, assignment or transfer.

Section 10. Miscellaneous.

10.1. [Reserved]

10.2. Nominees for Beneficial Owners. If Shares are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its option, be treated as the Holder of such Shares for purposes of any request or other action by any Holder pursuant to this Agreement (or any determination of any number or percentage of shares constituting Shares held by any Holder contemplated by this Agreement); provided that the Company shall have received assurances reasonably satisfactory to it of such beneficial ownership.

10.3. Counterparts. This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each party and delivered to the other party. This Agreement may be executed by facsimile or PDF signature and a facsimile or PDF signature shall constitute an original for all purposes.

10.4. Entire Agreement. This Agreement, the Separation Agreement, all the other Ancillary Agreements (as defined in the Separation Agreement) and all other exhibits and schedules attached hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the parties with respect to the subject matter hereof other than those set forth or referred to herein or therein. In the event of any conflict between or among such agreements as it relates to the sale or transfer of the Shares following the Distribution, this Agreement shall govern.

10.5. Authority. Each of the parties hereto represents to the other that:

(a) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated; and

(b) this Agreement has been duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms thereof; and

(c) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

10.6. Governing Law; Dispute Resolution. (a) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware, irrespective of the choice of laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

(b) In the event of any dispute arising under this Agreement between the parties (a "Dispute"), prior to bringing an Action (as defined in the Separation Agreement) relating to a Dispute, the parties shall first seek to settle amicably all Disputes by negotiation. The parties shall first attempt in good faith to resolve the Dispute by negotiation in the normal course of business at the operational level within 30 days after written notice is received by either party regarding the existence of a Dispute (the "Initial Notice"). If the parties are unable to resolve the Dispute within such 30-day period, the parties shall then attempt in good faith to resolve the Dispute by negotiation between executives designated by the parties who hold, at a minimum, the office of [Senior Vice President and/or General Counsel] (such designated executives, the "Dispute Committee"). The parties agree that the members of the Dispute Committee shall have full and complete authority on behalf of their respective parties to resolve any Disputes submitted pursuant to this Section 10.6(b). Such Dispute Committee members and other applicable executives shall meet in person or by teleconference or video conference within 30 days of the date of the Initial Notice to seek a resolution of the Dispute. In the event that the Dispute Committee and other applicable executives are unable to agree to a format for such meeting, the meeting shall be convened in person at a mutually acceptable location in San Diego, California.

10.7. Arbitration.

(a) Any Dispute not finally resolved pursuant to Section 10.6(b) within 60 days from the delivery of the Initial Notice shall be resolved by binding arbitration in accordance with this Section 10.7. Any Dispute subject to arbitration pursuant to this Section 10.7 shall be determined and resolved by final and binding arbitration, the seat of which shall be in New York, New York, before a panel of three arbitrators. The arbitration shall proceed in accordance with and shall be governed by the Commercial Arbitration Rules (the "AAA Rules") of the American Arbitration Association ("AAA") then in effect. The claimant shall nominate one arbitrator and the respondent shall nominate one arbitrator within the time limits specified in the AAA Rules. The chairperson shall be nominated by the two appointed arbitrators within 15 Business Days of the appointment of the second arbitrator, failing which the chairperson shall be appointed by the AAA. Unless the parties to the arbitration otherwise agree in writing, the arbitrators so selected shall be independent and shall not have any material past or existing affiliation with any party.

(b) The arbitrators shall apply the governing law set forth in Section 10.6(a) and shall have authority to entertain a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. Unless otherwise agreed by the parties in writing, discovery shall be limited to only: (i) documents directly related to the issues in controversy, (ii) no more than three depositions per party for any Dispute asserting claims exceeding $1 million (or equivalent value) or seeking injunctive relief, or two depositions per party for all other Disputes and (iii) 10 interrogatories per party. The arbitration procedures shall include provision for production of documents relevant to the Dispute; provided that all discovery, if any, shall be completed within 90 days of the appointment of the arbitrators or as soon as practicable thereafter.

(c) The provisions of this Section 10.7 are intended to provide the exclusive method of resolving any Dispute, including injunctive relief; provided, however, that a party may commence and prosecute an action in any court of competent jurisdiction for the purpose of enforcing or seeking to vacate an arbitration award hereunder.

(d) The agreement to arbitrate any Dispute set forth in this Section 10.7 shall continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(e) Each party shall bear its own costs of the arbitration and share equally the arbitrators' fee and the administrative costs; provided that the prevailing party shall be entitled to payment of its reasonable attorneys' fees and costs (unless applicable law restricts or prohibits such fee shifting).

(f) The parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in legal proceedings before a court or other judicial authority.

(g) "Business Day" means any day that is not a Saturday, Sunday or any other day on which banking institutions located in New York, New York are required or authorized by law to be closed.

10.8. Assignment. This Agreement may not be assigned by any party hereto other than by Illumina to a Permitted Transferee as provided for in Section 2.5. Notwithstanding the foregoing, in any transaction as a result of which the Common Stock is converted into, or exchanged for, common stock or other securities of another Person, the Company shall cause such other Person to agree in writing to assume all of the Company's rights and obligations under this Agreement. In addition, Illumina may assign this Agreement at any time in connection with a sale or acquisition of Illumina, whether by merger, consolidation, sale of all or substantially all of Illumina's assets, or a similar transaction in which Illumina is not the surviving entity, without the consent of the Company, so long as the surviving entity assumes all the obligations of Illumina under this Agreement by operation of law or pursuant to an agreement in form and substance reasonable satisfactory to the Company. No assignment permitted by this Section 10.8 shall release the assigning party from liability for the full performance of its obligations under this Agreement.

10.9. Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Holder Covered Person or Company Covered Person in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the parties hereto and are not intended to confer upon any Person (including any stockholders of Illumina or stockholders of the Company) except the parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third Person (including any stockholders of Illumina or stockholders of the Company) with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

10.10. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by email with receipt confirmed, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.10):

If to Illumina, to:

Illumina, Inc.
5200 Illumina Way
San Diego, CA 92122
Attention: Legal Department
Email: legalnotices@illumina.com

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP
Two Manhattan West
389 9th Avenue
New York, NY 10001
Attention: Andrew J. Pitts
Ting S. Chen
Daniel J. Cerqueira
Email: apitts@cravath.com
tchen@cravath.com
dcerqueira@cravath.com

If to the Company, to:

[ ]
[ ]
Attention: [ ]
Email: [ ]
with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071

Attention: W. Alex Voxman
Andrew Clark
Ross McAloon
Alexa Berlin
Email: alex.voxman@lw.com
andrew.clark@lw.com
ross.mcaloon@lw.com
alexa.berlin@lw.com

Any party may, by notice to the other party, change the address and contact person to which any such notices are to be given.

10.11. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

10.12. Waivers of Default. Waiver by a party of any default by the other party of any provision of this Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of the other party. No failure or delay by a party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.13. Specific Performance. Subject to Section 10.6(b), in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the party or parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties.

10.14. Amendments; Waivers. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom it sought to enforce such waiver, amendment, supplement or modification is sought to be enforced.

10.15. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.16. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY BASED UPON, RELATING TO OR ARISING FROM THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.16.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date and year first written above.

ILLUMINA, INC.,

By _____
Name:
Title:

GRAIL, INC.,

By _____
Name:
Title:

[*Signature Page to Registration Rights Agreement*]

Exhibit 10.4

AGREEMENT AND PLAN OF MERGER

among

ILLUMINA, INC.,

SDG OPS, INC.,

SDG OPS, LLC

and

GRAIL, INC.

Dated as of September 20, 2020

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AGREEMENT AND PLAN OF MERGER, dated as of September 20, 2020 (this "Agreement"), among Illumina, Inc., a Delaware corporation ("Parent"), SDG Ops, Inc., a Delaware corporation and direct, wholly owned subsidiary of Parent ("First Merger Sub"), SDG Ops, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Parent ("Second Merger Sub"), and GRAIL, Inc., a Delaware corporation (the "Company").

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with the DGCL (as defined below) and the DLLCA (as defined below), Parent, First Merger Sub, Second Merger Sub and the Company have agreed to enter into a business combination transaction pursuant to which (a) First Merger Sub will merge with and into the Company (the "First Merger"), with the Company being the surviving corporation (the Company, in its capacity as the surviving corporation of the First Merger, is sometimes referred to as the "Surviving Corporation"), and (b) immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation will merge with and into Second Merger Sub (the "Second Merger" and, together with the First Merger, the "Mergers"), with Second Merger Sub being the surviving company of the Second Merger (Second Merger Sub, in its capacity as the surviving company of the Second Merger, is sometimes referred to as the "Surviving Entity");

WHEREAS, for U.S. federal income tax purposes, each of the parties hereto intends that the First Merger and the Second Merger, taken together, will constitute an integrated transaction that qualifies as a "reorganization" within the meaning of Section 368(a) of the Code, and that this Agreement be, and hereby is, adopted as a "plan of reorganization" for the purposes of Section 368 of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a).

WHEREAS, the Company Board (as defined below), including both Preferred Directors (as defined in the Company's certificate of incorporation), has (i) determined that this Agreement and the Transactions are fair to, and in the best interests of, the Company and its stockholders; (ii) approved and declared advisable this Agreement and the Transactions; (iii) approved the Transactions as a "Sale of the Company" pursuant to Section 2.2 of the Voting Agreement and specified that Section 2 of the Voting Agreement shall apply to the Transactions (the "Drag-Along Resolutions"); (iv) resolved to recommend that the stockholders of the Company adopt this Agreement; and (v) directed that this Agreement be submitted to the stockholders of the Company for adoption;

WHEREAS, the Parent Board (as defined below) has (i) determined that this Agreement and the Transactions are fair to, and in the best interests of, Parent and its stockholders and (ii) approved this Agreement and the Transactions;

WHEREAS, the Board of Directors of First Merger Sub has (i) approved this Agreement and declared its advisability and (ii) resolved to recommend the adoption of this Agreement by the sole stockholder of First Merger Sub;

WHEREAS, Parent, as the sole stockholder of First Merger Sub, shall adopt this Agreement immediately following the execution of this Agreement upon the approval of the Board of Directors of First Merger Sub;

WHEREAS, Parent, as the sole member of Second Merger Sub, has (i) determined that this Agreement and the Transactions are advisable, fair to, and in the best interests of, Second Merger Sub and its sole member and (ii) approved this Agreement and the Transactions;

WHEREAS, following the execution and delivery of this Agreement, each holder of Company Stock listed on Schedule A (the "Selling Investors") will enter into a Selling Investor Support Agreement in the form attached hereto as Exhibit A, with such changes and modifications as may be mutually agreed by Parent and the Company (the "Selling Investor Support Agreement");

WHEREAS, following the execution and delivery of this Agreement, the Selling Investors will execute and deliver a consent in the form attached hereto as Exhibit B (the "Drag-Along Consent"); and

WHEREAS, as of or prior to the Closing, Parent and a trustee mutually agreeable to Parent and the Company (the "Trustee") will enter into a Contingent Value Rights Agreement, substantially in the form attached hereto as Exhibit C, with such changes as may be mutually agreed by Parent and the Company or as the Trustee shall reasonably request (the "CVR Agreement");

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained in this Agreement, and intending to be legally bound hereby, Parent, First Merger Sub, Second Merger Sub and the Company hereby agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.01 Certain Defined Terms. For purposes of this Agreement:

"Acceptable Confidentiality Agreement" means a customary confidentiality agreement between the Company and a Person who has made a proposal satisfying the requirements of Section 7.02(c) that contains terms no less favorable to the Company than those contained in the Confidentiality Agreement and does not include provisions requiring exclusive negotiations.

"Action" means any litigation, suit, claim, action, proceeding or investigation.

"Affiliate" of a Person means a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

"Aggregate Option Exercise Price" means the aggregate exercise price of all Company Stock Options that are outstanding as of immediately prior to the Effective Time.

"Aggregate Stock Consideration" means, subject to adjustment pursuant to Section 3.02(f), the following: (a) if the Average Parent Stock Price is an amount greater than $399, then the Aggregate Stock Consideration shall be 11,278,195 shares of Parent Common Stock; (b) if the Average Parent Stock Price is an amount greater than or equal to $295 but less than or equal to $399, then the Aggregate Stock Consideration shall be a number of shares of Parent Common Stock equal to the quotient obtained by dividing (x) $4,500,000,000 by (y) the Average Parent Stock Price; or (c) if the Average Parent Stock Price is an amount less than $295, then the Aggregate Stock Consideration shall be 15,254,237 shares of Parent Common Stock.

"Alternative Consideration" means a number of shares of Parent Common Stock and/or an amount of cash (which may be set by reference to the Company Fully Diluted Share Count), such number and/or amount to be determined by Parent in its sole discretion prior to the mailing of the Election Form.

"Average Parent Stock Price" means the volume weighted average trading price of Parent Common Stock on the NASDAQ (as reported by Bloomberg L.P. or, if not reported therein, in another authoritative source mutually selected by the parties) for the 20 consecutive Trading Days ending on (and including) the Trading Day that is 10 Trading Days prior to the Closing Date (rounded to four decimal places).

"beneficial owner", with respect to any shares of Company Stock, has the meaning ascribed to such term under Rule 13d-3 of the Exchange Act.

"Blue Sky Laws" means state securities or "blue sky" Laws.

"Business Day" means any day on which banks are not required or authorized to close in the City of New York.

"CARES Act" means the Coronavirus Aid, Relief and Economic Stability Act.

"Cash Consideration" means the quotient obtained by dividing (a) $3,500,000,000 plus the Aggregate Option Exercise Price by (b) the Company Fully Diluted Share Count.

"Class A Restricted Stock Award" means an award of restricted shares of Company Class A Common Stock granted pursuant to the Company Stock Plan or otherwise (including as a result of any early exercise of Company Stock Options), whether subject to service- and/or performance-based vesting criteria.

"Closing Date" means the date on which the Closing occurs.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collaboration Partner" means any third party that manufactures, co-develops or co-markets (or has a license to manufacture, develop, market or sell) any product of the Company or any of its Subsidiaries.

"Commitment Letter" has the meaning set forth in the definition of Financing Sources.

"Company Board" means the Board of Directors of the Company.

"Company Class A Common Stock" means Class A Common Stock, par value $0.001 per share, of the Company.

"Company Class B Common Stock" means Class B Common Stock, par value $0.001 per share, of the Company.

"Company Common Stock" means, collectively, the Company Class A Common Stock and the Company Class B Common Stock.

"Company Disclosure Letter" means the disclosure letter dated as of the date of this Agreement and delivered by the Company to Parent, First Merger Sub and Second Merger Sub simultaneously with the signing of this Agreement.

"Company Equity Awards" means, collectively, the Company Restricted Stock Awards, the Company RSU Awards and the Company Stock Options.

"Company Fully Diluted Share Count" means, in each case as of immediately prior to the Effective Time, (a) the aggregate number of shares of Company Class A Common Stock issued and outstanding, including all Class A Restricted Stock Awards; (b) the aggregate number of shares of Company Class A Common Stock issuable upon conversion of all issued and outstanding shares of Company Class B Common Stock and Company Preferred Stock in accordance with the Company's certificate of incorporation; and (c) except as otherwise included in the foregoing clause (b), the aggregate number of shares of Company Class A Common Stock issuable in respect of all outstanding options and other direct or indirect rights to acquire shares of Company Class A Common Stock or securities ultimately convertible into or exchangeable for shares of Company Class A Common Stock, including all Company RSU Awards and Company Stock Options; provided that, for the avoidance of doubt, any equity securities which may be issuable by the Company pursuant to the terms of the contract disclosed at item 35 of Section 4.09(a) of the Company Disclosure Letter shall not be included in "Company Fully Diluted Share Count" unless such equity securities are issued and outstanding as of immediately prior to the Effective Time.

"Company IP" means all Company Owned IP together with all Intellectual Property licensed by the Company or any of its Subsidiaries and used, held for use or planned for use in the Company's business.

"Company IP Agreements" means any and all contracts relating in whole or in part to the Company IP or IT Assets, to which the Company or any of its Subsidiaries is a party or beneficiary or by which the Company or any of its Subsidiaries, or any Company IP or IT Assets may be bound, which contracts are used, held for use or planned for use in the Company's business, including all (a) licenses or covenants, including covenants not to sue, to Intellectual Property granted by the Company or any of its Subsidiaries to any third party, (b) licenses or covenants, including covenants not to sue, to Intellectual Property granted to the Company or any of its Subsidiaries by any third party, (c) other contracts between the Company or any of its Subsidiaries and any third party relating to the transfer, development, maintenance or use of Intellectual Property or IT Assets and (d) consents, settlements, and Orders governing the use, validity or enforceability of Intellectual Property or IT Assets.

"Company Material Adverse Effect" means any event, occurrence, state of facts, development, circumstance, change or effect that, individually or in the aggregate with all other events, occurrences, state of facts, developments, circumstances, changes and effects, (a) has had or would reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of the Company and its Subsidiaries taken as a whole; provided, however, that any event, occurrence, state of facts, development, circumstance, change or effect to the extent resulting from the following shall not be taken into account in determining whether a Company Material Adverse Effect has occurred: (i) any failure, in and of itself, to meet internal projections or forecasts for any period ending on or after the date of this Agreement (provided that the facts or causes underlying or contributing to such change or failure shall be considered in determining whether a Company Material Adverse Effect has occurred); (ii) changes in U.S. or non-U.S. general economic or political conditions, or in the financial, credit or securities markets in general, including any shutdown of any Governmental Authority; (iii) changes in applicable Law or GAAP or in any interpretation thereof; (iv) changes in the industries in which the Company and its Subsidiaries operate regardless of geographic region (including legal and regulatory changes); (v) acts of civil unrest or war (whether or not declared), armed hostilities or terrorism, or any escalation or worsening of any acts of civil unrest or war (whether or not declared), armed hostilities or terrorism; (vi) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, volcanic eruptions or other natural disasters or any epidemic or pandemic (including the COVID-19 pandemic); (vii) FDA and other regulatory actions, enforcement, requirements or directives (including delay, clinical hold, rejection or additional clinical requirements with respect to any premarket approval application or investigational device exemption application), the scope of marketing approval or intended use statement(s), issuance of warning letters, audit findings, and other exercise or enforcement discretion, pre- or post-approval requirements, limitations or restrictions or rejection or revocation of any accreditations, authorizations, certifications, permits licenses related to the Company's businesses and products (provided that the exception in this clause (vii) shall only apply to the definition of "Company Material Adverse Effect" for the purposes of Section 8.02(a) as applied to the representations and warranties in Section 4.18 if the representations and warranties in Section 4.18 were true as of the date hereof, disregarding the exceptions set forth in this clause (vii) and clause (viii)); (viii) data and other results from clinical trials (including PATHFINDER, STRIVE and SUMMIT) (provided that the exception in this clause (viii) shall only apply to the definition of "Company Material Adverse Effect" for the purposes of Section 8.02(a) as applied to the representations and warranties in Section 4.18 if the representations and warranties in Section 4.18 were true as of the date hereof, disregarding the exceptions set forth in clause (vii) and this clause (viii)); (ix) any disruptions in Parent's supply of sequencers and associated

reagents to the Company and its Subsidiaries; or (x) the public announcement of this Agreement or the pendency of the Transactions; provided that, in each of clauses (ii) through (vi), the Company and its Subsidiaries, taken as a whole, are not affected disproportionately relative to other participants in the industries in which they operate; or (b) would reasonably be expected to prevent or materially delay the consummation of the Transactions by the Company. Notwithstanding the foregoing, in the case of clauses (a)(vii) and (a)(viii), any event, occurrence, state of facts, development, circumstance, change or effect resulting from intentional fraud by the Company or any of its Subsidiaries may be taken into account in determining whether the condition set forth in Section 8.02(a) has been satisfied.

"Company Owned IP" means all Intellectual Property owned or purported to be owned by the Company or any of its Subsidiaries (whether solely or jointly with one or more other Persons) as of the date of this Agreement.

"Company Permits" means franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, concessions, registrations, clearances, exemptions, certificates, filings, notices, approvals and orders of any Governmental Authority necessary for each of the Company and its Subsidiaries to own, lease and operate their respective properties and assets or to carry on their respective businesses as they are now being conducted.

"Company Preferred Stock" means, collectively, the Company Series A Preferred Stock, the Company Series B Preferred Stock, the Company Series C Preferred Stock and the Company Series D Preferred Stock.

"Company Recommendation" means the recommendation of the Company Board that the Company stockholders adopt this Agreement.

"Company Registration Statement" means the registration statement on Form S-1 (File No. 333-248672) filed by the Company with the SEC on September 9, 2020, including all exhibits thereto.

"Company Restricted Stock Awards" means, collectively, the Class A Restricted Stock Awards.

"Company RSU Award" means an award of restricted stock units with respect to shares of Company Class A Common Stock granted pursuant to the Company Stock Plan or otherwise, whether subject to service- and/or performance-based vesting criteria.

"Company Series A Preferred Stock" means the Series A Preferred Stock, par value $0.001 per share, of the Company.

"Company Series B Preferred Stock" means the Series B Preferred Stock, par value $0.001 per share, of the Company.

"Company Series C Preferred Stock" means the Series C Preferred Stock, par value $0.001 per share, of the Company.

"Company Series D Preferred Stock" means the Series D Preferred Stock, par value $0.001 per share, of the Company.

"Company Stock" means, collectively, the Company Common Stock and Company Preferred Stock.

"Company Stock Option" means an award of unexercised options to purchase shares of Company Class A Common Stock granted pursuant to the Company Stock Plan or otherwise, whether subject to service- and/or performance-based vesting criteria.

"Company Stock Plan" means the Company's 2016 Equity Incentive Plan, as amended and/or amended and restated from time to time.

"Company Stockholder Approvals" means the adoption of this Agreement and approval of the Transactions by the affirmative vote of, or the execution and delivery to the Company of a written consent by, (a) holders of a majority of the total voting power of Company Common Stock and Company Preferred Stock, voting together as a single class, and (b) holders of a majority of the Company Preferred Stock, voting together as a single class on an as-converted to Class A Common Stock basis.

"Competing Proposal" means any inquiry, proposal or offer from any Person (other than Parent or its Affiliates) relating to, or that would reasonably be expected to lead to, in one transaction or a series of related transactions (other than the Mergers), (a) any merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any of its Subsidiaries pursuant to which any Person or the shareholders of any Person would own 15% or more of any class of equity securities of the Company or of any resulting parent company of the Company; (b) any sale, lease, license, exchange, transfer or other disposition of, or joint venture involving, assets or businesses that constitute or represent more than 15% of the total revenue, operating income, EBITDA or fair market value of the assets of the Company and its Subsidiaries, taken as a whole (other than sales of inventory and dispositions of non-material assets or licenses, in each case, in the ordinary course of the Company's business); (c) any sale, exchange, transfer or other disposition of more than 15% of any class of equity securities, or securities convertible into or exchangeable for equity securities, of the Company; (d) any tender offer or exchange offer that, if consummated, would result in any Person becoming the beneficial owner of more than 15% of any class of equity securities of the Company; or (e) any combination of the foregoing.

"Competing Transaction Agreement" means a binding letter of intent, binding memorandum of understanding, binding agreement in principle, merger agreement, acquisition agreement, option agreement or other contract or agreement which would reasonably be expected to lead to any Competing Proposal (other than an Acceptable Confidentiality Agreement).

"Confidentiality Agreement" means the Confidentiality Agreement, dated as of August 11, 2020, between the Company and Parent.

"contract" means any loan or credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement or other contract, agreement, obligation, commitment or instrument, in each case, that is legally binding and including all amendments, supplements, restatements or other modifications thereto.

"control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise.

"Designated Investments" means one or more of the following: (a) direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States; or (b) a deposit account of Exchange Agent.

"DGCL" means the General Corporation Law of the State of Delaware.

"DLLCA" means the Delaware Limited Liability Company Act.

"Drag-Along" means the requirement of the Voting Agreement Parties to take certain actions upon the approval of a "Sale of the Company", as such term is defined in the Voting Agreement, to comply with the requirements of Section 2 of the Voting Agreement.

"Encumbrances" means mortgages, pledges, liens, security interests, hypothecations, conditional and installment sale agreements, encumbrances, charges or other claims to title of third parties or restrictions on ownership or use of any kind, including any easement, reversion interest, right of way or other encumbrance to title, limitations on voting rights or disposition rights, or any option, right of first refusal or right of first offer.

"Environmental Law" means any Law relating to pollution or protection of the environment, natural resources, threatened or endangered species or, as it relates to exposure to hazardous or toxic materials, human health and safety.

"Environmental Permits" means all permits, licenses and other authorizations required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder.

"Exchange Ratio" means the number (rounded to four decimal places) obtained by dividing (x) the Aggregate Stock Consideration by (y) the Company Fully Diluted Share Count.

"Expenses" means all out-of-pocket fees and expenses (including all fees and expenses of counsel, accountants, investment banking firms and other financial institutions, experts and consultants to a party hereto and its Affiliates) actually incurred or accrued by a party hereto or its Affiliates or on its or their behalf or for which it or they are liable in connection with or related to the authorization, preparation, negotiation, execution and performance of the Transactions, the solicitation of stockholder approvals, the filing of any required notices under applicable foreign, federal or state antitrust, competition, fair trade or similar Laws or other similar regulations and all other matters related to the closing of the Transactions, including the Mergers.

"FFCRA" means the Families First Coronavirus Response Act.

"Financing Sources" means the Persons that have committed to provide or have otherwise entered into agreements to provide (such agreements, a "Commitment Letter") any part of the Financing and any joinder agreements, indentures, credit agreements or other definitive agreements entered into pursuant thereto or relating thereto, and any arrangers, underwriters, initial purchasers, placement agents or administrative agents in connection with the Financing, together with their current and future Affiliates and their and such Affiliates', officers, directors, employees, attorneys, partners (general or limited), controlling parties, advisors, members, managers, accountants, consultants, agents, representatives and funding sources of each of the foregoing, and their successors and assigns.

"Fraud" means common law intentional fraud under Delaware law in the making of the representation and warranties contained in this Agreement or in the certificates contemplated by Section 8.02(c) or Section 8.03(c).

"GAAP" means United States generally accepted accounting principles in effect from time to time, applied consistently throughout the periods involved.

"Governmental Authority" means any federal, national, foreign, supranational, state, provincial, county, local or other government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any court, tribunal, or judicial or arbitral body of competent jurisdiction. For purposes of Section 4.19, the term "Governmental Authority" shall also include any entity controlled by a Governmental Authority.

"Hazardous Materials" means any petroleum or petroleum products, radioactive materials, medical wastes, asbestos, polychlorinated biphenyls, hazardous or toxic substances and any other chemical, material, substance or waste that is regulated or that forms the basis of liability under any Environmental Law.

"Health Authority" means the Governmental Authorities that administer Health Laws, including the FDA.

"Health Law" means any Law applicable to the Company's products and activities, including any Law the purpose of which is to ensure the safety, efficacy and quality of medical, biotechnology, diagnostic and similar products by regulating the research, development, manufacturing and distribution of these products, including applicable Law relating to good laboratory practices, good clinical practices, investigational use, product marketing authorization, manufacturing facilities compliance and approval, good manufacturing practices, labeling, advertising, promotional practices, safety surveillance, record keeping and filing of required reports, including, without limitation, the FDCA.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"Indebtedness" means, with respect to any Person, all obligations or undertakings by such Person (i) for borrowed money (including deposits or advances of any kind to such Person); (ii) evidenced by bonds, debentures, notes or similar instruments; (iii) under swaps, options, derivatives and other hedging contracts or arrangements that will be payable upon termination thereof (assuming termination on the date of determination); (iv) letters of credit, bank guarantees, and other similar contracts or arrangements entered into by or on behalf of such Person to the extent they have been drawn upon; (v) pursuant to a guarantee of any Indebtedness of a type referred to in clauses (i) through (iii) above, and (v) all Indebtedness of a type referred to in clauses (i) through (iii) above of any Person secured by (or for which the holder of such Indebtedness has a right, contingent or otherwise, to be secured by) any Encumbrance (other than a Permitted Encumbrance) (other than those set forth in clauses (h) and (i) of the definition thereof) on any property or assets owned by the Company or any of its Subsidiaries.

"Intellectual Property" means all rights in or to (a) patents, utility models, statutory invention registrations, registered designs and equivalent thereof, and all applications and pre-grant and post-grant forms of any of the foregoing, including, in each case, any provisionals, substitutions, divisionals, continuations, continuations-in-part, re-examinations, renewals, extensions, reissues, and equivalents thereof in any jurisdiction; (b) registered or unregistered trademarks, trade dress, trade names, brand names, corporate names, service marks, certification marks, designs, logos, slogans and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; (c) copyrightable works (including copyrights in Software and Internet websites), whether published or unpublished and copyright registrations, applications for registration, and extensions thereof; (d) rights associated with domain names, uniform resource locators, Internet Protocol addresses, social media handles, and other names, identifiers, and locators associated with Internet addresses, sites, and services; (e) trade secrets, confidential know-how (including all ideas, concepts, research and development) and other proprietary confidential information, whether or not patentable, including inventions, discoveries, prototypes, results, data (including clinical data, pre-clinical data, and post-clinical data), testing procedures, testing results, methods, designs, specifications, know-how and other forms of technology, in each case, that derives economic value, whether actual or potential, from not being generally known to other persons (collectively, "Trade Secrets"); (f) Software; and (g) any and all other similar or equivalent intellectual property rights.

"Intentional Breach" means, with respect to any agreement or covenant of a party in this Agreement, an action or omission taken or omitted to be taken by such party in material breach of such agreement or covenant that the breaching party intentionally takes (or fails to take) with knowledge that such action or omission would, or would reasonably be expected to, cause such material breach of such agreement or covenant; provided, that (a) as it applies to the Company, knowledge means the actual knowledge of any of the individuals listed in Section 1.01(a) of the Company Disclosure Letter or of the Company Board and (b) as it applies to Parent, First Merger Sub or Second Merger Sub, knowledge means the actual knowledge of Francis A. deSouza, Sam A. Samad and/or Charles E. Dadswell or of the Parent Board.

"Investor Agreements" means, collectively, (a) the Voting Agreement; (b) the Amended and Restated Investors' Rights Agreement dated November 27, 2019, by and among the Company and certain stockholders of the Company party thereto; and (c) the Amended Right of First Refusal and Co-Sale Agreement dated November 27, 2019, by and among the Company and certain stockholders of the Company party thereto.

"IRS" means the United States Internal Revenue Service.

"IT Assets" means all (a) computers (including, servers, firewalls, workstations, desktops, laptops and handheld devices), Software, hardware (whether general or special purpose), networks, firmware, middleware, routers, hubs, switches, data communications lines, data storage devices, information security and telecommunications capabilities, data centers, operating systems and all other information technology equipment and other similar or related items of information technology hardware and infrastructure, including any "Infrastructure-as-a-Service" or "Platform-as-a-Service" or other cloud or hybrid cloud services, and (b) any business systems software or applications (including, CRM, ERP, HR, IT support, and accounting systems), whether hosted in "on prem" and/or in the cloud, or provided as a service (e.g., "Software-as-a-Service"), in each case of both (a) and (b), owned, licensed or used by the Company or any of its Subsidiaries and the documentation, reference and resource materials relating thereto and all contracts and contractual rights required in connection with the foregoing.

"knowledge of Parent" means the actual knowledge of Francis A. deSouza, Sam A. Samad and/or Charles E. Dadswell.

"knowledge of the Company" means the actual knowledge of the individuals listed in Section 1.01(b) of the Company Disclosure Letter.

"Law" means any federal, state, local, national, supranational, foreign or administrative law (including common law), statute, ordinance, regulation, requirement, rule, code or Order.

"Merger Consideration" means the CVR Consideration or the Cash & Stock Consideration, as applicable.

"NASDAQ" means The NASDAQ Global Select Market.

"Non-U.S. Benefit Plan" means a Plan that is not subject exclusively to United States Law.

"Order" means any order, judgment, injunction, award, decision, determination, stipulation, ruling, subpoena, writ, decree or verdict entered by or with any Governmental Authority.

"Outside Date" means September 20, 2021.

"Parent Board" means the Board of Directors of Parent.

"Parent Common Stock" means the common stock, par value $0.01 per share, of Parent.

"Parent IP" means all Parent Owned IP together with all Intellectual Property licensed by Parent or any of its Subsidiaries and used, held for use or planned for use in Parent's business.

"Parent Material Adverse Effect" means any event, occurrence, state of facts, development, circumstance, change or effect that, individually or in the aggregate with all other events, occurrences, state of facts, developments, circumstances, changes and effects, (a) has had or would reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of Parent and its Subsidiaries taken as a whole; provided, however, that any event, occurrence, state of facts, development, circumstance, change or effect to the extent resulting from the following shall not be taken into account in determining whether a Parent Material Adverse Effect has occurred: (i) any change in the market price or trading volume of the Parent Common Stock or any failure, in and of itself, to meet internal projections or forecasts or published revenue or earnings predictions for any period ending (or for which revenues or earnings are released) on or after the date of this Agreement (provided that the facts or causes underlying or contributing to such change or failure shall be considered in determining whether a Parent Material Adverse Effect has occurred); (ii) changes in U.S. or non-U.S. general economic or political conditions, or in the financial, credit or securities markets in general, including any shutdown of any Governmental Authority; (iii) changes in applicable Law or GAAP or in any interpretation thereof; (iv) changes in the industries in which Parent and its Subsidiaries operate regardless of geographic region (including legal and regulatory changes); (v) acts of civil unrest or war (whether or not declared), armed hostilities or terrorism, or any escalation or worsening of any acts of civil unrest or war (whether or not declared), armed hostilities or terrorism; (vi) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, volcanic eruptions or other natural disasters or epidemic or pandemic (including the COVID-19 pandemic); (vii) FDA and other regulatory actions, enforcement, requirements or directives (including delay, clinical hold, rejection or additional clinical requirements with respect to any premarket approval application or investigational device exemption application), the scope of marketing approval or intended use statement(s), issuance of warning letters, audit findings, and other exercise or enforcement discretion, pre-or post-approval requirements, limitations or restrictions or rejection or revocation of any accreditations, authorizations, certifications, permits licenses related to Parent's businesses and products; (viii) data and other results from clinical

trials, or (ix) the public announcement of this Agreement or the pendency or consummation of the Transactions; provided that in each of clauses (ii) through (vi), Parent and its Subsidiaries, taken as a whole are not affected disproportionately relative to other participants in the industries in which they operate; or (b) would reasonably be expected to prevent or materially delay the consummation of the Transactions by Parent, First Merger Sub or Second Merger Sub. Notwithstanding the foregoing, in the case of clauses (a)(vii) and (a)(viii), any event, occurrence, state of facts, development, circumstance, change or effect resulting from intentional fraud by Parent or any of its Subsidiaries may be taken into account in determining whether the condition set forth in Section 8.03(a) has been satisfied.

"Parent Owned IP" means all Intellectual Property owned or purported to be owned by Parent or any of its Subsidiaries (whether solely or jointly with one or more other Persons) as of the date of this Agreement.

"Parent Permits" means franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, concessions, registrations, clearances, exemptions, certificates, filings, notices, approvals and orders of any Governmental Authority necessary for Parent and each of its Subsidiaries to own, lease and operate their respective properties and assets or to carry on their respective businesses as they are now being conducted.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Performance-Vesting Award" means any Company Equity Award that, as of immediately prior to the Closing, is outstanding and subject to performance-based vesting criteria.

"Permitted Encumbrances" means (a) statutory Encumbrances for current Taxes, special assessments or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP, (b) mechanics', materialmen's, carriers', workers', repairers' and similar Encumbrances arising or incurred in the ordinary course of business, (c) zoning, entitlement, building and other land use Laws imposed by governmental agencies having jurisdiction over any real property which are not violated in any material respect by the current use and operation of such real property, (d) deposits or pledges made in connection with, or to secure payment of, worker's compensation, unemployment insurance, old age pension programs mandated under applicable Laws, (e) covenants, conditions, restrictions, easements, and other similar non-monetary matters of record affecting title to, but not adversely affecting current occupancy or use of, the owned real property in any material respect, (f) restrictions on the transfer of securities arising under federal and state securities Laws, (g) any Encumbrances caused by state statutes or specific provisions of Real Property Leases, in each case, with respect to tenant's personal property, fixtures and/or leasehold improvements at the subject leased real property, (h) other Encumbrances incurred in the ordinary course of business and which would not reasonably be expected to have an adverse impact on the use of the property so encumbered, and (i) Encumbrances listed in Section 1.01(c) of the Company Disclosure Letter.

"Person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (as defined in Section 13(d)(3) of the Exchange Act), trust, association, entity or Governmental Authority.

"Personal Data" means (a) any information defined as "personal data", "personally identifiable information" or "personal information" under any Privacy and Data Security Requirement, (b) any information that, alone or in combination with other information, can reasonably be used to identify an individual natural person or relating to an identified or identifiable natural person, directly or indirectly, including name, a unique identification number, government-issued identifier (including Social Security number and driver's license number) physical address, gender and date of birth; and (c) individually identifiable health information constituting "protected health information" as defined under 45 C.F.R. § 160.103. Personal Data that has been pseudonymized shall also be considered Personal Data to the extent treated as such under any Privacy and Data Security Requirement.

"Plan" means each (a) "employee benefit plan" as that term is defined in Section 3(3) of ERISA (whether or not subject to ERISA) and (b) each other employment, individual independent contractor, individual consulting, pension, retirement, profit sharing, deferred compensation, stock option, change in control, retention, equity or equity-based compensation, stock purchase, employee stock ownership, severance, vacation, bonus, incentive, disability, medical, vision, dental, health, life insurance, fringe benefit or other compensation or benefit plan, program, agreement, arrangement, policy or contract, in each case, sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by the Company or any of its Subsidiaries, or to which the Company or any of its Subsidiaries is a party or with respect to which the Company or any of its Subsidiaries have any obligation or liability, whether actual or contingent to provide compensation and/or benefits to or for the benefit of any Service Provider (or spouse, dependent or beneficiary thereof), other than any multiemployer plan (within the meaning of Section 3(37) of ERISA) and any statutory plan to which contributions are mandated by a Governmental Authority.

"Privacy and Data Security Requirements" means (a) any Laws regulating the Processing of Personal Data, (b) obligations under all contracts to which the Company or any of its Subsidiaries is a party that relate to Personal Data or protection of the IT Assets and (c) all of the Company's and its Subsidiaries' internal and publicly posted policies (including if posted on the Company's or its Subsidiaries' products and services) regarding the Processing of Personal Data.

"Process" or "Processing" with regard to Personal Data means the collection, use, storage, maintenance, retention, transmission, access, processing, recording, distribution, transfer, import, export, protection (including security measures), deletion, disposal or disclosure or other activity regarding data (whether electronically or in any other form or medium).

"Public Software" means (a) any Software used under a license identified as an open source license by the Open Source Initiative (www.opensource.org), and (b) any other Software that is distributed as freeware, or under similar licensing or distribution models.

"Real Property Leases" means all leases, subleases, licenses, occupancy agreements and other agreements under which the Company or any of its Subsidiaries uses or occupies or has the right to use or occupy, now or in the future, any real property (including all guaranties thereof and all material modifications, amendments, supplements, waivers and side letters thereto).

"Registered Company IP" means all Intellectual Property: (a) included in the Company Owned IP or (b) that is exclusively licensed to the Company, in each case (a) and (b), that is the subject of an application, certificate, filing, registration, or other document issued, filed with or recorded by any Governmental Authority or Internet domain name registrar.

"Registered Parent IP" means all Intellectual Property: (a) included in the Parent Owned IP or (b) that is exclusively licensed to Parent, in each case (a) and (b), that is the subject of an application, certificate, filing, registration, or other document issued, filed with or recorded by any Governmental Authority or Internet domain name registrar.

"Registration Statement" means the S-4 Registration Statement and/or a registration statement on another appropriate form for the registration under the Securities Act of all of the shares of Parent Common Stock to be issued in connection with the Mergers.

"Representatives" means a Person's officers, directors, employees, accountants, consultants, legal counsel, investment bankers, advisors, agents and other representatives.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

"Service Provider" means each director, officer, employee or independent contractor of the Company and each of its Subsidiaries.

"Service-Vesting Award" means each Company Equity Award that is outstanding immediately prior to the Closing other than a Performance-Vesting Award.

"Software" means all computer software, programs (whether in source code, object code, human readable form or other form), applications, algorithms, user interfaces, application programming interfaces, diagnostics, software development tools and kits, templates, menus, analytics and tracking tools, compilers, library functions, version control systems, operating system virtualization environments, databases and compilations, including data and collections of data, whether machine-readable or otherwise, technology supporting the foregoing, together with all boot, compilation, configuration, debugging, performance analysis and runtime files, libraries, data, documentation, including user manuals and training materials, related to any of the foregoing, and any cloud storage containing any of the foregoing.

"SOX" means the Sarbanes-Oxley Act of 2002, and the rules and regulations promulgated thereunder.

"Subsidiary" or "Subsidiaries" of any specified Person means an Affiliate controlled by such Person, directly or indirectly, through one or more intermediaries.

"Superior Proposal" means an unsolicited written bona fide offer made by a third party with respect to a Competing Proposal which the Company Board reasonably determines, in its good faith judgment, after having received the advice of a financial advisor of nationally recognized reputation and outside legal counsel, to be (a) more favorable to the stockholders of the Company from a financial point of view (after taking into account all of the terms and conditions of such proposal, including the sources and terms of any financing, financing market conditions and the existence of a financing contingency) than the Mergers (after taking into account any changes to the financial terms of this Agreement proposed by Parent in response to such offer or otherwise) and (b) reasonably expected to be consummated on the terms so proposed. For the purposes of the definition of "Superior Proposal", each reference to "15%" in the definition of "Competing Proposal" shall be replaced with "66 %".

"Tax Return" means any return, declaration, report, election, claim for refund or information return or other statement or form filed or required to be filed with any Governmental Authority relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Tax Sharing Agreement" means all existing agreements or arrangements (whether or not written) binding the Company or any of its Subsidiaries that provide for the allocation, apportionment, sharing or assignment of any Tax liability or benefit, or the transfer or assignment of income, revenues, receipts or gains for the purpose of determining any Person's Tax liability, in each case, excluding (i) any such agreement or arrangement between or solely among the Company and its Subsidiaries or (ii) any agreement or arrangement entered into in the ordinary course of business and not primarily related to Taxes.

"Taxes" means all taxes or similar duties, fees or charges or assessments thereof imposed by any Governmental Authority, in each case in the nature of a tax, including any interest, penalties and additions imposed with respect to such amount.

"Trading Day" means a day on which shares of Parent Common Stock are traded on the NASDAQ.

"Transaction Documents" means, collectively, (a) this Agreement, (b) the Selling Investor Support Agreement, (c) the CVR Agreement, (d) the Drag-Along Consent and (e) the Support Agreements.

"Transactions" means the Mergers and the other transactions contemplated by this Agreement and by the CVR Agreement.

"Trust Indenture Act" means the Trust Indenture Act of 1939.

"Voting Agreement" means the Amended and Restated Voting Agreement dated as of November 27, 2019, by and among the Company and the Voting Agreement Parties, as amended by Amendment No. 1 to the Voting Agreement dated as of April 17, 2020, by and among the Company and the Voting Agreement Parties, and Amendment No. 2 to the Voting Agreement dated as of May 11, 2020, by and among the Company and the Voting Agreement Parties.

"Voting Agreement Parties" means those certain holders of Company Stock that are party to the Voting Agreement.

Section 1.02 Other Defined Terms. The following terms have the meanings set forth in the Sections set forth below:

Defined Term	Location of Definition
Additional Termination Payment	Section 9.04(b)
Agreement	Preamble
Alternative Capital Raise	Section 9.04(f)(ii)
Alternative Cash-Out Awards	Section 3.04(c)
Alternative Financing	Section 7.18(d)
Alternative Rollover Awards	Section 3.04(c)
Anti-Corruption Laws	Section 4.19(a)
Antitrust Laws	Section 7.07(a)
Appraisal Shares	Section 3.05(a)
Book-Entry Shares	Section 2.04(b)
Cash & Stock Consideration	Section 2.04(a)(ii)
Cash & Stock Election Share	Section 2.04(a)(ii)
Cash-Out Award	Section 3.04(b)
Cash-Out Award Consideration	Section 3.04(i)
Cash-Out Deductions	Section 3.04(i)
Certificates	Section 2.04(b)
Certificates of Merger	Section 2.02
Change in the Company Recommendation	Section 7.02(d)
Claims	Section 11.11(a)
Closing	Section 2.02
Closing Capitalization Schedule	Section 3.06(a)
Closing Year VCP	Section 7.04(d)
Company	Preamble
Company Related Parties	Section 9.03(d)
Consent Solicitation Statement	Section 7.01(a)
Continuation End Date	Section 9.04(a)
Continuation Payment	Section 9.04(a)
Continuing Employees	Section 7.04(a)
CVR	Section 2.04(a)(i)
CVR Agreement	Preamble
CVR Cash-Out Awards	Section 3.04(c)
CVR Certificate	Section 2.04(a)(i)
CVR Consideration	Section 2.04(a)(i)

Defined Term	Location of Definition
CVR Election Share	Section 2.04(a)(i)
CVR Holder Representative	Section 10.01
CVR Rollover Awards	Section 3.04(c)
Designated Person	Section 11.10
Drag-Along Consent	Preamble
Drag-Along Resolutions	Preamble
Effective Time	Section 2.02
Election Deadline	Section 3.01(b)
Election Form	Section 3.01(a)
Election Period	Section 3.01(b)
Equity Award Ratio	Section 3.04(e)
Equity Election Form	Section 3.04(c)
Equity Issuance	Section 9.04(c)
Equity Issuance End Date	Section 9.04(f)(i)
Equityholder	Section 11.01
Equityholder Released Claims	Section 11.11(a)
Equityholder Releasing Party	Section 11.11(a)
Exchange Agent	Section 3.02(a)
Exchange Fund	Section 3.02(a)
Existing Representation	Section 11.10
Export Control Laws	Section 4.19(d)
FDA	Section 4.18(a)
FDA Fraud Policy	Section 4.18(a)
FDCA	Section 4.18(e)
Filed Parent SEC Reports	Article V
Financial Statements	Section 4.06(b)
Financing	Section 5.08
Financing Commitments	Section 5.08
Financing Offering Documents	Section 7.19(a)(v)
First Certificate of Merger	Section 2.02
First Merger	Recitals
First Merger Sub	Preamble
Holder	Section 10.01
Intended Tax Treatment	Section 2.08(a)
Letter of Transmittal	Section 3.01(a)
Mailing Date	Section 3.01(a)
Material Contracts	Section 4.15(a)
Mergers	Recitals
Money Laundering Laws	Section 4.19(b)
New Plans	Section 7.04(b)
No Election Awards	Section 3.04(c)
No Election Shares	Section 2.04(a)(iii)
Notice of Adverse Recommendation	Section 7.02(d)

Defined Term	Location of Definition
Parent	Preamble
Parent Awards	Section 3.04(g)
Parent Equity Awards	Section 7.04(e)
Parent Related Parties	Section 9.03(d)
Parent Restricted Stock	Section 3.04(f)
Parent SEC Reports	Section 5.09(a)
Parent Stock Options	Section 3.04(d)
Permitted Restrictions	Section 7.07(a)
Post-Closing Bonus Plan	Section 7.04(a)
Post-Closing Covenants	Section 11.01
Pre-Closing Designated Persons	Section 11.10
Pre-Closing Privileges	Section 11.10
Prior Company Counsel	Section 11.10
R&D Sponsor	Section 4.12(j)
Reduction Amount	Section 9.04(c)
Regulatory Termination Fee	Section 9.03(a)(ii)
Released Parties	Section 11.11(a)
Required Information	Section 7.19(a)(ii)
Restraint	Section 8.01(c)
Rollover Awards	Section 3.04(b)
Rollover Performance-Based Award	Section 3.04(b)
Rollover Service-Based Award	Section 3.04(a)
S-4 Effectiveness Time	Section 7.01(b)
S-4 Registration Statement	Section 7.01(a)
Sanctioned Person	Section 4.19(c)
Sanctions	Section 4.19(c)
Second Certificate of Merger	Section 2.02
Second Effective Time	Section 2.02
Second Merger	Recitals
Second Merger Sub	Preamble
Section 1542	Section 11.11(c)
Selling Investor Support Agreement	Recitals
Selling Investors	Recitals
Social Security Act	Section 4.18(f)
Stock Consideration	Section 2.04(a)(i)
Support Agreement	Section 7.13(b)
Surviving Corporation	Recitals
Surviving Entity	Recitals
Termination Date	Section 9.04(c)
Trustee	Preamble

Section 1.03 Interpretation; Headings. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. As used herein, the term "made available" means, with respect to any document, that such document was in the Company's electronic data room relating to the transactions contemplated by this Agreement prior to 5:00 pm Pacific Daylight Time on the day prior to the date of this Agreement or otherwise provided via electronic means. When reference is made to an Article, Section, Schedule or Exhibit, such reference is to an Article or Section of, or Schedule or Exhibit to, this Agreement unless otherwise indicated. The table of contents and descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein. The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement. Any contract, instrument or Law defined or referred to herein or in any contract or instrument that is referred to herein means such contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Each of the parties has participated in the drafting and negotiation of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement must be construed as if it is drafted by all the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

ARTICLE II

THE MERGERS

Section 2.01 The Mergers.

(a) Upon the terms and subject to the satisfaction or written waiver (where permissible) of the conditions set forth in Article VIII, and in accordance with the applicable provisions of the DGCL and this Agreement, at the Effective Time, First Merger Sub shall be merged with and into the Company. As a result of the First Merger, the separate corporate existence of First Merger Sub shall cease and the Company shall continue as the Surviving Corporation and, following the First Merger, shall be a wholly owned Subsidiary of Parent (provided, that references to the Company for periods after the Effective Time until the Second Effective Time shall include the Surviving Corporation).

(b) Upon the terms and subject to the satisfaction or written waiver (where permissible) of the conditions set forth in Article VIII, and in accordance with the applicable provisions of the DGCL, the DLLCA and this Agreement, at the Second Effective Time, the Surviving Corporation shall be merged with and into Second Merger Sub. As a result of the Second Merger, the separate corporate existence of the Surviving Corporation shall cease and Second Merger Sub shall continue as the Surviving Entity and, following the Second Merger, shall be a wholly owned Subsidiary of Parent (provided, that references to the Company for periods after the Second Effective Time shall include the Surviving Entity).

Section 2.02 Closing; Effective Times. The closing of the Transactions (the "Closing") shall take place on the third Business Day after the satisfaction or written waiver (where permissible) of the conditions set forth in Article VIII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or written waiver (where permissible) of those conditions at the Closing), unless another date is agreed to in writing by Parent and the Company; provided, however, that if all the conditions set forth in Article VIII shall no longer be satisfied or waived (where permissible) on such third Business Day, then the Closing shall take place on the first Business Day on which all such conditions shall again have been satisfied or waived (where permissible) unless another time is agreed to in writing by Parent and the Company. The Closing shall be effected by the electronic exchange of signatures by electronic transmission, or by such other means or at such other place as the parties shall agree. Subject to the terms and conditions of this Agreement, as soon as practicable on the Closing Date, the parties hereto shall cause the First Merger to be effected by filing a certificate of merger (the "First Certificate of Merger") with the Secretary of State of the State of Delaware, in such form and containing such information as is required by, and executed in accordance with, the relevant provisions of the DGCL. The First Merger shall become effective at the date and time of such filing of the Certificate of Merger, or such later time as may be agreed by each of the parties hereto and specified in the First Certificate of Merger (such time being the "Effective Time"). As soon as practicable following the Effective Time and in any case on the same day as the Effective Time, the parties hereto shall cause the Second Merger to be effected by filing a certificate of merger (the "Second Certificate of Merger" and, together with the First Certificate of Merger, the "Certificates of Merger") with the Secretary of State of the State of Delaware, in such form and containing such information as is required by, and executed in accordance with, the relevant provisions of the DGCL and the DLLCA. The Second Merger shall become effective at the date and time of such filing of the Second Certificate of Merger, or such later time as may be agreed by each of the parties hereto and specified in the Second Certificate of Merger (such time being the "Second Effective Time").

Section 2.03 Effect of the Mergers.

(a) At the Effective Time, the effect of the First Merger shall be as provided in this Agreement, the First Certificate of Merger and in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of First Merger Sub and the Company shall become the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of the Surviving Corporation, which shall include the assumption by the Surviving Corporation of any and all agreements, covenants, duties and obligations of First Merger Sub and the Company set forth in this Agreement to be performed after the Effective Time.

(b) At the Second Effective Time, the effect of the Second Merger shall be as provided in this Agreement, the Second Certificate of Merger and in the applicable provisions of the DGCL and the DLLCA. Without limiting the generality of the foregoing, and subject thereto, at the Second Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Second Merger Sub and the Surviving Corporation shall become the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of the Surviving Entity, which shall include the assumption by the Surviving Entity of any and all agreements, covenants, duties and obligations of the Surviving Entity and the Surviving Corporation set forth in this Agreement to be performed after the Second Effective Time.

Section 2.04 Effect of the First Merger; Conversion of Securities. (a) At the Effective Time, by virtue of the First Merger and without any action on the part of Parent, First Merger Sub, the Company or any holders of Company Stock, each share of Company Class A Common Stock, Company Class B Common Stock, Company Series A Preferred Stock, Company Series B Preferred Stock, Company Series C Preferred Stock and Company Series D Preferred Stock issued and outstanding immediately prior to the Effective Time (other than Appraisal Shares, Company Restricted Stock Awards and any shares of Company Stock to be canceled pursuant to Section 2.04(c)) shall be converted automatically into the right to receive, in accordance with Section 251(b)(5) of the DGCL and the terms of this Agreement, the following consideration at the election of the holder thereof:

(i) Each share of Company Stock with respect to which an election to receive a combination of cash, Parent Common Stock and a CVR has been effectively made and not revoked pursuant to Section 3.01 (each, a "CVR Election Share") shall be converted into the right to receive (A) the Cash Consideration, without interest, (B) the number of validly issued, fully paid and non-assessable shares of Parent Common Stock equal to the Exchange Ratio (the "Stock Consideration"), subject to Section 3.02(e), and (C) one contingent value right issued by Parent subject to and in accordance with the CVR Agreement (a "CVR") (collectively, the "CVR Consideration"). Each CVR issued as Merger Consideration hereunder will be substantially in the form attached as Annex A to the CVR Agreement (the "CVR Certificate").

(ii) Each share of Company Stock with respect to which an election to receive the Alternative Consideration in lieu of receiving a CVR has been effectively made and not revoked pursuant to Section 3.01 (each, a "Cash & Stock Election Share") shall be converted into the right to receive (A) the Cash Consideration, without interest, (B) the Stock Consideration, subject to Section 3.02(e), and (C) the Alternative Consideration (collectively, the "Cash & Stock Consideration").

(iii) Each share of Company Stock with respect to which no election has been effectively made in accordance with Section 3.01 (the "No Election Shares") shall be converted into the right to receive the CVR Consideration.

(b) Except as set forth in Section 2.04(c), by virtue of the First Merger, each share of Company Stock, when converted in accordance with Section 2.04(a), shall cease to be outstanding and shall automatically be cancelled and cease to exist, and each holder of a certificate or certificates that immediately prior to the Effective Time represented outstanding shares of Company Stock ("Certificates") and each holder of shares of Company Stock outstanding immediately prior to the Effective Time that are not represented by Certificates ("Book-Entry Shares") shall thereafter cease to have any rights with respect to such shares of Company Stock except (i) the right to receive, as applicable, the Merger Consideration, any dividends pursuant to Section 3.02(c) and cash in lieu of any fractional shares payable pursuant to Section 3.02(e), in each case to be issued or paid, without interest, in consideration therefor upon surrender of such Certificate or transfer of the Book-Entry Shares in accordance with Section 3.02(b) (or in the case of a lost, stolen or destroyed Certificate, Section 3.02(j)) or (ii) as provided by Law.

(c) At the Effective Time, by virtue of the First Merger and without any action on the part of Parent, First Merger Sub, the Company or any holders of Company Stock, each share of Company Stock held in the treasury of the Company immediately prior to the Effective Time shall automatically be cancelled and retired and cease to exist without any conversion thereof, and no payment shall be made with respect thereto.

(d) Each issued and outstanding share of capital stock of First Merger Sub, par value $0.01 per share, shall, by virtue of the First Merger and without any action on the part of Parent, First Merger Sub or the Company, be converted into and become one validly issued, fully paid and non-assessable share of Class A Common Stock, par value $0.001 per share, of the Surviving Corporation.

Section 2.05 Effect of the Second Merger; Conversion of Securities. Upon the terms and subject to the conditions of this Agreement, at the Second Effective Time, by virtue of the Second Merger and without any action on the part of any party hereto or any holders of Company Stock or the holders of any shares of capital stock of Parent, the Surviving Corporation or Second Merger Sub: (a) each share of Class A Common Stock of the Surviving Corporation issued and outstanding immediately prior to the Second Effective Time shall be cancelled and shall cease to exist without any conversion thereof or payment therefor; and (b) each limited liability company interest of Second Merger Sub issued and outstanding immediately prior to the Second Effective Time shall not be affected and shall remain outstanding as a limited liability company interest of the Surviving Entity, which shall constitute one hundred percent (100%) of the outstanding equity of the Surviving Entity.

Section 2.06 Certificate of Incorporation; Bylaws; Certificate of Formation; Operating Agreement. (a) At the Effective Time, the Company's certificate of incorporation in effect immediately prior to the Effective Time shall continue to be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided therein or by applicable Law.

(b) At the Effective Time, the bylaws of Company as in effect immediately prior to the Effective Time shall be amended and restated to read in their entirety as the bylaws of First Merger Sub as in effect immediately prior to the Effective Time, except that all references therein to First Merger Sub shall be replaced by references to the Surviving Corporation, until thereafter amended as provided therein or by applicable Law.

(c) At the Second Effective Time, the certificate of formation and operating agreement of Second Merger Sub in effect immediately prior to the Second Effective Time shall continue to be the certificate of formation and operating agreement of the Surviving Entity until thereafter amended as provided therein or by applicable Law, except that the name of the Surviving Entity shall be "GRAIL, LLC".

Section 2.07 Directors and Officers of the Surviving Corporation and the Surviving Entity. The parties shall take all requisite action so that, from and after the Effective Time, the directors of First Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation and until their respective successors are duly elected and qualified or until such director's earlier death, resignation or removal, and the officers of First Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each until their respective successors are duly elected and qualified or until such officer's earlier death, resignation or removal. The parties shall take all requisite action so that, from and after the Second Effective Time, the officers of Second Merger Sub immediately prior to the Second Effective Time shall be the officers of the Surviving Entity, as set forth in the operating agreement of the Surviving Entity, each until their respective successors are duly elected and qualified or until such officer's earlier death, resignation or removal.

Section 2.08 Intended Tax Treatment. (a) For U.S. federal income tax purposes (and for purposes of any applicable state or local Tax that follows the U.S. federal income tax treatment), the parties hereto intend that (i) the First Merger and the Second Merger, taken together, will constitute an integrated transaction that qualifies as a "reorganization" within the meaning of Section 368(a) of the Code, and (ii) this Agreement will constitute a "plan of reorganization" for the purposes of Section 368 of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a) (clauses (i) and (ii) collectively, the "Intended Tax Treatment").

(b) So long as the conditions set forth on Exhibit D are satisfied, then (i) each party hereto will agree to prepare and file all Tax Returns consistent with the position that the Mergers qualify for the Intended Tax Treatment, and (ii) no party shall take any position on any Tax Return or during the course of any audit, litigation or other proceeding with respect to Taxes that is inconsistent with the Intended Tax Treatment, except, in each case, as otherwise required by a final determination by a taxing authority or a change in applicable Law after the date of this Agreement.

(c) The parties shall cooperate with each other and their respective counsel and use their reasonable best efforts to cause the conditions set forth on Exhibit D to be satisfied. Neither the Company nor Parent shall, or shall cause or permit any of their respective Subsidiaries to, take or omit to take any reasonable action not required or contemplated by this Agreement, as a result of which the Mergers would reasonably be expected to fail to qualify for the Intended Tax Treatment.

(d) Parent shall reasonably promptly notify the Company, and the Company shall reasonably promptly notify the Parent, in each case if such party becomes aware of any non-public fact or circumstance that would reasonably be likely to prevent or impede the Mergers from qualifying for the Intended Tax Treatment.

ARTICLE III

DELIVERY OF MERGER CONSIDERATION

Section 3.01 Election Procedures. (a) Not less than 30 days prior to the anticipated Effective Time (the "Mailing Date"), Parent will cause to be mailed to each record holder of shares of Company Stock (other than shares of Company Stock cancelled pursuant to Section 2.04(c)) as of five Business Days prior to the Mailing Date: (x) an election form in such form consistent with the terms of this Agreement as Parent shall specify (which such form shall be reasonably acceptable to the Company) (the "Election Form") and (y) a letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the shares of Company Stock shall be deemed to pass, only upon proper delivery of the Certificates (or affidavits of loss in lieu thereof together with the required indemnity) or transfer of the Book-Entry Shares to the Exchange Agent, and shall be in a customary form and have such other provisions as are reasonably acceptable to the Company and Parent, including instructions for use in effecting the surrender or transfer (the "Letter of Transmittal"). The Election Form shall state the procedures for electing the Merger Consideration and shall specify the number of shares of Parent Common Stock and/or amount of cash that comprise the Alternative Consideration as determined by Parent.

(b) Each Election Form will permit each holder of shares of Company Stock to specify (i) the number of shares of Company Stock with respect to which such holder elects to receive the CVR Consideration, (ii) the number of shares of Company Stock with respect to which such holder elects to receive the Cash & Stock Consideration or (iii) that such holder makes no election with respect to such holder's shares of Company Stock. Any shares of Company Stock with respect to which the Exchange Agent does not receive a properly completed Election Form during the period (the "Election Period") from the Mailing Date to 5:00 p.m., Eastern time, on the date which Parent and the Company shall agree is as near as practicable to three Business Days preceding the Closing Date, or such other date as Parent and the Company will, prior to the Closing, mutually agree (the "Election Deadline"), will be deemed to be No Election Shares. Parent and the Company shall publicly announce the date of the Election Deadline at least three Business Days prior to the Election Deadline. If the Closing Date is delayed to a subsequent date, the Election Deadline shall be similarly delayed to a subsequent date, and Parent and the Company shall promptly announce any such delay and, when determined, the rescheduled Election Deadline.

(c) Parent shall direct the Exchange Agent to make Election Forms available as may be reasonably requested from time to time by all Persons who become holders of record of Company Stock between the date that is five Business Days prior to the Mailing Date and the Election Deadline, and the Company shall provide to the Exchange Agent all information reasonably necessary for the Exchange Agent to perform as specified in this Agreement and as specified in any agreement between Parent and/or the Company and the Exchange Agent.

(d) Any election made pursuant to this Section 3.01 will have been properly made only if the Exchange Agent will have actually received a properly completed Election Form during the Election Period. Any Election Form may be revoked or changed by the Person submitting it, by written notice received by the Exchange Agent during the Election Period. In the event an Election Form is revoked during the Election Period, the shares of Company Stock represented by such Election Form will be deemed to be No Election Shares, except to the extent a subsequent election is properly made during the Election Period. Any termination of this Agreement in accordance with Article IX shall result in the revocation of all Election Forms delivered to the Exchange Agent on or prior to the date of such termination. Subject to the terms of this Agreement and of the Election Form, the Exchange Agent will have reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the Election Forms, and any good faith decisions of the Exchange Agent regarding such matters will be binding and conclusive. None of Parent, First Merger Sub, Second Merger Sub, the Company or the Exchange Agent will be under any obligation to notify any Person of any defect in an Election Form.

Section 3.02 Exchange of Certificates. (a) Exchange Agent. Prior to the Mailing Date, Parent shall designate a commercial bank or trust company reasonably acceptable to the Company to act as agent (the "Exchange Agent") for the exchange of shares of Company Stock in accordance with this Article III. Parent shall deposit, or shall cause to be deposited, with the Exchange Agent, for the benefit of the holders of shares of Company Stock (other than shares of Company Stock cancelled pursuant to Section 2.04(c), Company Restricted Stock Awards and Appraisal Shares), for exchange in accordance with this Article III at or prior to the Effective Time, (i) book-entry shares representing the aggregate Stock Consideration and any shares of Parent Common Stock included in the aggregate Alternative Consideration (excluding any portion of the aggregate Stock Consideration or Alternative Consideration deliverable in respect of shares of Company Stock owned directly or indirectly by Parent, First Merger Sub or Second Merger Sub and any part of the aggregate Stock Consideration in respect of which cash is to be paid in lieu of fractional shares pursuant to Section 3.02(e)), and (ii) cash in an amount sufficient to pay the aggregate Cash Consideration and the cash portion, if any, of the Alternative Consideration (excluding any Cash Consideration and the cash portion, if any, of the Alternative Consideration payable in respect of shares of Company Stock owned directly or indirectly by Parent, First Merger Sub or Second Merger Sub), plus any cash to be paid in lieu of any fractional shares pursuant to Section 3.02(e), and (iii) CVR Certificates representing the aggregate number of CVRs issuable pursuant to the CVR Agreement, in the case of each of clauses (i), (ii) and (iii), payable or deliverable pursuant to Section 2.04(a). In addition, Parent shall deposit, or cause to be deposited, with the Exchange Agent, as necessary from time to time at or after the Closing any dividends or distributions payable pursuant to Section 3.02(c). All shares of Parent Common Stock, cash (including any cash to be paid in lieu of any fractional shares pursuant to Section 3.02(e)) and CVR Certificates, together with any dividends or distributions with respect thereto pursuant to Section 3.02(c), deposited with or provided to the Exchange Agent by or on behalf of Parent, shall be referred to in this Agreement as the "Exchange Fund". For avoidance of doubt, Parent shall not be required to deposit any funds related to any CVR with the Trustee unless and until such deposit is required pursuant to the terms of the CVR Agreement. The cash portion of the Exchange Fund shall be invested by the Exchange Agent as directed by Parent; provided that the Exchange Fund shall only be invested into Designated Investments. Any interest or other income from such investments shall be paid to and become income of Parent. Except as contemplated by Section 3.02(g), the Exchange Fund shall not be used for any purpose other than as specified in this Section 3.02(a).

(b) Exchange Procedures. (i) As promptly as practicable after the Effective Time, the parties shall cause the Exchange Agent to mail to each holder of record of shares of Company Stock as of the Effective Time who is entitled to receive the Merger Consideration pursuant to Section 2.04(a), as set forth on the Closing Capitalization Schedule if such holder of shares of Company Stock has not already returned a valid, duly completed Letter of Transmittal: (A) a Letter of Transmittal and (B) instructions for use in effecting the surrender of the Certificates or transfer of the Book-Entry Shares pursuant to such letter of transmittal.

(ii) Promptly following the later of (x) the Effective Time and (y) (A) delivery to the Exchange Agent of a letter of transmittal properly completed and validly executed in accordance with the instructions thereto and (B) with respect to holders of Certificates, surrender to the Exchange Agent of a Certificate for cancellation, in each case, together with such other documents as may be reasonably requested, the holder of such shares of Company Stock shall be entitled to receive in exchange therefor (I) cash in the amount equal to the Cash Consideration and, if applicable, the cash portion, if any, of the Alternative Consideration that such holder has the right to receive pursuant to Section 2.04(a) and this Article III (in each case, rounded to the nearest cent); (II) book-entry shares representing the Stock Consideration and, if applicable, any shares of Parent Common Stock included in the Alternative Consideration that such holder has the right to receive pursuant to Section 2.04(a) and this Article III; (III) if applicable, CVRs in the amount that such holder has the right to receive pursuant to Section 2.04(a) and this Article III (subject to and in accordance with the CVR Agreement); (IV) cash in lieu of any fractional shares of Parent Common Stock such holder is entitled to receive pursuant to Section 3.02(e) (rounded to the nearest cent) and (V) any dividends or other distributions such holder is entitled to receive pursuant to Section 3.02(c); and the Certificates or Book-Entry Shares so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of shares of Company Stock which is not registered in the transfer records of the Company, (I) cash in the amount equal to the Cash Consideration and, if applicable, the cash portion, if any, of the Alternative Consideration that such holder has the right to receive pursuant to Section 2.04(a) and this Article III (in each case, rounded to the nearest cent); (II) book-entry shares representing the Stock Consideration and, if applicable, any shares of Parent Common Stock included in the Alternative Consideration that such holder has the right to receive pursuant to Section 2.04(a) and this Article III; (III), if applicable, CVRs in the amount that such holder has the right to receive pursuant to Section 2.04(a) and this Article III (subject to and in accordance with the CVR Agreement); (IV) cash in lieu of any fractional shares of Parent Common Stock such holder is entitled to receive pursuant to Section 3.02(e) (rounded to the nearest cent) and (V) any dividends or other distributions such holder is entitled to receive pursuant to Section 3.02(c) may be issued to a transferee if the Certificate or Book-Entry Shares representing such shares

of Company Stock are presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer Taxes have been paid. Until surrendered as contemplated by Section 2.04(a) and this Section 3.02, each Certificate or Book-Entry Share shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender, in each case, without interest, the Merger Consideration, cash in lieu of any fractional shares of Parent Common Stock the holder of such Certificate or Book-Entry Share is entitled to receive pursuant to Section 3.02(e) and any dividends or other distributions such holder is entitled to receive pursuant to Section 3.02(c).

(c) Distributions with Respect to Unexchanged Shares of Parent Common Stock. No dividends or other distributions declared or paid with a record date after the Effective Time with respect to the Parent Common Stock (and no cash payment in lieu of fractional shares of Parent Common Stock pursuant to Section 3.02(e)) shall be paid to the holder of any unsurrendered Certificate or Book-Entry Share until the holder of such Certificate or Book-Entry Share shall surrender such Certificate or Book-Entry Share in accordance with Section 3.02(b). Subject to the effect of escheat, Tax or other applicable Laws, following surrender of any such Certificate or Book-Entry Share in accordance with Section 3.02(b), there shall be paid to the record holder of shares of Parent Common Stock issued in exchange therefor, without interest, at the appropriate payment date (or, if previously paid, promptly), the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender payable with respect to such shares of Parent Common Stock and the amount of any cash payable in lieu of fractional shares of Parent Common Stock pursuant to Section 3.02(e).

(d) No Further Rights in Company Stock. All Merger Consideration issued or paid upon surrender of Certificates or transfer of Book-Entry Shares in accordance with the terms of this Article III (including any cash paid pursuant to Section 3.02(c) or Section 3.02(e)) shall be deemed to have been issued or paid, as the case may be, in full satisfaction of all rights pertaining to the shares of Company Stock formerly represented by such Certificates or Book-Entry Shares.

(e) No Fractional Shares. No fractional shares of Parent Common Stock shall be issued as Stock Consideration or Alternative Consideration, but in lieu thereof each holder of Company Stock otherwise entitled to a fractional share of Parent Common Stock will be entitled to receive, from the Exchange Agent in accordance with the provisions of this Section 3.02(e), a cash payment in lieu of such fractional share of Parent Common Stock in an amount equal to the amount of such fractional share (expressed as a decimal) multiplied by the Average Parent Stock Price. The parties hereto acknowledge that payment of such cash consideration in lieu of issuing fractional shares of Parent Common Stock was not separately bargained-for consideration but merely represents a mechanical rounding off for purposes of avoiding the expense and inconvenience to Parent that would otherwise be caused by the issuance of fractional shares of Parent Common Stock. Such amounts payable to holders of shares of Company Stock shall be without interest, rounded down to the nearest whole cent and subject to the amount of any withholding Taxes as contemplated in Section 3.02(i).

(f) Adjustments to Stock Consideration. The calculation of the Aggregate Stock Consideration and aggregate shares of Parent Common Stock, if any, payable as Alternative Consideration shall be equitably adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities of a Subsidiary of Parent or the Company or of securities convertible into Parent Common Stock or Company Stock), recapitalization, reclassification, combination, exchange of shares or other like change with respect to Parent Common Stock or Company Stock with a record date occurring on or after the date hereof and prior to the Effective Time; provided that nothing in this Section 3.02(f) shall be construed to permit the Company or Parent to take any of the foregoing actions with respect to Company Stock or Parent Common Stock, as applicable, to the extent otherwise prohibited by the terms of this Agreement, including Section 6.01 and Section 6.02.

(g) Termination of Exchange Fund. Any portion of the Exchange Fund (including proceeds of any investment thereof) that remains undistributed to the holders of shares of Company Stock on the date that is 12 months after the Effective Time shall be delivered to Parent, upon demand, and any holders of shares of Company Stock who have not theretofore complied with this Article III shall thereafter look only to Parent for the Merger Consideration to which they are entitled pursuant to Section 2.04(a), any cash in lieu of fractional shares of Parent Common Stock to which they are entitled pursuant to Section 3.02(e) and any dividends or other distributions with respect to the Parent Common Stock to which they are entitled pursuant to Section 3.02(c).

(h) No Liability. None of the Exchange Agent, Parent, the Surviving Corporation or the Surviving Entity shall be liable to any holder of shares of Company Stock for any Merger Consideration from the Exchange Fund (or dividends or other distributions with respect to Parent Common Stock) or other cash delivered to a public official pursuant to any abandoned property, escheat or similar Law.

(i) Withholding Rights. Each of the Surviving Corporation, the Surviving Entity, the Exchange Agent, Parent, First Merger Sub and Second Merger Sub shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement or the CVR Agreement such amount as it is required to deduct and withhold with respect to the making of such payment under the Code, the rules or regulations promulgated thereunder, any provision of applicable state, local or foreign Tax Law or any other Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for purposes of this Agreement and the CVR Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

(j) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, providing an indemnity agreement in customary form reasonably acceptable to Parent against any claim that may be made against Parent with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration with respect to the shares of Company Stock formerly represented by such Certificate to which the holder thereof is entitled pursuant to Section 2.04(a), any cash in lieu of fractional shares of Parent Common Stock to which the holder thereof is entitled pursuant to Section 3.02(e) and any dividends or other distributions to which the holder thereof is entitled pursuant to Section 3.02(c).

Section 3.03 Stock Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of shares of Company Stock thereafter on the records of the Company. On or after the Effective Time, any Certificates or Book-Entry Shares presented to the Exchange Agent or Parent for any reason shall be cancelled and exchanged for the Merger Consideration with respect to the shares of Company Stock formerly represented by such Certificates or Book-Entry Shares to which the holders thereof are entitled pursuant to Section 2.04(a), any cash in lieu of fractional shares of Parent Common Stock to which the holders of such Certificates or Book-Entry Shares are entitled pursuant to Section 3.02(e) and any dividends or other distributions to which the holders thereof are entitled pursuant to Section 3.02(c).

Section 3.04 Company Equity Awards. (a) Immediately prior to, and contingent on, the Effective Time, a number of options, shares of Company Stock or restricted stock units, as applicable, subject to each Service-Vesting Award that is unvested as of immediately prior to the Effective Time equal to the number of options, shares or units, as applicable, that would have vested on or prior to the third anniversary of the Effective Time if the applicable holder of such Service-Vesting Award satisfied all applicable service-based vesting criteria through such third anniversary shall vest, with such vesting applied to the options, shares or units, as applicable, that have the longest remaining vesting periods (*i.e.*, in reverse chronological order, as illustrated in the examples set forth on Section 3.04(a) of the Company Disclosure Letter). Any Service-Vesting Award (or portion thereof) that remains unvested following the application of the accelerated vesting provided for in this Section 3.04(a), shall be referred to as a "Rollover Service-Based Award".

(b) Immediately prior to, and contingent on, the Effective Time, a number of options, shares of Company Stock or restricted stock units, as applicable, subject to each Performance-Vesting Award that is unvested as of immediately prior to the Effective Time equal to the number of options, shares or units, as applicable, (rounded up to the nearest whole option, share or unit, as applicable) that would have vested based on achievement of the performance-based vesting criteria applicable to such Performance-Vesting Award shall vest as set forth on Section 3.04(b)(i) of the Company Disclosure Letter. Any Performance-Vesting Award (or portion thereof) that remains unvested following the application of the vesting described in this Section 3.04(b), shall be referred to as a "Rollover Performance-Based Award" and, together with the Rollover Service-Based Awards, the "Rollover Awards". For purposes of this Agreement, the term "Cash-Out Award" shall mean any Company Equity Award (or portion thereof) that is outstanding and vested as of immediately prior to the Effective Time (including, for the avoidance of doubt, any such Company Equity Award (or portion thereof) that (x) vests as a result of the application of Sections 3.04(a) or (b), or (y) vested in the ordinary course prior to the application of Sections 3.04(a) and (b) or on an accelerated basis in connection with (and on or prior to) the Effective Time (a "Single-Trigger Award")). Section 3.04(b)(ii) of the Company Disclosure Letter sets forth, to the Company's knowledge, all Single-Trigger Awards.

(c) On the Mailing Date, Parent will cause to be provided to each holder of Company Equity Awards an election form in such form consistent with the terms of this Agreement as Parent shall specify (which such form shall be reasonably acceptable to the Company) (the "Equity Election Form"). The Equity Election Form shall state the procedures for electing among the options for the treatment of Rollover Awards and Cash-Out Awards described herein and shall specify the number of shares of Parent Common Stock and/or amount of cash that comprise the Alternative Consideration as determined by Parent. Each Equity Election Form will permit each holder of Company Equity Awards to specify: (i) which Cash-Out Awards such holder elects to treat as "CVR Cash-Out Awards"; (ii) which Cash-Out Awards such holder elects to treat as "Alternative Cash-Out Awards"; (iii) which Rollover Awards such holder elects to treat as "CVR Rollover Awards"; (iv) which Rollover Awards such holder elects to treat as "Alternative Rollover Awards"; and/or (v) that such holder makes no election with respect to some or all of such holder's Company Equity Awards (any Company Equity Awards described in this clause (v) and any other Company Equity Awards for which Parent does not receive a properly completed Equity Election Form during the Election Period, the "No Election Awards"). The treatment of each of the CVR Cash-Out Awards, Alternative Cash-Out Awards, CVR Rollover Awards and Alternative Rollover Awards is described below. Any No Election Award shall be treated for all purposes, except as set forth below, as a CVR Cash-Out Award or a CVR Rollover Award, as applicable. Notwithstanding anything else in this Agreement or any Election Form to the contrary, any Company Stock Option that is a Rollover Award and that has an exercise price that is greater than or equal to the sum of (x) the Cash Consideration and (y) an amount equal to the product of (I) the Stock Consideration and (II) the Average Parent Stock Price shall be treated as an Alternative Rollover Award. Section 3.01(d) shall apply to the Equity Election Forms *mutatis mutandis*.

(d) Immediately prior to, and contingent on, the Effective Time, each Company Stock Option (or portion thereof) that is a Rollover Award shall be canceled in exchange for the right to receive (i) in the case of a CVR Rollover Award only, a number of fully vested CVRs equal to the number of shares of Company Class A Common Stock subject to such Rollover Award immediately prior to such cancelation and (ii) an option to acquire a number of shares of Parent Common Stock equal to the product (rounded down to the nearest whole share) of (A) the number of shares of Company Class A Common Stock subject to such Rollover Award immediately prior to such cancelation, and (B) the applicable Equity Award Ratio, at an exercise price per share (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (x) the exercise price per share of Company Class A Common Stock of such Rollover Award immediately prior to such cancelation by (y) the Equity Award Ratio (such options, "Parent Stock Options"); provided that the exercise price and the number of shares of Parent Common Stock purchasable pursuant to such Parent Stock Option shall be determined in a manner consistent with the requirements of Section 409A of the Code and Section 422 of the Code (to the extent applicable); provided further, that the parties intend that the actions provided for in the foregoing with respect to CVR Rollover Awards shall be implemented by means of a deemed partial exercise of the Company Stock Option in exchange for Company Restricted Stock Awards covering a number of shares with an aggregate value equal to the aggregate value of the CVRs to be received in exchange for such Rollover Award, with such Company Restricted Stock Awards immediately thereafter canceled in exchange for the fully vested CVRs provided for above in accordance with the election of the holder of such CVR Rollover Awards (and, for clarity, the remainder of the Company Stock Option converted into the Parent Stock Option provided for above in a manner consistent with the requirements of Section 409A of the Code and Section 422 of the Code (to the extent applicable)).

(e) For purposes of this Agreement, the "Equity Award Ratio" shall mean:

(i) in the case of a CVR Rollover Award, a fraction (A) the numerator of which is the sum of (x) the Cash Consideration and (y) an amount equal to the product of (I) the Stock Consideration and (II) the Average Parent Stock Price and (B) the denominator of which is the Average Parent Stock Price

(ii) in the case of an Alternative Rollover Award, a fraction (A) the numerator of which is the sum of (x) the cash portion of the Cash & Stock Consideration (which includes the cash portion of the Alternative Consideration (if any)) and (y) an amount equal to the product of (I) the stock portion of the Cash & Stock Consideration (which includes the stock portion of the Alternative Consideration (if any)) and (II) the Average Parent Stock Price and (B) the denominator of which is the Average Parent Stock Price.

(f) Immediately prior to, and contingent upon, the Effective Time, each Company Restricted Stock Award (or portion thereof) that is a Rollover Award shall be canceled in exchange for the right to receive (i) in the case of a CVR Rollover Award only, a number of fully vested CVRs equal to the number of shares of Company Class A Common Stock subject to such Rollover Award immediately prior to such cancelation and (ii) a number of restricted shares of Parent Common Stock equal to the product (rounded down to the nearest whole share) of (A) the number of shares of Company Class A Common Stock subject to such Rollover Award immediately prior to such cancelation and (B) the applicable Equity Award Ratio (such restricted shares, "Parent Restricted Stock").

(g) Immediately prior to, and contingent upon, the Effective Time, each Company RSU Award (or portion thereof) that is a Rollover Award shall be canceled in exchange for the right to receive (i) in the case of a CVR Rollover Award only, a number of fully vested CVRs equal to the number of shares of Company Class A Common Stock subject to such Rollover Award immediately prior to such cancelation and (ii) a restricted stock unit with respect to a number of shares of Parent Common Stock equal to the product (rounded down to the nearest whole share) of (A) the number of shares of Company Class A Common Stock subject to such Rollover Award immediately prior to such cancelation, and (B) the applicable Equity Award Ratio (such restricted stock units, collectively with the Parent Stock Options and Parent Restricted Stock, the "Parent Awards").

(h) Except as specifically provided in this Section 3.04, following the Effective Time, each Parent Award shall continue to be governed by the terms and conditions that applied to the applicable Rollover Award immediately prior to the applicable cancelation, including, for the avoidance of doubt, any service-based and performance-based vesting criteria that are not satisfied or deemed satisfied prior to the Effective Time (including pursuant to

Sections 3.04(a) and (b)). Notwithstanding the foregoing, solely to the extent set forth on Section 3.04(b) of the Company Disclosure Letter, Parent Awards in respect of Rollover Awards that are Performance-Vesting Awards shall no longer be subject to any performance-vesting criteria following the Effective Time.

(i) Immediately prior to, and contingent on, the Effective Time, each Cash-Out Award shall be canceled and converted into the right to receive for each share of Company Stock subject to such Cash-Out Award as of immediately prior to such cancelation, in full satisfaction of the rights of the applicable holder with respect thereto, (i) in the case of a CVR Cash-Out Award, the CVR Consideration or (ii) in the case of an Alternative Cash-Out Award, the Cash & Stock Consideration, in each case, less (A) in the case of any Cash-Out Award that is a Company Stock Option, the applicable exercise price for such share and (B) in the case of all Company Equity Awards, any required withholding Taxes ((A) and (B) together, the "Cash-Out Deductions", and the net consideration payable hereunder in respect of a Cash-Out Award, the "Cash-Out Award Consideration"). Any Cash-Out Deductions shall be satisfied by reducing the cash portion of the applicable consideration by the amount of such Cash-Out Deductions, but not below zero. In the event such cash portion has a value that is less than such Cash-Out Deductions, such cash portion shall be reduced to zero and in addition Parent shall retain a portion of the stock portion of the applicable consideration that has a value equal to the amount by which the Cash-Out Deductions exceed such cash portion. The Cash-Out Award Consideration shall be paid as promptly as practicable following the Effective Time (and in no event later than five (5) Business Days thereafter) through Parent's, the Surviving Entity's or the applicable Subsidiary of the Surviving Entity's payroll. Notwithstanding the foregoing, to the extent that any Cash-Out Award Consideration relates to a Company RSU Award that is nonqualified deferred compensation subject to Section 409A of the Code, Parent, the Surviving Entity or the applicable Subsidiary shall pay such amounts at the earliest time, as applicable, that will not trigger a Tax or penalty under Section 409A of the Code, but no later than five (5) Business Days after such time.

(j) Notwithstanding the foregoing, in the event any Cash-Out Award Consideration would result in the payment of a fractional share of Parent Common Stock, all such fractional shares a holder of Company Equity Awards in respect of Company Equity Awards would be entitled to shall be aggregated and paid in (i) a number of shares of Parent Common Stock equal to such aggregated number rounded down to the nearest whole share and (ii) an amount in cash equal to the product of (A) such aggregated number minus the number of whole shares determined in clause (i) and (B) the Average Parent Stock Price.

(k) No later than the Effective Time, Parent shall, if registration of the shares of Parent Common Stock issuable under the Company Stock Plan or other Plan is required under the Securities Act and such registration is not covered by any Form S-4 filed in connection with the Transactions, file with the SEC a registration statement on Form S-8, as the case may be (or any successor form), or another appropriate form with respect to such Parent Common Stock and shall use commercially reasonable efforts to have such registration statement declared effective no later than the Effective Time.

(l) At or prior to the Effective Time, the Company, the Company Board or a committee of the Company Board, as applicable, shall adopt any resolutions and take any actions which are necessary to effectuate the provisions of this Section 3.04.

(m) Notwithstanding anything in this Agreement to the contrary, any Taxes required to be withheld in connection with CVRs issued in respect of any Company Equity Award pursuant to this Section 3.04 (other than in respect of any Cash-Out Awards, which are covered solely by Section 3.04(i)) shall be satisfied by reducing the cash portion of the applicable consideration that would otherwise be received by the holder of the applicable Company Equity Award by the amount of such required Tax withholding, but not below zero and, in the event such cash portion has a value that is less than such required Tax withholding, such cash portion shall be reduced to zero and in addition Parent shall retain a portion of the stock portion of the applicable consideration that would otherwise be received by the holder of the applicable Company Equity Award that has a value equal to the amount by which the required Tax withholding exceeds such cash portion. In the event the cash and stock portion has a value that is less than such required Tax withholding, the Company shall determine an alternative means of satisfying such Tax withholding that is reasonably acceptable to Parent.

Section 3.05 Appraisal Rights. (a) Notwithstanding anything in this Agreement to the contrary, shares of Company Stock that are outstanding immediately prior to the Effective Time and that are held by any holder who has not voted in favor of the Mergers or consented thereto in writing, has not waived appraisal rights in connection with the Mergers, and properly demands appraisal of such shares pursuant to, and in accordance with, Section 262 of the DGCL ("Appraisal Shares") shall not be converted into the right to receive the Merger Consideration as provided in Section 2.04(a), but instead shall be entitled to only those rights as are granted by Section 262 of the DGCL; provided, however, that if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 262 of the DGCL, or a court of competent jurisdiction shall determine such holder is not entitled to the relief provided by Section 262 of the DGCL, then the right of such holder to be paid the fair value of such holder's Appraisal Shares under Section 262 of the DGCL shall cease and such Appraisal Shares shall thereupon be treated as if they were No Election Shares and shall be deemed to have been converted as of the Effective Time into, and shall represent only the right to receive, the CVR Consideration as provided in Section 2.04(a) upon the surrender of such shares in the manner provided in Section 3.02.

(b) The Company shall give prompt notice to Parent of any demands received by the Company for appraisal of any shares of Company Stock, any attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by the Company relating to be paid the "fair value" of the Appraisal Shares, as provided in Section 262 of the DGCL, and Parent shall have the right to participate in and direct all negotiations and Actions with respect to such demands. Prior to the Effective Time, the Company shall not, without the prior written consent of Parent, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do any of the foregoing. Parent shall not, except with the prior written consent of the Company, require the Company to make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

Section 3.06 Closing Capitalization Schedule. (a) No less than five Business Days prior to the Closing, the Company shall deliver to Parent and the Exchange Agent a schedule (the "Closing Capitalization Schedule"), setting forth, as of the Effective Time:

(i) a list, substantially in the form of Section 3.06 of the Company Disclosure Letter, of all holders of Company Stock and Company Equity Awards and each such holder's address and:

(A) the number of shares of each class or series of Company Stock held by such holder immediately prior to the Closing Date, indicating whether any such shares are Company Restricted Stock Awards (and if so, whether or not such Company Restricted Stock Awards are subject to any performance-based vesting conditions and, if so, the target number of shares of Company Stock that may be issued under such award) and with respect to any shares of Company Class B Common Stock or Company Preferred Stock of any series, (I) the conversion rate to Company Class A Common Stock applicable thereto, (II) the liquidation preference applicable thereto and (III) the amount of any accrued but unpaid dividends applicable thereto;

(B) the number of Company RSU Awards held by such holder immediately prior to the Closing Date, indicating whether or not such Company RSU Awards are subject to any performance-based vesting conditions and, if so, the target number of shares of Company Stock that may be issued under such award; and

(C) the number of all Company Stock Options held by such holder immediately prior to the Closing Date, indicating (I) whether such Company Stock Options are vested or unvested, (II) the number of shares of Company Stock issuable upon exercise of such Company Stock Options, as applicable, (III) the exercise price with respect to each Company Stock Option and (iV) whether or not such Company Stock Options are subject to any performance-based vesting conditions and, if so, the target number of shares of Company Stock that may be issued under such award; and

(ii) (A) the calculation of the Company Fully Diluted Share Count and Cash Consideration and Stock Consideration payable in respect of a share of each class or series of Company Stock, (B) the aggregate Merger Consideration to be paid to Company stockholders pursuant to Section 2.04(a) and (C) the aggregate consideration to be paid in respect of Company Equity Awards pursuant to Section 3.04, in each case calculated in accordance with this Agreement, the Company's certificate of incorporation, and any applicable Plan (including the Company Stock Plan and any other Plans governing the terms of any Company Stock Options, Company Restricted Stock Awards or Company RSU Awards) and accompanied with detailed calculations to arrive at the amounts set forth in the Closing Capitalization Schedule.

(b) The Company shall (i) take all necessary actions to freeze all exercises of Company Stock Options as of immediately prior to delivery of the Closing Capitalization Schedule, and (ii) promptly, but in no event later than the Closing Date, provide Parent and the Exchange Agent an updated Closing Capitalization Schedule reflecting any forfeiture, vesting or settlement (as applicable) of Company Restricted Stock Awards, Company RSU Awards and Company Stock Options that occur between the delivery of the Closing Capitalization Schedule and the Closing Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As an inducement to Parent, First Merger Sub and Second Merger Sub to enter into this Agreement, except (i) as disclosed in the Company Registration Statement (including exhibits) filed by the Company and publicly available prior to the date of this Agreement (but excluding any forward-looking disclosures set forth in any "risk factors" section, any disclosures in any "forward-looking statements" section and any other disclosures included therein to the extent they are predictive or forward-looking in nature, in each case other than statements of historical fact) or (ii) as set forth in the Company Disclosure Letter (it being agreed that disclosure of any item in any section of the Company Disclosure Letter shall be deemed disclosure with respect to any other section of this Agreement to which the relevance of such disclosure is reasonably apparent on its face), the Company hereby represents and warrants to Parent, First Merger Sub and Second Merger Sub that:

Section 4.01 Organization and Qualification; Subsidiaries. (a) The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware and has the requisite corporate or similar power and authority to own, lease and operate its properties and assets and carry on its business as it is now being conducted. The Company has made available to Parent, prior to the execution of this Agreement, a true and complete copy of the Company's certificate of incorporation and bylaws, as amended to the date of this Agreement, which are in full force and effect.

(b) Each Subsidiary of the Company is an entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization and has the requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The Company and each of its Subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties or assets owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary or desirable, except where the failure to be so qualified or licensed and in good standing would not, individually or in the aggregate, be reasonably expected to have a Company Material Adverse Effect.

(c) Section 4.01(b) of the Company Disclosure Letter sets forth, as of the date hereof, a true and complete list of each Subsidiary of the Company, the jurisdiction of incorporation or formation of each such Subsidiary and the ownership interest of the Company and any third parties in each such Subsidiary.

(d) The Company has made available to Parent, prior to the execution of this Agreement, a true and complete copy of the organizational documents of each of its Subsidiaries, in each case, as amended to the date of this Agreement. Such certificates of incorporation, bylaws and equivalent organizational documents are in full force and effect, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its certificate of incorporation, bylaws or equivalent organizational documents except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The Company is not in violation of any of the provisions of its certificate of incorporation or bylaws.

Section 4.02 Capitalization. (a) The authorized capital stock of the Company consists of (i) 898,203,200 shares of Company Common Stock and (ii) 534,145,027 shares of Company Preferred Stock. As of the date hereof, (i) 120,746,694 shares of Company Class A Common Stock were issued and outstanding, including 592,442 shares subject to Company Restricted Stock Awards (with zero (0) additional shares of Company Class A Common Stock issued and held in the treasury of the Company and 6,804,539 shares of Company Class A Common Stock reserved for future issuance pursuant to the Company Stock Plan); (ii) 24,989,397 shares of Company Class B Common Stock, which are convertible into 26,179,367 shares of Company Class A Common Stock, were issued and outstanding, none of which are subject to Company Restricted Stock Awards (with an additional zero (0) shares of Company Class B Common Stock issued and held in the treasury of the Company and zero (0) shares of Company Class B Common Stock reserved for future issuance pursuant to the Company Stock Plan); (iii) 85,000,000 shares of Company Series A Preferred Stock, which are convertible into 85,000,000 shares of Company Class A Common Stock, were issued and outstanding; (iv) 309,256,591 shares of Company Series B Preferred Stock, which are convertible into 309,256,591 shares of Company Class A Common Stock, were issued and outstanding; (v) 63,144,600 shares of Company Series C Preferred Stock, which are convertible into 63,144,600 shares of Company Class A Common Stock, were issued and outstanding; and (vi) 76,743,836 shares of Company Series D Preferred Stock, which are convertible into 76,743,836 shares of Company Class A Common Stock, were issued and outstanding, in each case duly authorized and validly issued, fully paid and non-assessable. As of the date hereof, 96,320,592 shares of Company Class A Common Stock are subject to outstanding Company Stock Options, and 30,343,670 shares of Company Class A Common Stock are subject to outstanding Company RSU Awards. With respect to Company Equity Awards, the foregoing assumes 100% achievement of all applicable performance criteria. Except as set forth in this Section 4.02 or as set forth in Section 4.02(a) of the Company Disclosure Letter, there are no authorized, issued, reserved for issuance or outstanding (i) shares of capital stock, voting securities or other equity interests of the Company; (ii) options, calls, warrants, convertible debt, other convertible or exchangeable instruments or rights, agreements, arrangements or commitments of any character made or issued by the Company or any of its Subsidiaries obligating the Company or any of its Subsidiaries to issue, deliver or sell any shares of capital stock, voting securities or other equity interests of the Company or any of its Subsidiaries; or

(iii) “phantom” stock, “phantom” stock rights, stock appreciation rights, stock-based units or any other similar interests issued by the Company or any of its Subsidiaries, or rights to acquire such interests from the Company or any Subsidiary. All shares of Company Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be, and each outstanding share of Company Stock has been and is, (i) duly authorized, validly issued, fully paid and non-assessable; and (ii) not subject to or issued in violation of any preemptive rights purchase option, call option, right of first refusal, anti-dilutive right, subscription right or any similar right created by applicable Law, the organizational documents of the Company or any agreement to which the Company is a party or otherwise bound.

(b) There are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any capital stock, voting securities or other equity interests or securities convertible into or exchangeable or exercisable for capital stock, voting securities or other equity interests of the Company or any of its Subsidiaries or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary of the Company or any other Person. All Company Stock Options, Company Restricted Stock Awards and Company RSU Awards are evidenced by award agreements, in each case, in substantially the forms made available to Parent by the Company, and no award agreement contains terms that are materially inconsistent with the applicable forms. There are no declared or accrued unpaid dividends with respect to any Company Stock.

(c) Each outstanding share of capital stock of, or other equity interests in, each Subsidiary of the Company is duly authorized, validly issued, fully paid and non-assessable; each such share or interest is owned by the Company or another of its wholly owned Subsidiaries free and clear of all Encumbrances and free of any restriction on the right to vote, sell or otherwise dispose of such capital stock or other equity interests (in each case, other than any Encumbrance or restriction arising under applicable securities Laws); and each such share or interest was not issued in violation, in any material respect, of any preemptive rights, purchase option, call option, right of first refusal, anti-dilutive right, subscription right or any similar right under applicable Law, the organizational documents of any applicable Subsidiary or any agreement to which the Company or any Subsidiary is a party or otherwise bound. Except for the capital stock of, or other equity interest in, its Subsidiaries, the Company does not own, directly or indirectly, any capital stock of, or other equity or similar interest in, any corporation, partnership, joint venture, association or other entity.

(d) As of the date of this Agreement, no bonds, debentures, notes or other Indebtedness of the Company having the right to vote (or convertible into or exercisable for securities having the right to vote) on any matters on which stockholders of the Company may vote are issued or outstanding.

(e) Except as provided in the Investor Agreements, the Selling Investor Support Agreement and the Support Agreements, none of the Company or any of its Subsidiaries is party to any stockholder agreements, voting trusts, proxies or other similar agreements, arrangements or understandings with respect to the voting or transfer, or requiring registration, of the Company Common Stock or the Company Preferred Stock or other voting or equity interests in the Company or any of its Subsidiaries. The Company has made available to Parent a true and complete copy of the Investor Agreements (including any amendments thereto).

(f) Section 4.02(f) of the Company Disclosure Letter sets forth a true and complete list as of the date hereof of each registered holder of Company Stock, showing the number of shares of each class or series of such capital stock held by each such holder.

(g) The Closing Capitalization Schedule will, as of the Closing Date, be true and complete in all respects and the amounts set forth therein will be calculated pursuant to and in accordance with this Agreement, the Company's certificate of incorporation and any applicable Plan (including the Company Stock Plan and any other Plans governing the terms of any Company Equity Awards). As of the Closing, (i) the number of shares of Company Stock set forth in the Closing Capitalization Schedule as being owned by a Person, or subject to Company Equity Awards owned by such Person, will constitute the entire interest of such Person in the issued and outstanding capital stock of, or any other equity or ownership interests in, the Company, and record ownership of such shares of Company Stock set forth in the Closing Capitalization Schedule is held by such Person and (ii) no Person not disclosed in the Closing Capitalization Schedule will be the record owner of, or have a right to acquire from the Company any shares of capital stock of, or any other equity or ownership interests in, the Company or options in respect of the foregoing.

Section 4.03 Authority Relative to This Agreement; Vote Required. (a) The Company has all necessary corporate power and authority to execute and deliver this Agreement, and, subject to, with respect to the Mergers, obtaining the Company Stockholder Approvals and filing the Certificates of Merger with the Secretary of State of the State of Delaware as required by the DGCL and the DLLCA, as applicable, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by the Company and the consummation by the Company of the Transactions have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Mergers, obtaining the Company Stockholder Approvals and filing the Certificates of Merger with the Secretary of State of the State of Delaware as required by the DGCL and the DLLCA, as applicable). This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent, First Merger Sub and Second Merger Sub, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(b) The Company Board, by resolutions duly adopted by the Company Board (by the unanimous vote of all directors, including both Preferred Directors (as defined in the Company's certificate of incorporation), present) at a meeting duly called and held on the date hereof and not subsequently rescinded, modified or withdrawn in any way prior to the date of this Agreement, has (i) determined that this Agreement and the Transactions are fair to, and in

the best interests of, the Company and its stockholders; (ii) approved and declared advisable this Agreement and the Transactions; (iii) adopted the Drag-Along Resolutions; (iv) resolved to recommend that the stockholders of the Company adopt this Agreement and (v) directed that this Agreement be submitted to the stockholders of the Company for adoption, which resolutions have not, as of the date hereof, been subsequently rescinded, modified or withdrawn in any way.

(c) The only votes of the holders of any class or series of capital stock of the Company necessary to adopt this Agreement and approve the Transactions are the Company Stockholder Approvals. The Selling Investors collectively hold a sufficient number of shares of Company Common Stock and Company Preferred Stock to deliver the Company Stockholder Approvals without further stockholder support.

(d) The Voting Agreement is in full force and effect and has not been amended in any manner. To the knowledge of the Company, there is no contract or other agreement in effect that would prevent or disable the effectiveness of the Drag-Along or restrict the exercise or effectiveness of the Drag-Along, in each case, with respect to the Transactions.

(e) (i) The distribution of Merger Consideration to the stockholders of the Company pursuant to Article II and Article III will satisfy the requirements of Section 2.1 and Section 2.2 of Part B Article Fourth and Section 7 of Part A Article Fourth of the Company's certificate of incorporation and (ii) the Mergers will constitute a Deemed Liquidation Event (as defined in the Company's certificate of incorporation).

Section 4.04 No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company, and the consummation of the Transactions, will not, (i) conflict with or violate the certificate of incorporation, bylaws or other equivalent organizational documents of (A) the Company or (B) any of its Subsidiaries, (ii) assuming all consents, approvals, authorizations and other actions described in Section 4.04(b) have been obtained or taken and all filings and obligations described in Section 4.04(b) have been made or satisfied, conflict with or violate any Law applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound, or (iii) violate, conflict with, require consent under, result in any breach of, result in loss of benefit under, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of an Encumbrance on any property or asset of the Company or any of its Subsidiaries pursuant to, any contract, Company Permit or other instrument or obligation to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective assets or properties is bound, except, with respect to clauses (i)(B), (ii) and (iii) of this Section 4.04(a), for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company and the consummation of the Transactions will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (i) applicable requirements of the Securities Act (including in connection with the Registration Statement) or any Blue Sky Laws, (ii) the pre-merger notification requirements of the HSR Act, the requirements of any other Antitrust Laws and the filing of the Certificates of Merger with the Secretary of State of the State of Delaware as required by the DGCL or the DLLCA, as applicable, or (iii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 4.05 Permits; Compliance. (a) Since January 1, 2018, the Company and its Subsidiaries have operated and conducted their businesses in compliance with all Laws of any Governmental Authority applicable to their respective businesses or operations, except where such non-compliance would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Since January 1, 2018, neither the Company nor any of the Subsidiaries has received any written notice alleging, or been charged by a Governmental Authority with, any violation of any Laws, except where such violation would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) The Company and each of its Subsidiaries has obtained and holds all Company Permits and all such Company Permits are valid and in full force and effect, except where the failure to hold the same or to be in full force and effect would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. In addition, (i) the Company and each of its Subsidiaries have not been in default under, or violation of, any such Company Permit, (ii) no suspension or cancellation of any of the Company Permits is pending or, to the knowledge of the Company, threatened, and (iii) the Company has taken all measures reasonably necessary (including by making all applications or filings required by applicable Law or the applicable Governmental Authority) to extend any Company Permit to prevent the expiration thereof, except, with respect to clauses (i), (ii) and (iii) of this Section 4.05(b), as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 4.06 Company Registration Statement; Financial Statements; Undisclosed Material Liabilities. (a) The Company has made available to Parent true and complete copies of all written correspondence with the SEC related to the Company Registration Statement. The Company Registration Statement, at the time it was filed and, if amended, as of the date of such amendment, complied in all material respects with all applicable requirements of the Securities Act and the rules and regulations promulgated thereunder, and did not, at the time it was filed and, if amended, as of the date of such amendment, contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the Company Registration Statement (collectively, the "Financial Statements") was prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presents, in all material respects, the consolidated financial condition, results of operations, changes in stockholders' equity and cash flows of the Company and its consolidated Subsidiaries as of the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited financial statements, to normal year-end adjustments).

(c) The Company and its Subsidiaries maintain a system of internal controls over financial reporting that are effective to ensure (i) the reliability of financial reporting, including policies and procedures that mandate the maintenance of records that in reasonable detail accurately and fairly reflect the material transactions and dispositions of the assets of the Company and its Subsidiaries, (ii) that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, (iii) that transactions are executed only in accordance with the authorization of management and (iv) the prevention or timely detection of the unauthorized acquisition, use or disposition of assets.

(d) Neither the Company nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise), except liabilities (i) reflected or reserved against in the consolidated balance sheet (or the notes thereto) of the Company as of December 31, 2019, included in the Financial Statements, (ii) incurred after December 31, 2019 in the ordinary course of business, (iii) incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement or the other Transaction Documents (for clarity, any liability caused by or resulting from a breach by the Company of this Agreement shall not be deemed a liability "incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement") or (iv) that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(e) Since January 1, 2018, none of the Company, the Company's independent accountants, the Company Board or its audit committee has received any written, or to the knowledge of the Company, oral notification of any (i) "significant deficiency" in the internal controls over financial reporting of the Company; (ii) "material weakness" in the internal controls over financial reporting of the Company; or (iii) fraud, whether or not material, that involves management or other employees of the Company who have a significant role in the internal controls over financial reporting of the Company. Since January 1, 2018, there have been no material internal investigations regarding accounting, auditing or revenue recognition discussed with, reviewed by or initiated at the direction of the Chief Executive Officer, Chief Financial Officer or General Counsel of the Company or the Company Board or any committee thereof. For purposes of this Agreement, the terms "significant deficiency" and "material weakness" shall have the meanings assigned to them in the Statement of Auditing Standard FAS 115 - Communicating Internal Control Related Matters Identified in an Audit, as in effect on the date hereof.

(f) Since January 1, 2018, (i) neither the Company nor any of its Subsidiaries has received any written or, to the knowledge of the Company, oral complaint, allegation, assertion or claim regarding accounting, internal accounting controls or auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries, or unlawful

accounting or auditing matters with respect to the Company or any of its Subsidiaries, and (ii) no attorney representing the Company or any of its Subsidiaries, whether or not employed by the Company or any of its Subsidiaries, has reported evidence of a breach of fiduciary duty or similar violation by the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents to the Company Board or any committee thereof or to the General Counsel or Chief Executive Officer of the Company, except as, in each of (i) and (ii), has not had and would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 4.07 Absence of Certain Changes or Events. Since December 31, 2019, there has not been any Company Material Adverse Effect. From June 30, 2020 to the date of this Agreement, (a) the Company and its Subsidiaries have conducted their businesses in all material respects in the ordinary course and (b) neither the Company nor any of its Subsidiaries has taken any action that, if taken after the date of this Agreement, would constitute a breach of any of the covenants set forth in Section 6.01(b) (with the exception of those set forth in clauses (i), (ii), (iv), (viii), (xii), (xiv), (xv), (xix), (xx) and (xxii) (to the extent related to the foregoing)), except where such action has not had, and would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 4.08 Absence of Litigation. Except as set forth on Section 4.08 of the Company Disclosure Letter, there is no Action pending or, to the knowledge of the Company, threatened (i) against or involving the Company, any of its Subsidiaries or any of their respective assets, officers, directors or key employees (in the case of officers, directors or key employees, arising out of such officer's, director's or key employee's relationship with the Company) that, individually or in the aggregate, has or would reasonably be expected to have a Company Material Adverse Effect, or (ii) that seeks to restrain or enjoin the consummation of the Transactions. There is not any Order of any Governmental Authority or arbitrator outstanding against, or, to the knowledge of the Company, investigation by any Governmental Authority involving, the Company, any of its Subsidiaries or any of their respective assets, officers, directors or key employees (in the case of such officers, directors or key employees, such as would affect the Company or any of its Subsidiaries) that, individually or in the aggregate, has or would reasonably be expected to have a Company Material Adverse Effect. There is no material Action pending by the Company or any of its Subsidiaries, or which the Company or any of its Subsidiaries intends to initiate, against any other Person.

Section 4.09 Employee Benefit Plans. (a) Section 4.09(a) of the Company Disclosure Letter lists each material Plan as of the date hereof. To the extent applicable, with respect to each material Plan, true and correct copies of the following have been delivered or made available to Parent by the Company: (i) all Plan documents (including all amendments and attachments thereto), or written summaries of any such Plan not in writing; (ii) all related trust documents, insurance contracts or other funding arrangements and the most recent actuarial report; (iii) the most recent annual report (Form 5500) filed with the IRS or comparable report filed with any other applicable Governmental Authority; (iv) the most recent determination, opinion or advisory letter from the IRS or other applicable Governmental Authority; and (v) the most recent summary plan description and any summary of material modification thereto.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) the terms of each Plan comply with applicable Law and each Plan has been operated and funded in accordance with its terms and applicable Law and (ii) the Company and its Subsidiaries are in compliance with all Laws relating to the Plans. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, no Action is pending or, to the knowledge of the Company, threatened with respect to any Plan (other than claims for benefits in the ordinary course), and, to the knowledge of the Company, there are not any facts that would be reasonably expected to give rise to any such Action.

(c) Each Plan that is intended to be qualified under Section 401(a) of the Code either has received a favorable determination letter from the IRS or may rely upon a favorable prototype opinion letter from the IRS as to its qualified status and, to the knowledge of the Company, there are no facts or circumstances that could reasonably be expected to adversely affect such qualification.

(d) Neither the Company nor any of its Subsidiaries has incurred or reasonably expects to incur any liability (actual or contingent) under, arising out of or by operation of Title IV of ERISA (other than liability for premiums to the PBGC arising in the ordinary course), except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Neither the Company nor any of its Subsidiaries has, during the six-year period ending on the date hereof, maintained, contributed to or been required to contribute to any "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA.

(e) Except as provided in this Agreement or as set forth on Section 4.09(e) of the Company Disclosure Letter, neither the execution of this Agreement nor the consummation of the Transactions will (either alone or in connection with any other event, including a termination of employment or service of any current or former Service Provider in connection with the Transactions): (i) entitle any current or former Service Provider to severance pay or benefits or any increase in severance pay or benefits upon any termination of employment or service with the Company or any of its Subsidiaries; and (ii) accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable pursuant to, any of the Plans to any current or former Service Provider. No payment or benefit that will or may be made by the Company or its Subsidiaries to any of their respective current or former Service Providers is reasonably expected to, individually or in combination with any other such payment or benefit, constitute an "excess parachute payment", as defined in Section 280G(b)(1) of the Code.

(f) Neither the Company nor any of its Subsidiaries has any obligation to provide health or other welfare benefits to any current or former Service Provider following any termination of employment under any Plan (other than continuation coverage required under Section 4980(B)(f) of the Code or other applicable Law or for which the Service Provider bears the full cost).

(g) No current or former Service Provider is entitled to any gross-up, make-whole or reimbursement payment from the Company or any of its Subsidiaries in respect of any Tax imposed on such Service Provider.

(h) Neither the Company nor any of its Subsidiaries has (i) applied for or received any loan under the Paycheck Protection Program under the CARES Act or (ii) deferred any Taxes under Section 2302 of the CARES Act or claimed any Tax credit under Section 2301 of the CARES Act or Sections 7001-7003 of the FFCRA or I.R.S. Notice 2020-65.

(i) With respect to each Non-U.S. Benefit Plan, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect:

(i) all contributions to each Non-U.S. Benefit Plan required to be made by the Company or its Subsidiaries by Law or by the terms of such Non-U.S. Benefit Plan or pursuant to any mandatory provident fund schemes have been made or, if applicable, accrued in accordance with generally accepted accounting practices in the applicable jurisdiction applied to such matter;

(ii) each Non-U.S. Benefit Plan required to be registered has been so registered and has been maintained in good standing with applicable Governmental Authorities; and

(iii) each Non-U.S. Benefit Plan is in compliance with any funding requirements mandated by applicable Law.

Section 4.10 Labor and Employment Matters. (a) Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or similar contract applicable to any current or former Service Provider. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) from January 1, 2018 through the date of this Agreement, there have not been any strikes or other labor disputes or work stoppages or organizational campaigns, petitions or other unionization activities seeking recognition of a collective bargaining unit relating to any current or former Service Provider, (ii) there are no strikes or other labor disputes or work stoppages or campaigns, petitions or other activities ongoing or, to the knowledge of the Company, threatened, and (iii) neither the Company nor any of its Subsidiaries is the subject of any proceeding alleging that the Company or any of its Subsidiaries has engaged in any unfair labor practice under any applicable Law.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Company and each of its Subsidiaries are currently in compliance with all applicable Laws related to the engagement of service providers, employment practices and labor relations, including those related to wages, hours, classification, immigration, health, safety and collective bargaining. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, no current or former individual independent contractor that provides personal services to the Company or its Subsidiaries (other than any current or former director) is entitled to any fringe or other benefits (other than cash consulting fees or other consulting payments) pursuant to any Plan.

(c) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, no Action by or before any Governmental Authority with respect to the Company or any of its Subsidiaries in relation to the employment or alleged employment of any individual is ongoing or, to the knowledge of the Company, pending or threatened.

(d) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect and except as set forth in Section 4.10(d) of the Company Disclosure Letter, since January 1, 2018, the Company and its Subsidiaries have not been subject to any Actions alleging sexual harassment, sexual misconduct, bullying or unlawful discrimination committed by any director, officer or other managerial employee of the Company or any of its Subsidiaries related to his or her directorship or employment with the Company or any of its Subsidiaries.

Section 4.11 Real Property; Title to Assets. (a) Neither the Company nor any of its Subsidiaries owns any real property.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) each Real Property Lease is valid and binding on the Company or the Subsidiary of the Company that is a party thereto and, to the knowledge of the Company, each other party thereto and is full force and effect, (ii) all rent and other sums and charges payable by the Company or any of its Subsidiaries as tenants thereunder are current and all obligations required to be performed or complied with by the Company or any of its Subsidiaries thereunder have been performed, (iii) no termination event or condition or uncured default of a material nature on the part of the Company or, if applicable, its Subsidiaries or, to the knowledge of the Company, the landlord thereunder, exists under any Real Property Lease, (iv) the Company and each of its Subsidiaries has a good and valid leasehold interest in each parcel of real property leased by it free and clear of all Encumbrances, except Permitted Encumbrances, (v) neither the Company nor any of its Subsidiaries has received any written notice from any landlord under any Real Property Lease that such landlord intends to terminate such Real Property Lease and (vi) neither the Company nor any of its Subsidiaries has received written notice of any pending and, to the knowledge of the Company, there is no threatened, condemnation with respect to any property leased pursuant to any of the Real Property Leases. The Company and its Subsidiaries have not subleased or licensed any portion of any real property that is leased pursuant to any Real Property Lease to any Person.

(c) The Company or one of its Subsidiaries, as the case may be, has valid title to, or valid leasehold or comparable contractual rights in or relating to, all material personal property owned or leased by it, free and clear of all Encumbrances, except Permitted Encumbrances.

Section 4.12 Intellectual Property. (a) Section 4.12(a) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all (i) Registered Company IP, indicating for each such item, as applicable, the owner, the application, publication or registration number, and date and jurisdiction of filing or issuance; and (ii) material Software included in the Company Owned IP.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Registered Company IP is subsisting and, to the knowledge of the Company, valid and enforceable. The Company and its Subsidiaries possess all rights, title and interests in and to the Company Owned IP, free and clear of any Encumbrances other than Permitted Encumbrances, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, the Registered Company IP owned by the Company is currently in compliance with any and all formal legal requirements necessary to record, perfect and maintain the Company or any of its Subsidiaries' interest therein and the chain of title thereof, except where any non-compliance would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(c) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect and to the knowledge of the Company, since January 1, 2018, the operation of the Company's business has not infringed, misappropriated or otherwise violated (including with respect to the development, clinical testing, manufacture, distribution, marketing, use or sale by the Company or any of its Subsidiaries of their respective products or of their respective Intellectual Property) the Intellectual Property of any third party (other than such rights determined and documented in writing by Company counsel and/or outside counsel to be invalid, not infringed or unenforceable) and to the knowledge of the Company, no other Person has infringed, diluted, misappropriated or otherwise violated, or is infringing, diluting, misappropriating or otherwise violating the Company IP. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect and except as set forth in Section 4.12(c) of the Company Disclosure Letter, there are currently no pending Actions or Actions threatened in writing regarding: (i) the licensing or use by the Company or any of its Subsidiaries of any other Person's Intellectual Property; (ii) any actual or potential infringement, dilution, misappropriation, or other violation by any other Person of the Company IP; (iii) any actual or potential infringement, dilution, misappropriation, or other violation of any other Person's Intellectual Property by the Company or any of its Subsidiaries; or (iv) the ownership, validity, registrability, enforceability or use of any Company IP, and to the knowledge of the Company (and except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect), no valid basis exists for any Action in connection with any of the foregoing items (i) through (iv) of this Section 4.12(c).

(d) The Company Owned IP constitutes all of the material Intellectual Property owned by the Company and its Subsidiaries that is used, held for use or planned for use in the operation or conduct of the Company's business as currently conducted; and the Company IP constitutes all of the Intellectual Property that is used, held for use or planned for use in the conduct of the Company's business in the manner in which it is currently being conducted,

except where failure to own or otherwise possess rights to any such Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, except as set forth in Section 4.12(d) of the Company Disclosure Letter, the consummation of this Agreement and compliance by the Company and its Subsidiaries with the provisions of this Agreement will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) in or upon, any Company IP. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, after the Effective Time, Parent will own all right, title and interest in and to or otherwise have valid rights and licenses to use all Company IP.

(e) To the knowledge of the Company, each of the Company and its Subsidiaries have used commercially reasonable efforts to maintain, preserve and protect the secrecy and confidentiality of their Trade Secrets and other confidential information and prevent the misuse or misappropriation of the Trade Secrets and other confidential information included in the Company IP, including through the development of policies for the protection of Intellectual Property, except any failure to maintain, preserve or protect that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, each current and former employee, consultant or independent contractor of the Company who has had access to Trade Secrets or confidential information included in the Company IP has entered into a written agreement with the Company that requires such employee, consultant or contractor to protect the secrecy and confidentiality of such Trade Secrets and information, except any failure to enter into such agreements would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, there has been no misappropriation or unauthorized disclosure or use of any of the Company's Trade Secrets or other confidential information, except any misappropriation or unauthorized disclosure would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(f) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, no current or former director, officer, employee, contractor or consultant of the Company or its Subsidiaries owns any rights in or to any Company Owned IP. To the knowledge of the Company, all current and former directors, officers, employees, contractors and consultants of the Company and its Subsidiaries who contributed to the business or to the discovery, creation or development of any Company Owned IP did so (i) within the scope of his or her employment such that it constituted a work made for hire and all Company Owned IP arising therefrom became the exclusive property of the Company or any of its Subsidiaries or (ii) pursuant to an executed, enforceable, valid written agreement, assigned all of his or her rights in Company Owned IP to the Company or any of its Subsidiaries, except any failure to assign would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. No current or former directors, officers, employees, contractors or consultants of the Company or any of its Subsidiaries has made a written claim, or threatened in writing to make any claim, of ownership or right, in whole or in part, to any Company Owned IP or asserted in an Action against the Company or any of its Subsidiaries such claim of ownership or right.

(g) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the IT Assets operate and perform as required to permit the operation of the Company's business as currently conducted. To the knowledge of the Company, since January 1, 2018, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) there has been no actual or threatened security breach or unauthorized access to or use of any of the IT Assets and (ii) the IT Assets do not contain any material viruses, worms, trojan horses, bugs, or faults, and have not experienced breakdowns, errors, contaminants, or continued substandard performance that has caused or reasonably could be expected to cause any material disruption or interruption in or to the use of any such IT Assets or to the business of the Company. The Company and its Subsidiaries have implemented reasonable backup, security and disaster recovery technology reasonably consistent with industry practices and are in compliance in all material respects with applicable Privacy and Data Security Requirements for the IT Assets used in the business.

(h) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, there is no Public Software included in the Company IP that is subject to any open source, public source, freeware or other third party license agreement that: (i) requires the Company or its Subsidiaries to license, disclose or distribute any proprietary source code, IT Asset or Company IP to licensees or any other Person, (ii) prohibits or limits the receipt of consideration in connection with licensing, sublicensing or distributing any Software included in the Company Owned IP, (iii) except as specifically permitted by Law, allows any Person to decompile, disassemble or otherwise reverse-engineer any Software included in the Company Owned IP, (iv) requires the licensing of any Software included in the Company Owned IP to any other Person for the purpose of making derivative works or (v) otherwise materially limits the Company's or its Subsidiaries' right to require royalty payments for the use or restrict further distribution of such Software. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Company and its Subsidiaries are in compliance with all of the terms and conditions of any licenses applicable to any Public Software used by the Company and its Subsidiaries in the operation of the business as currently conducted.

(i) All Company proprietary Software has been created, and the associated source code written, only by individuals, who, at the time they created and developed such Software, were Company employees, contractors or consultants of the Company or any of its Subsidiaries. To the knowledge of the Company, the Company and its Subsidiaries have not disclosed, delivered or licensed to any Person, or obligated themselves to disclose, deliver or license to any Person, any Software source code included in Company Owned IP other than to a current or former employee, contractor or consultant who has executed, enforceable, valid written confidentiality obligations to the Company or any of its Subsidiaries restricting the use and disclosure of such source code. To the knowledge of the Company, there has been no unauthorized use, reverse engineering, decompiling, disassembling, or other unauthorized disclosure of or access to any source code owned by the Company and its Subsidiaries.

(j) Schedule 4.12(j) of the Company Disclosure Letter lists, as of the date hereof, all agreements pursuant to which a university, or other educational institution, research institution or agency, Governmental Authority, or other organization (each, an "R&D Sponsor") has sponsored research or development conducted in connection with the businesses of the Company and its Subsidiaries. Except as set forth in Schedule 4.12(j) of the Company Disclosure Letter, no R&D Sponsor has any claim of right or license to, ownership of, or other Encumbrance (other than a Permitted Encumbrance) on, any Company IP.

(k) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, since January 1, 2018, the Processing of any Personal Data by the Company and its Subsidiaries has not violated, and does not violate, any applicable Privacy and Data Security Requirements. Without limiting the foregoing the Company and its Subsidiaries have ensured that all appropriate consents required by applicable Privacy and Data Security Requirements have been obtained from data subjects or other Persons whose Personal Data is Processed thereby, except where such failure to obtain a consent would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Company and its Subsidiaries have further obtained all rights and licenses necessary to Process Personal Data in the manner it is now Processed thereby or by any Person on its behalf. There is no Action pending, asserted in writing or threatened in writing against the Company or any of its Subsidiaries alleging a violation of any Privacy and Data Security Requirement or any Person's right of privacy or publicity, and, to the knowledge of the Company, no valid basis exists for any such Action. Neither the Company nor its Subsidiaries has (i) received any written communications from or (ii) to the knowledge of the Company, been the subject of any investigation by a data protection authority or any other Governmental Authority, in each of (i) and (ii), regarding the Processing of Personal Data. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the execution and performance of this Agreement will not breach or otherwise cause any violation on the part of the Company or any of its Subsidiaries of any applicable Privacy and Data Security Requirements.

(l) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, with respect to all Personal Data Processed by the Company and its Subsidiaries, the Company and its Subsidiaries have taken commercially reasonable measures designed to protect such information against loss and unauthorized access, use, disclosure or other misuse.

(m) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, to the extent required by applicable Privacy and Data Security Requirements, each of the Company and its Subsidiaries has contractually obligated all data processors to contractual terms relating to the protection and use of IT Assets, or Personal Data or confidential information thereon, no less protective than those implemented and maintained by the Company. The Company is not aware of any material violations of such contractual obligations.

(n) To the knowledge of the Company, no Person has gained unauthorized access to, engaged in unauthorized Processing, disclosure, use, or access to, or accidentally or unlawfully destroyed, lost or altered (i) any Personal Data related to the business of the Company and its Subsidiaries; or (ii) any IT Assets that Process Personal Data related to the business of and owned or maintained by the Company and its Subsidiaries, its respective personal data processors, customers, subcontractors or vendors, or any other Persons on its behalf. Neither the Company nor its Subsidiaries has notified or, as of the date hereof, plans to notify, either voluntarily or as required by any Privacy and Data Security Requirements, any affected individual, any third party, any Governmental Authority, or the media of any breach or non-permitted use or disclosure of Personal Data of the Company and its Subsidiaries. Neither the Company nor its Subsidiaries does, or permits any third party to, sell, rent, or otherwise make available to any Person any Personal Data, except in compliance with the applicable Privacy and Data Security Requirements. To the knowledge of the Company, the Personal Data Processed by the Company and its Subsidiaries can be used after the Closing in a manner substantially the same as currently used by the Company and its Subsidiaries.

Section 4.13 Taxes. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect:

(a) All Tax Returns required to be filed by or with respect to the Company or any of its Subsidiaries have been timely filed (taking into account any extension of time within which to file) and all such Tax Returns are true, complete and accurate.

(b) All Taxes due and payable by the Company and its Subsidiaries have been timely paid, whether or not required to be shown on a Tax Return, or, in the case of Taxes not yet due or that are being contested in good faith, have been accrued or reserved, in accordance with GAAP, on the Financial Statements. There are no Tax Encumbrances on the assets of the Company or any of its Subsidiaries other than Permitted Encumbrances.

(c) Each of the Company and its Subsidiaries has timely paid or withheld all Taxes required to be paid or withheld with respect to their employees, independent contractors, creditors and other third parties (and timely paid over such Taxes to the appropriate Governmental Authority to the extent required by applicable Law).

(d) Neither the Company nor any of its Subsidiaries has executed any outstanding waiver of any statute of limitations for the assessment or collection of any Tax and there is no pending request by a Governmental Authority in writing to execute such a waiver or extension. No material audit or other examination or administrative, judicial or other proceeding of, or with respect to, any Tax Return or Taxes of the Company or any of its Subsidiaries is currently in progress. No deficiency for any material amount of Tax has been asserted or assessed by a Governmental Authority in writing against the Company or any of its Subsidiaries that has not been settled, paid or withdrawn.

(e) Within the two (2)-year period ending on the date hereof, neither the Company nor any of its Subsidiaries has been a party to any transaction treated by the parties as a distribution to which Section 355 or 361 of the Code applies.

(f) Neither the Company nor any of its Subsidiaries has participated in a "listed transaction" within the meaning of Treasury Regulation § 1.6011-4, or any similar provision of state, local or foreign Law.

(g) Neither the Company nor any of its Subsidiaries (i) is a party to or is bound by any Tax Sharing Agreement, (ii) has liability for payment of any amount as a result of being party to any Tax Sharing Agreement, (iii) has been a member of an affiliated group filing a consolidated United States federal income Tax Return (other than an affiliated group the common parent of which was the Company) or (iv) has liability for the Taxes of any Person (other than the Company or any of its Subsidiaries) under Treasury Regulation § 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, or by contract or otherwise.

(h) Section 4.13(h) of the Company Disclosure Letter contains a list, as of the date of this Agreement, of all jurisdictions in which the Company or any of its Subsidiaries files any income Tax Returns.

(i) To the knowledge of the Company, no claim has been made in writing by any Governmental Authority in a jurisdiction where the Company or any of its Subsidiaries do not file Tax Returns that any such entity is, or may be, subject to taxation by that jurisdiction.

(j) Neither the Company nor any of its Subsidiaries has an outstanding request for a ruling or similar determination from a Governmental Authority with respect to Taxes.

(k) Neither the Company nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period ending after the Closing Date as a result of any: (i) adjustment pursuant to Section 481 of the Code (or similar provision under any federal, state, local or foreign Law) associated with a change of accounting method that was made on or before the date of this Agreement; (ii) closing agreement or other agreement with any Governmental Authority executed on or before the date of this Agreement; (iii) transaction entered into on or before the date of this Agreement and treated under the installment method, long-term contract method, cash method or open transaction method of accounting; or (iv) inclusion, other than in the ordinary course of business, under Section 951(a) of the Code or similar provision of state, local or foreign law.

Section 4.14 Environmental Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect: (a) the Company is and, since January 1, 2018, has been in compliance with all Environmental Laws and possesses and is and, since January 1, 2018, has been in compliance with all Environmental Permits, (b) there is no Action, Order or notice of violation or liability, in each case pursuant to Environmental Law pending or, to the knowledge of the Company, threatened in writing against the Company or any of its Subsidiaries; (c) there has been no release, spill, discharge or disposal of or exposure to any Hazardous Material, nor are there any other facts or conditions, in each case that would reasonably be expected to form the basis of any Action or Order pursuant to

Environmental Law involving the Company or its Subsidiaries; (d) neither the Company nor any of its Subsidiaries has retained or assumed, either contractually or by operation of Law, any liabilities or obligations that would reasonably be expected to form the basis of any Action or Order pursuant to Environmental Law involving the Company or its Subsidiaries; and (e) there are no underground or aboveground storage tanks containing Hazardous Materials or any known or suspected asbestos-containing materials on, at or under any real property leased pursuant to any of the Real Property Leases.

Section 4.15 Material Contracts. (a) Other than any contracts described in, or included as exhibits to, the Company Registration Statement, Section 4.15(a) of the Company Disclosure Letter contains a true and complete list of the following types of contracts to which the Company or any of its Subsidiaries is a party and that are in effect, or pursuant to which the Company or any Subsidiary has material ongoing obligations, in each case as of the date of this Agreement (such contracts, including those described in, or included as exhibits to, the Company Registration Statement, whether or not set forth on Section 4.15(a) of the Company Disclosure Letter and including any contract entered into after the date hereof in accordance with the terms of this Agreement that would have been required to be set forth on Section 4.15(a) of the Company Disclosure Letter if it had been entered into as of the date of this Agreement, the "Material Contracts"):

(i) all contracts that would, if the Company were an issuer of securities registered pursuant to Section 12 of the Exchange Act, be required to be filed by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act;

(ii) (A) all joint venture contracts or partnership arrangements or (B) similar agreements involving a sharing with any third party of profits, losses, costs or liabilities by the Company or any of its Subsidiaries, pursuant to which, in the case of this clause (B), the Company would reasonably expect its share of such profits, losses, costs or liabilities in any fiscal year to exceed $2,000,000 (or its equivalent in another currency);

(iii) all contracts involving the payment of royalties or other amounts calculated based upon the revenues or income of the Company or any of its Subsidiaries or income or revenues related to any product of the Company or any of its Subsidiaries and requiring payments by the Company in any fiscal year in excess of $500,000 (or its equivalent in another currency);

(iv) all contracts (A) relating to the acquisition or disposition of any assets or properties (whether by merger, sale of stock, sale of assets or otherwise) for aggregate consideration in excess of $2,000,000 or (B) pursuant to which any earn-out, indemnification or deferred or contingent payment obligations remain outstanding that would reasonably be expected to involve payments by or to the Company or any of its Subsidiaries of more than $2,000,000 after the date hereof (in each case, excluding, for the avoidance of doubt, acquisitions or dispositions of supplies, products or other assets in the ordinary course of business or of supplies, products or other assets that are obsolete, worn out, surplus or no longer used or useful in the conduct of business of the Company or its Subsidiaries);

(v) all contracts relating to Indebtedness for borrowed money (including commitments to provide such Indebtedness) of the Company or any of its Subsidiaries;

(vi) all contracts that limit, or purport to limit, in any material respect, the ability of the Company or any of its Affiliates to compete in any line of business or with any Person or entity or in any geographic area or during any period of time or in any customer segment;

(vii) all material Company IP Agreements, except for shrink-wrap or click-wrap licenses for off the shelf computer software, pursuant to which the Company or any of its Subsidiaries would reasonably be expected to make or receive payments of more than $500,000 during any fiscal year;

(viii) all contracts with respect to any Intellectual Property that contain a covenant not to sue;

(ix) each contract between or among (A) the Company or any of its Subsidiaries, on the one hand, and (B) any Affiliate, stockholder, employee, officer or director of the Company or of any Subsidiary, or, to the knowledge of the Company, any of their respective Affiliates or family members, on the other hand, but excluding, for the avoidance of doubt, (I) any contracts or arrangements between the Company and any of its Subsidiaries or between any Subsidiary of the Company and another Subsidiary of the Company, (II) any Plan, (III) any contract providing for indemnification or reimbursement of expenses for officers or directors of the Company or any of its Subsidiaries (in such individual capacity as such), and (IV) any contract entered into in the ordinary course of business and on arms' length terms;

(x) all contracts (other than purchase orders under a master agreement) for the purchase of materials, supplies, goods, services, equipment or other assets pursuant to which the Company or any of its Subsidiaries would reasonably be expected to make payments of more than $1,000,000 during any fiscal year;

(xi) all contracts relating to research services or clinical trials or pilot or other testing programs in respect of products (including products under development) of the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries would reasonably be expected to make or receive payments of more than $500,000 during any fiscal year or which are otherwise material;

(xii) all contracts that relate to collaboration or joint development or other similar agreement or arrangement with respect to any products (including products under development) or services of the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries would reasonably be expected to make or receive payments of more than $2,000,000 during any fiscal year or which are otherwise material;

(xiii) all contracts that limit in any material respect the research, development, manufacture, distribution, sale, supply, license, marketing or manufacturing of products (including products under development) or services of the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries would reasonably be expected to make or receive payments of more than $2,000,000 during any fiscal year or which are otherwise material;

(xiv) all contracts granting any put, call, right of first refusal, right of first negotiation, right of first offer, redemption or similar right in favor of any Person other than the Company or its Subsidiaries, in each case, with respect to any asset that is material to the Company; and

(xv) all contracts that provide for "exclusivity" or any similar requirement or "most favored nation" or similar rights, in each case in favor of any Person other than the Company or any of its Subsidiaries, and, in the case of contracts with suppliers or vendors, (A) the current term of which is longer than two years (not including any renewal terms) and (B) pursuant to which the Company or any of its Subsidiaries would reasonably be expected to make or receive payments of more than $1,000,000 during any fiscal year, which are otherwise material, other than, in each case, any such contract that is terminable without penalty by the Company or its Subsidiaries on no more than 6 months' notice.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, each Material Contract is in full force and effect, and is legal, valid, binding and enforceable in accordance with its terms against the Company and its Subsidiaries (as applicable) and, to the knowledge of the Company, the other parties thereto. True and complete copies of each Material Contract (and a written summary of the terms of any oral Material Contracts) have been made available to Parent. None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any other party thereto is in violation of or in default under (nor does there exist any condition which upon the passage of time or the giving of notice or both would cause such a violation of or default under) any Material Contract to which it is a party or by which it or any of its properties or other assets is bound, nor have any of them given or received any notice alleging any of the same, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 4.16 Insurance. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, all insurance policies and all self-insurance programs and arrangements relating to the business, assets and operations of the Company and its Subsidiaries are in full force and effect, and all premiums thereon have been timely paid or, if not yet due, accrued. As of the date of this Agreement, there is no claim pending under the Company's or any of its Subsidiaries' insurance

policies or fidelity bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. The Company and its Subsidiaries are in compliance with the terms of such policies and bonds and the Company has no knowledge of any threatened termination of, or premium increase with respect to, any of such policies or bonds, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 4.17 Brokers. No broker, finder, financial advisor or investment banker (other than Morgan Stanley & Co. LLC, the fee payable to whom will not exceed the amount set forth in the engagement letter dated September 13, 2020, as made available to Parent prior to the date hereof) is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Company.

Section 4.18 Regulatory Compliance. (a) Since January 1, 2018, except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, none of the Company, any of its Subsidiaries or, to the knowledge of the Company, any of their respective directors, officers, employees or Collaboration Partners (solely with respect to such Collaboration Partners' activities with the Company and its Subsidiaries) have (i) made an untrue statement of a material fact or fraudulent statement to the U.S. Food and Drug Administration (the "FDA") or any other Health Authority, (ii) failed to disclose a material fact required to be disclosed to the FDA or any other Health Authority, or (iii) committed any other act, made any statement or failed to make any statement, that (in the case of any of (i), (ii) or (iii)) establishes a reasonable basis for the FDA to invoke the policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) (the "FDA Fraud Policy") or for any other Health Authority to invoke a similar policy that may be applicable to the Company or any of its Subsidiaries in another jurisdiction. None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any of their respective directors, officers, employees or Collaboration Partners (solely with respect to such Collaboration Partners' activities with the Company and its Subsidiaries) are the subject of any pending or, to the Company's knowledge, threatened investigation by the FDA under the FDA Fraud Policy, or the subject of any similar investigation by any other Health Authority.

(b) The Company has made available to Parent true and complete copies of all correspondence, pre-submissions, submissions and other communications with the FDA since January 1, 2018, other than immaterial correspondence of an administrative nature.

(c) Except as would not individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, since January 1, 2018, (i) the Company and each of its Subsidiaries and, to the knowledge of the Company, each Collaboration Partner (solely with respect to such Collaboration Partner's activities with the Company and its Subsidiaries), has been in compliance with all Health Laws, including those relating to laboratory developed tests, and without limiting the generality of the foregoing, (ii) all products under development by or on behalf of the Company or any of its Subsidiaries have been researched, developed, tested, manufactured, handled, labeled, packaged, stored, supplied,

distributed, imported, and exported, as applicable, in compliance with applicable Health Laws as presently enforced with respect to laboratory developed tests and (iii) all clinical trials conducted by or on behalf of the Company or any of its Subsidiaries have been conducted in compliance in all material respects with applicable protocols, procedures and applicable Health Laws. Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, none of the Company, any of its Subsidiaries or, to the knowledge of the Company, any Collaboration Partner (solely with respect to such Collaboration Partner's activities with the Company and its Subsidiaries) (A) has received any written notice or other written communication from any Health Authority (including a warning, untitled or notice of violation letter or Form FDA-483) alleging any violation of any Health Law, including any failure to maintain systems and programs adequate to ensure compliance with any such Health Laws or any violation of or failure to comply with any such Health Laws with respect to clinical trials, or contesting the premarket clearance or approval of, the uses of or the labeling and promotion of any product subject to any Health Law, or (B) is subject to any enforcement, regulatory or administrative proceedings against or affecting the Company relating to or arising under any Health Law and, to the knowledge of the Company, no such enforcement, regulatory or administrative proceeding has been threatened.

(d) Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, Company and its Subsidiaries have, since January 1, 2018, (i) filed with the applicable Health Authority all required filings, including adverse event reports, and (ii) all such filings were in material compliance with applicable Law when filed, and no deficiencies have been asserted in writing by any applicable Health Authority with respect to any such filings.

(e) Neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company, any director, officer, employee or agent of the Company or any of its Subsidiaries, has been convicted of any crime or engaged in any conduct for which debarment is mandated by Section 306 of the Federal Food, Drug, and Cosmetic Act (including the rules and regulations promulgated thereunder, the "FDCA"), (21 U.S.C. § 335a(a)) or any other Health Law or authorized by Section 306 of the FDCA (21 U.S.C. § 335a(b)) or any other Health Law.

(f) Neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company, any officer, employee or agent of the Company or any of its Subsidiaries, has been convicted of any crime or engaged in any conduct for which such Person or entity could be excluded from participating in the federal health care programs under Section 1128 of the Social Security Act of 1935 (the "Social Security Act"), or any similar Law in any foreign jurisdiction.

(g) Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, to the knowledge of the Company, there are no facts, circumstances or conditions that would reasonably be expected to form the basis for any Action against or affecting the Company or any of its Subsidiaries, in each case relating to or arising under (i) the FDCA or any other Health Law or (ii) the Social Security Act or any similar Law in any foreign jurisdiction.

Section 4.19 Prohibited Payments. (a) Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, none of the Company, any of its Subsidiaries, any of their respective officers or employees, and, to the knowledge of the Company, any supplier, distributor, licensee or agent or any other Person acting on behalf of the Company or any of its Subsidiaries, directly or indirectly, has (i) made or offered to make or received any direct or indirect payments in violation of the United States Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any other applicable anti-corruption or anti-bribery Law (collectively, "Anti-Corruption Laws"), including any contribution, payment, commission, rebate, promotional allowance or gift of funds or property or any other economic benefit or thing of value to or from any employee, official or agent of any Governmental Authority where either the contribution, payment, commission, rebate, promotional allowance, gift or other economic benefit or thing of value, or the purpose thereof, was illegal under any Law (including the Anti-Corruption Laws), or (ii) provided or received any product or services in violation of any Law (including the Anti-Corruption Laws). Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, neither the Company nor any of its Subsidiaries has received any written or, to the knowledge of the Company, other communication from any Governmental Authority regarding any material violation of, or failure to comply with, any Anti-Corruption Laws or to the knowledge of the Company, is the subject of any internal complaint, audit or review process regarding a material violation of, or failure to comply with, any Anti-Corruption Laws. Since January 1, 2018, neither the Company nor any of its Subsidiaries has made any disclosure (voluntary or otherwise) to any Governmental Authority with respect to any alleged irregularity, misstatement or omission or other potential violation or liability arising under or relating to any Anti-Corruption Laws, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance in all respects with applicable financial recordkeeping, reporting and internal control requirements of the Currency and Foreign Transactions Reporting Act of 1970, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Money Laundering Laws") and of the United States Foreign Corrupt Practices Act, except, in each case, where such non-compliance would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. No action, claim, suit or proceeding by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened, nor, to the knowledge of the Company, is any investigation by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws pending or threatened, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(c) None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any of their respective Representatives or Affiliates (nor, to the knowledge of the Company, any Person or entity acting on behalf of any of the foregoing) is currently a Person that is, or is owned or controlled by a Person that is ("Sanctioned Person"), (i) the subject or the target of any sanctions administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State), the United Nations Security Council, the European Union, or Her Majesty's Treasury (collectively, "Sanctions"), or (ii) located, organized, or resident in a country or territory subject to comprehensive Sanctions. The Company is not knowingly engaged in any dealings or transactions with any Sanctioned Person. No action, claim, suit or proceeding by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to any Sanctions is pending or, to the knowledge of the Company, threatened, nor, to the knowledge of the Company, is any investigation by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to any Sanctions pending or threatened, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(d) The Company and its Subsidiaries have conducted their transactions in compliance with all applicable export and re-export control Laws, including the International Traffic in Arms Regulations and the Export Administration Regulations (collectively, "Export Control Laws"), except, in each case, where such non-compliance would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. No action, claim, suit or proceeding by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to the Export Control Laws is pending or, to the knowledge of the Company, threatened, nor, to the knowledge of the Company, is any investigation by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to the Export Control Laws pending or threatened, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(e) The Company has and has implemented policies and procedures reasonably designed to ensure compliance with the Anti-Corruption Laws, Money Laundering Laws, Sanctions and Export Control Laws except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 4.20 Rights Agreement; State Takeover Statutes. (a) The Company is not party to any rights agreement, "poison pill" or similar agreement or plan.

(b) The Company Board, including both Preferred Directors (as defined in the Company's certificate of incorporation) has approved unanimously by all directors present at a meeting of the Company Board held on the date hereof the terms of this Agreement, the consummation of the Transactions, including the Mergers, the terms of the Support Agreements and the terms of the Selling Investor Support Agreement and such approval is sufficient to render inapplicable to this Agreement, the Transactions, including the Mergers, the Support Agreements and the Selling Investor Support Agreement the restrictions on "business combinations" set forth in Section 203 of the DGCL, to the extent such restrictions would otherwise be applicable to this Agreement, the Transactions, including the Mergers, the Support Agreements and the Selling Investor Support Agreement. Assuming the accuracy of the representations and warranties of Parent, First Merger Sub and Second Merger Sub set forth in Section 5.14, no "business combination", "control share acquisition", "fair price", "moratorium" or other anti-takeover or similar Laws apply to this Agreement, the CVR Agreement or the Transactions, including the Mergers. To the knowledge of the Company, the Company and its Subsidiaries are not subject to Section 2115(b) of the California Corporations Code.

Section 4.21 Opinion of Financial Advisor. The Company has received the opinion of Morgan Stanley & Co. LLC, dated the date of this Agreement, to the effect that, as of the date of this Agreement, the Merger Consideration is fair, from a financial point of view, to the Company's stockholders, a signed copy of which opinion has been, or will promptly be, delivered to Parent.

Section 4.22 Information Supplied. The information supplied by the Company for inclusion or incorporation by reference in the Registration Statement and the Consent Solicitation Statement will not when supplied contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 4.23 No Other Representations and Warranties. Notwithstanding anything herein to the contrary, the representations and warranties of the Company expressly set forth in this Article IV and in the certificate delivered by the Company pursuant to Section 8.02(c) are and shall constitute the sole and exclusive representations and warranties made with respect to the Company and its Subsidiaries in connection with this Agreement or the Transactions. Except for the representations and warranties referred to in previous sentence, none of the Company, its Subsidiaries or any other Person has made or is making any express or implied representations or warranty, statutory or otherwise, of any nature, including with respect to any express or implied representation or warranty as to the merchantability, quality, quantity, suitability or fitness for any particular purpose of the business or the assets of the Company and its Subsidiaries. Except for the representations and warranties expressly set forth in Article IV and in the certificate delivered pursuant to Section 8.02(c), all other warranties, express or implied, statutory or otherwise, of any nature, including with respect to any express or implied representation or warranty as to the merchantability, quality, quantity, suitability or fitness for any particular purpose of the business or the assets of the Company and its Subsidiaries, are hereby expressly disclaimed. The Company hereby acknowledges and agrees that, except for the representations and warranties set forth in Article V and in the certificate delivered by Parent, First Merger Sub or Second Merger Sub pursuant to Section 8.03(c), (a) none of Parent or any of its Subsidiaries, or any of its or their respective Affiliates, stockholders or Representatives, or any other Person, has made or is making any express or implied representation or warranty with respect to Parent or any of its Subsidiaries or their respective business or operations, including with respect to any information provided or made available to the Company or any of its Affiliates, stockholders or Representatives, or any other Person, or, except as otherwise expressly set forth in this Agreement, had or has any duty or obligation to provide any information to the Company or any of its Affiliates, stockholders or Representatives, or any other Person, in connection with this Agreement, the transactions contemplated hereby or otherwise, and (b) to the fullest extent permitted by law, none of Parent or any of its Subsidiaries, or any of its or their respective Affiliates, stockholders or Representatives, or any other Person, will have or be subject to any liability or other obligation of any kind or nature to the Company or any of its

Affiliates, stockholders or Representatives, or any other Person, resulting from the delivery, dissemination or any other distribution to the Company or any of its Affiliates, stockholders or Representatives, or any other Person, or the use by the Company or any of its Affiliates, stockholders or Representatives, or any other Person, of any such information provided or made available to any of them by Parent or any of its Subsidiaries, or any of its or their respective Affiliates, stockholders or Representatives, or any other Person, including any information, documents, estimates, projections, forecasts or other forward-looking information, business plans or other material provided or made available to the Company or any of its Affiliates, stockholders, or Representatives, or any other Person, in "data rooms," confidential information memoranda, management presentations or otherwise in anticipation or contemplation of the Mergers or any other Transaction, and (subject to the express representations and warranties of Parent, First Merger Sub and Second Merger Sub set forth in Article V and the certificate delivered by Parent, First Merger Sub or Second Merger Sub pursuant to Section 8.03(c)) none of the Company or any of its Affiliates, stockholders or Representatives, or any other Person, has relied on any such information (including the accuracy or completeness thereof).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PARENT, FIRST MERGER SUB AND SECOND MERGER SUB

As an inducement to the Company to enter into this Agreement, except as disclosed in the Parent SEC Reports (including exhibits and other information incorporated by reference therein) filed by Parent and publicly available prior to the date of this Agreement ("Filed Parent SEC Reports") (but excluding any forward-looking disclosures set forth in any "risk factors" section, any disclosures in any "forward-looking statements" section and any other disclosures included therein to the extent they are predictive or forward-looking in nature, in each case other than statements of historical fact), Parent, First Merger Sub and Second Merger Sub hereby, jointly and severally, represent and warrant to the Company that:

Section 5.01 Organization. Each of Parent, First Merger Sub and Second Merger Sub is a company duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, as applicable, and has the requisite corporate or limited liability company power and authority and all necessary governmental approvals to own, lease and operate its properties and assets and to carry on its business as it is now being conducted, except where the failure to possess such governmental approvals would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Each of Parent, First Merger Sub and Second Merger Sub is duly qualified or licensed as a foreign corporation or limited liability company to do business, and is in good standing, in each jurisdiction where the character of the properties or assets owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not, individually or in the aggregate, be reasonably expected to have a Parent Material Adverse Effect.

Section 5.02 Certificate of Incorporation and Bylaws. Parent has made available to the Company, prior to the execution of this Agreement, a true and complete copy of the certificate of incorporation and bylaws of Parent and of First Merger Sub and a true and complete copy of the certificate of formation and operating agreement of Second Merger Sub, each as amended to the date of this Agreement. Such certificates of incorporation and bylaws and such certificate of formation and operating agreement are in full force and effect. None of Parent, First Merger Sub nor Second Merger Sub is in violation of any of the provisions of its certificate of incorporation, certificate of formation, bylaws, operating agreement or equivalent organizational documents.

Section 5.03 Capitalization. (a) The authorized capital stock of Parent consists of (i) 320,000,000 shares of Parent Common Stock and (ii) 10,000,000 shares of preferred stock, par value $0.01 per share. As of September 11, 2020, (A) 146,360,372 shares of Parent Common Stock are issued and outstanding, all of which are duly authorized, validly issued, fully paid and non-assessable, (B) 47,967,116 shares of Parent Common Stock are held in the treasury of Parent, (C) 1,817,350 shares of Parent Common Stock are subject to outstanding equity-based awards granted pursuant to Parent's stock incentive plans and (D) there are no outstanding shares of preferred stock. Except as set forth in this Section 5.03 and except for stock options granted pursuant to the stock option plans of Parent, there are no options, calls, warrants, convertible debt or other convertible or exchangeable instruments or other rights, agreements, arrangements or commitments of any character made or issued by Parent, First Merger Sub or Second Merger Sub relating to the issued or unissued capital stock of Parent, First Merger Sub or Second Merger Sub or obligating Parent, First Merger Sub or Second Merger Sub to issue, deliver or sell any shares of capital stock, voting securities or other equity interests or securities convertible into or exchangeable or exercisable for capital stock, voting securities or other equity interests of Parent, First Merger Sub or Second Merger Sub. All shares of Parent Common Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and non-assessable.

(b) The authorized capital stock of First Merger Sub consists of 1,000 shares of common stock, par value $0.01 per share, all of which are duly authorized, validly issued, fully paid and non-assessable and free of any preemptive rights in respect thereof and all of which are owned by Parent. Each outstanding share of capital stock of First Merger Sub is owned by Parent free and clear of all Encumbrances, except where failure to own such shares free and clear would not, individually or in the aggregate, materially adversely affect Parent's ability to consummate the Transactions.

(c) All outstanding limited liability company interests of Second Merger Sub have been duly authorized, validly issued and are free of any preemptive rights in respect thereof and all of which are owned by Parent. All limited liability company interests of Second Merger Sub are owned by Parent free and clear of all Encumbrances, except where failure to own such limited liability company interests free and clear would not, individually or in the aggregate, materially adversely affect Parent's ability to consummate the Transactions.

Section 5.04 Authority Relative to This Agreement; Vote Required. (a) Each of Parent, First Merger Sub and Second Merger Sub has all necessary corporate or limited liability company power and authority to execute and deliver this Agreement and the CVR Agreement (as applicable) and, subject to adoption of this Agreement by Parent, as sole stockholder of First Merger Sub (which such adoption will occur on the date hereof), to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution and delivery of this Agreement and the CVR Agreement (as applicable) by Parent, First Merger Sub and Second Merger Sub and the consummation by Parent, First Merger Sub and Second Merger Sub of the Transactions have been duly and validly authorized by all necessary corporate or limited liability company action, and no other corporate or limited liability company proceedings on the part of Parent, First Merger Sub or Second Merger Sub are necessary to authorize this Agreement or the CVR Agreement or to consummate the Transactions (other than, with respect to the Mergers, the adoption of this Agreement by Parent, as sole stockholder of First Merger Sub (which such adoption will occur on the date hereof), and the filing of the Certificates of Merger with the Secretary of State of the State of Delaware as required by the DGCL, and the DLLCA, as applicable). This Agreement has been duly and validly executed and delivered by Parent, First Merger Sub and Second Merger Sub and, assuming due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of Parent, First Merger Sub and Second Merger Sub, enforceable against each of Parent, First Merger Sub and Second Merger Sub in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(b) No vote of the stockholders of Parent is required by Law, Parent's certificate of incorporation or bylaws or otherwise in order for Parent to execute and deliver this Agreement, and to perform its obligations hereunder and to consummate the Transactions. The adoption of this Agreement by Parent, as sole stockholder of First Merger Sub, is the only vote of stockholders required in order for First Merger Sub to consummate the Transactions to perform its obligations hereunder.

Section 5.05 No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement and the CVR Agreement (as applicable) by each of Parent, First Merger Sub and Second Merger Sub do not, and the performance of this Agreement and the CVR Agreement (as applicable) by each of Parent, First Merger Sub and Second Merger Sub, and the consummation of the Transactions, will not, (i) conflict with or violate the certificate of incorporation, certificate of formation, bylaws, operating agreement or other equivalent organizational documents of either Parent, First Merger Sub or Second Merger Sub, (ii) assuming all consents, approvals, authorizations and other actions described in Section 5.05(b) have been obtained or taken and all filings and obligations described in Section 5.05(b) have been made or satisfied, conflict with or violate any Law applicable to Parent, First Merger Sub or Second Merger Sub or by which any property or asset of either of them is bound, or (iii) violate, conflict with, require consent under, result in any breach of, result in loss of benefit under, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of an Encumbrance (other than a Permitted Encumbrance) on any property or asset of Parent, First Merger Sub or Second Merger Sub pursuant to, any loan or credit agreement, note, bond, debenture, mortgage, indenture, deed

of trust, contract, agreement, lease, Parent Permit or other instrument or obligation to which Parent, First Merger Sub or Second Merger Sub is a party or by which Parent, First Merger Sub or Second Merger Sub or any of their respective assets or properties is bound, except, with respect to clauses (ii) and (iii) of this Section 5.05(a), for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

(b) The execution and delivery of this Agreement and the CVR Agreement (as applicable) by each of Parent, First Merger Sub and Second Merger Sub do not, and the performance of this Agreement by each of Parent, First Merger Sub and Second Merger Sub, and the consummation of the Transactions, will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of the Securities Act (including in connection with the Registration Statement), the Exchange Act, the Trust Indenture Act, Blue Sky Laws and state takeover Laws, any filings required to be made with the NASDAQ, the HSR Act, the requirements of any other applicable Antitrust Laws and the filing of the Certificates of Merger with the Secretary of State of the State of Delaware as required by the DGCL and the DLLCA, as applicable, or (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, prevent or materially delay consummation of any of the Transactions.

Section 5.06 Compliance. Since January 1, 2018, Parent and its Subsidiaries have operated and conducted their businesses in compliance with all Laws of any Governmental Authority applicable to their respective businesses or operations, except where such non-compliance would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Since January 1, 2018, neither Parent nor any of its Subsidiaries has received any written notice from any Governmental Authority alleging, or been charged by a Governmental Authority with, any violation of any Laws, except where such violation would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

Section 5.07 Intellectual Property. (a) The Registered Parent IP owned by Parent is subsisting and, to the knowledge of Parent, valid and enforceable, except as would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Parent and its Subsidiaries possess all rights, title and interests in and to the Parent Owned IP, free and clear of any Encumbrances other than Permitted Encumbrances, except as would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. To the knowledge of Parent, the Registered Parent IP owned by Parent is currently in compliance with any and all formal legal requirements necessary to record, perfect and maintain Parent or any of its Subsidiaries' interest therein and the chain of title thereof, except where any non-compliance would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

(b) The Parent Owned IP constitutes all of the material Intellectual Property owned by Parent and its Subsidiaries that is used, held for use or planned for use in the operation or conduct of Parent's business as currently conducted; and the Parent IP constitutes all of the Intellectual Property that is used, held for use or planned for use in the conduct of Parent's business in the manner in which it is currently being conducted, except where failure to own or otherwise possess rights to any such Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. To the knowledge of Parent, the consummation of this Agreement and compliance by Parent and its Subsidiaries with the provisions of this Agreement will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) in or upon, any Parent IP.

Section 5.08 Financing. Parent has delivered to the Company complete and correct copies of executed commitment letters from Goldman Sachs Bank USA, together with related fee letters (with respect to such fee letters, complete copies with only the fee amounts, interest rates, original issue discount, and economic and other "market flex" terms redacted, none of which redacted provisions would adversely affect the amount or availability of the Financing on the Closing Date) of which have been provided to the Company (collectively, the "Financing Commitments"), pursuant to which the Financing Sources party thereto have committed, subject to the terms and conditions set forth therein, to lend the amounts set forth therein for the purposes of financing the Transactions and related Expenses (together with any Alternative Financing and any capital markets debt or equity financing in replacement thereof or supplemental thereto, the "Financing"). Subject to Parent's rights with respect to Alternative Financing pursuant to and subject to the terms and conditions of Section 7.18, as of the date hereof, (i) none of the Financing Commitments has been amended or modified as of the date hereof in any material respect and (ii) the respective commitments contained in the Financing Commitments have not been withdrawn or rescinded in any material respect (it being understood that the exercise of "market flex" provisions under any fee letter shall not be deemed an amendment, modification, withdrawal or rescission). Except for engagement letters with respect to the Financing, there are no side letters or contracts, agreements or understandings to which Parent, First Merger Sub or Second Merger Sub is a party related to the funding or investing, as applicable, of the Financing other than as expressly set forth in the Financing Commitments. Parent has fully paid any and all commitment fees or other fees in connection with the Financing Commitments that are payable on or prior to the date of this Agreement. As of the date hereof, the Financing Commitments are in full force and effect and are the legal, valid, binding and enforceable obligations of Parent, First Merger Sub and Second Merger Sub, as the case may be, and, to the knowledge of Parent, First Merger Sub and Second Merger Sub, each of the other parties thereto, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles. There are no conditions precedent or other contingencies related to the funding of the full amount of the Financing Commitments, other than as expressly set forth in the Financing Commitments. Assuming the accuracy of the representations and warranties of the Company set forth in this Agreement, compliance by the Company with the covenants set forth in this Agreement and the satisfaction of the conditions set forth in Article VIII, no event has occurred as of the date hereof which, with or without notice, lapse of time or both, would constitute, or would reasonably be expected to constitute, a default or breach of the Financing

Commitments on the part of Parent, First Merger Sub or Second Merger Sub or, to the knowledge of Parent, First Merger Sub and Second Merger Sub, any other party thereto. Subject to the accuracy of the representations and warranties of the Company set forth in this Agreement and compliance by the Company with the covenants set forth in this Agreement, as of the date hereof, Parent has no reason to believe that any of the conditions to the Financing contemplated by the Financing Commitments will not be satisfied. Assuming the Financing is funded in accordance with the Financing Commitments (and assuming the accuracy of the representations and warranties of the Company set forth in this Agreement, compliance by the Company with the covenants set forth in this Agreement and the satisfaction of the conditions set forth in Article VIII), Parent, First Merger Sub and Second Merger Sub will have on the Closing Date sufficient funds to (i) pay the Merger Consideration; (ii) pay any and all Expenses required to be paid by Parent, First Merger Sub, Second Merger Sub, the Surviving Corporation and the Surviving Entity in connection with the Mergers and the Financing; and (iii) satisfy all of the other payment obligations of Parent, First Merger Sub, Second Merger Sub, the Surviving Corporation and the Surviving Entity contemplated hereunder.

Section 5.09 SEC Filings; Financial Statements; Absence of Changes. (a) Parent has filed all forms, reports, statements, schedules and other documents required to be filed by it, including all contracts required to be filed by Parent as a "material contract" pursuant to Item 601(b) (10) of Regulation S-K under the Securities Act, with the SEC since January 1, 2018 (collectively, the "Parent SEC Reports"). The Parent SEC Reports (i) at the time they were filed and, if amended, as of the date of such amendment, complied in all material respects with all applicable requirements of the Securities Act, the Exchange Act or SOX, as the case may be, and the rules and regulations promulgated thereunder, and (ii) did not, at the time they were filed, and, if amended, as of the date of such amendment, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained (or incorporated by reference) in the Parent SEC Reports was prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) and each fairly presents, in all material respects, the consolidated financial condition, results of operations, changes in stockholders' equity and cash flows of Parent and its consolidated Subsidiaries as of the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited financial statements, to normal year-end adjustments).

(c) Parent maintains disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the Exchange Act and such controls and procedures are effective to ensure that all material information concerning Parent and its Subsidiaries is made known on a timely basis to the individuals responsible for the preparation of Parent's SEC filings and other public disclosure documents.

(d) Neither Parent nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise), except liabilities (i) reflected or reserved against in the consolidated balance sheet (or the notes thereto) of Parent as of December 31, 2019, included in the Filed Parent SEC Reports, (ii) incurred after December 31, 2019 in the ordinary course of business, (iii) incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement or the other Transaction Documents (for clarity, any liability caused by or resulting from a breach by the Parent of this Agreement shall not be deemed a liability "incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement) or (iv) that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

(e) Since December 31, 2019, (i) there has not been any Parent Material Adverse Effect and (ii) neither Parent nor any of its Subsidiaries has taken any action that, if taken after the date of this Agreement, would constitute a breach of any of the covenants set forth in Section 6.02.

Section 5.10 Information Supplied. The information supplied by Parent for inclusion or incorporation by reference in the Registration Statement and the Consent Solicitation Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 5.11 Absence of Litigation. There is no Action pending or, to the knowledge of Parent, threatened (i) against or involving Parent, First Merger Sub or Second Merger Sub, any of their respective Subsidiaries or any of their respective assets, officers, directors or key employees (in the case of officers, directors or key employees, arising out of such officer's, director's or key employee's relationship with Parent, First Merger Sub or Second Merger Sub, as applicable) that, individually or in the aggregate, had or would reasonably be expected to have a Parent Material Adverse Effect, or (ii) that seeks to restrain or enjoin the consummation of the Transactions or that would reasonably be expected to affect the ability of Parent, First Merger Sub or Second Merger Sub to perform its obligations under this Agreement or prevent or materially impede or delay the consummation of the Transactions. There is no Order of any Governmental Authority or arbitrator outstanding against, or, to the knowledge of Parent, investigation by any Governmental Authority involving, Parent, any of its Subsidiaries or any of their respective assets, officers, directors or key employees (in the case of such officers, directors or key employees, such as would affect Parent or any of its Subsidiaries) that would reasonably be expected to affect the ability of Parent, First Merger Sub or Second Merger Sub to perform its obligations under this Agreement or prevent or materially impede or delay the consummation of the Transactions. There is no material Action pending by Parent, First Merger Sub or Second Merger Sub or any of their respective Subsidiaries, or which Parent, First Merger Sub or Second Merger Sub or any of their respective Subsidiaries intends to initiate, against any other Person, except where the failure of which would not have, or would not reasonably be expected to have, a Parent Material Adverse Effect.

Section 5.12 Operations of First Merger Sub and Second Merger Sub. Each of First Merger Sub and Second Merger Sub is a direct, wholly owned Subsidiary of Parent, was formed solely for the purpose of engaging in the Transactions, has engaged in no other business activities and has conducted its operations only as contemplated by this Agreement.

Section 5.13 Brokers. No broker, finder, financial advisor or investment banker (other than Goldman Sachs & Co. LLC) is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent, First Merger Sub or Second Merger Sub.

Section 5.14 No Other Representations and Warranties. Notwithstanding anything herein to the contrary, the representations and warranties of Parent, First Merger Sub and Second Merger Sub expressly set forth in this Article V and in the certificate delivered by Parent, First Merger Sub or Second Merger Sub pursuant to Section 8.03(c) are and shall constitute the sole and exclusive representations and warranties made with respect to Parent and its Subsidiaries in connection with this Agreement or the Transactions. Except for the representations and warranties referred to in previous sentence, none of Parent, its Subsidiaries or any other Person has made or is making any express or implied representations or warranty, statutory or otherwise, of any nature, including with respect to any express or implied representation or warranty as to the merchantability, quality, quantity, suitability or fitness for any particular purpose of the business or the assets of Parent and its Subsidiaries. Except for the representations and warranties expressly set forth in this Article V and in the certificate delivered by Parent, First Merger Sub or Second Merger Sub pursuant to Section 8.03(c), all other warranties, express or implied, statutory or otherwise, of any nature, including with respect to any express or implied representation or warranty as to the merchantability, quality, quantity, suitability or fitness for any particular purpose of the business or the assets of Parent and its Subsidiaries, are hereby expressly disclaimed. Parent, First Merger Sub and Second Merger Sub hereby acknowledge and agree that, except for the representations and warranties set forth in Article IV, in the certificate delivered by the Company pursuant to Section 8.02(c) (in each case as qualified and limited by the Company Disclosure Letter), (a) none of the Company or any of its Subsidiaries, or any of its or their respective Affiliates, stockholders or Representatives, or any other Person, has made or is making any express or implied representation or warranty with respect to the Company or any of its Subsidiaries or their respective business or operations, including with respect to any information provided or made available to Parent, First Merger Sub, Second Merger Sub or any of their respective Affiliates, stockholders or Representatives, or any other Person, or, except as otherwise expressly set forth in this Agreement, had or has any duty or obligation to provide any information to Parent, First Merger Sub, Second Merger Sub or any of their respective Affiliates, stockholders, members or Representatives, or any other Person, in connection with this Agreement, the transactions contemplated hereby or otherwise, and (b) to the fullest extent permitted by law, none of the Company or any of its Subsidiaries, or any of its or their respective Affiliates, stockholders or Representatives, or any other Person, will have or be subject to any liability or other obligation of any kind or nature to Parent, First Merger Sub, Second Merger Sub or any of their respective Affiliates, stockholders, members or Representatives, or any other Person, resulting from the delivery, dissemination or any other distribution to Parent, First Merger Sub, Second Merger Sub or any of their respective Affiliates, stockholders or Representatives, or any other Person, or the use by Parent, First Merger Sub,

Second Merger Sub or any of their respective Affiliates, stockholders, members or Representatives, or any other Person, of any such information provided or made available to any of them by the Company or any of its Subsidiaries, or any of its or their respective Affiliates, stockholders or Representatives, or any other Person, including any information, documents, estimates, projections, forecasts or other forward-looking information, business plans or other material provided or made available to Parent, First Merger Sub, Second Merger Sub or any of their respective Affiliates, stockholders, members or Representatives, or any other Person, in "data rooms," confidential information memoranda, management presentations or otherwise in anticipation or contemplation of the Mergers or any other Transaction, and (subject to the express representations and warranties of the Company set forth in Article IV and the certificate delivered by the Company pursuant to Section 8.02(c) (in each case as qualified and limited by the Company Disclosure Letter)) none of Parent, First Merger Sub, Second Merger Sub or any of their respective Affiliates, stockholders, members or Representatives, or any other Person, has relied on any such information (including the accuracy or completeness thereof).

ARTICLE VI

CONDUCT OF BUSINESS PENDING THE MERGERS

Section 6.01 Conduct of Business by the Company Pending the Mergers. (a) The Company covenants and agrees that, between the date of this Agreement and the Effective Time or such earlier date as this Agreement may be terminated in accordance with its terms, except (i) as set forth in Section 6.01 of the Company Disclosure Letter, (ii) as expressly contemplated by this Agreement or (iii) with the prior written consent of Parent (which consent shall not be unreasonably withheld, delayed or conditioned), the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course. Without limiting the generality of the foregoing, the Company shall, and shall cause its Subsidiaries to, use its reasonable best efforts to preserve intact its present business organization and maintain the goodwill and existing relationships with its suppliers, licensors, licensees and others having significant business relationships with them. In addition, notwithstanding anything to the contrary contained in herein (including the foregoing sentences of this Section 6.01(a)), the Company and its Subsidiaries shall be permitted, without the prior consent of Parent, to take or refrain from taking all actions, whether or not in the ordinary course of business, that the Company or its Subsidiaries reasonably believe necessary or appropriate in response to the COVID-19 pandemic, including complying with orders, directives or recommendations of any Governmental Authority; provided that the Company shall, to the extent reasonably practicable in the circumstances, reasonably consult with Parent prior to taking or refraining from taking any such action to the extent it would otherwise constitute a breach of this Section 6.01(a).

(b) By way of amplification and not limitation, except (v) as set forth in Section 6.01 of the Company Disclosure Letter, (w) as expressly contemplated by this Agreement (including pursuant to Section 9.04) or the other Transaction Documents, (x) with the prior written consent of Parent (which consent shall not be unreasonably withheld, delayed or conditioned), (y) as required by Law, or (z) as the Company reasonably believes necessary or appropriate in response to the COVID-19 pandemic, including complying with orders, directives or recommendations of any Governmental Authority (provided that the Company shall, to the extent reasonably practicable in the circumstances, reasonably consult with Parent prior to taking or refraining from taking any action in reliance on this clause (z) to the extent it would otherwise constitute a breach of this Section 6.01(b)), neither the Company nor any of its Subsidiaries shall, between the date of this Agreement and the Effective Time, do any of the following:

(i) amend or otherwise change its certificate of incorporation or bylaws, or equivalent organizational documents, or the equivalent organizational documents of any of its Subsidiaries or create any new Subsidiaries other than direct or indirect wholly owned Subsidiaries;

(ii) amend or otherwise change the Investor Agreements in a manner adverse to Parent or that would materially to prevent or materially delay the consummation of the Transactions;

(iii) merge or consolidate the Company with any other Person or restructure, reorganize or completely or partially liquidate;

(iv) issue, deliver, sell, grant, pledge, dispose of or grant an Encumbrance (other than any Encumbrance arising under applicable securities Laws) on any shares of any class of capital stock of the Company or any of its Subsidiaries, any other voting securities or other ownership interests, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, voting securities or equity interests, or any "phantom" stock, "phantom" stock rights, stock appreciation rights, stock-based units or other similar interests of the Company or any of its Subsidiaries (except (i) for the issuance of shares of Company Stock issuable pursuant to the exercise of Company Stock Options or the settlement of Company RSU Awards, in each case, outstanding on the date hereof in accordance with their terms on the date hereof and (ii) as set forth in Section 6.01(b) of the Company Disclosure Letter);

(v) other than in the ordinary course of business, (A) sell, lease, license, pledge or dispose of or (B) grant an Encumbrance on any properties or assets or any interests therein of the Company or any of its Subsidiaries, other than Permitted Encumbrances;

(vi) sell, lease, sublease, license, sublicense, assign or otherwise grant rights under any Company IP (except for non-exclusive licenses or exclusive licenses for therapeutics granted in fields other than the Field (as defined in the CVR Agreement), in each case, granted in the ordinary course of business, consistent with past practice) or transfer, cancel, abandon, or fail to renew, maintain or diligently pursue applications for or otherwise dispose of any Company IP (except for patent and trademark portfolio management in the ordinary course of business, consistent with past practices, but excluding abandonment of patent applications);

(vii) declare, set aside, make or pay any dividend, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends by any of the Company's direct or indirect wholly owned Subsidiaries to the Company or any of its other wholly owned Subsidiaries;

(viii) adjust, reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of its capital stock, voting securities or other ownership interests or any securities convertible into or exchangeable or exercisable for capital stock, voting securities or other ownership interests;

(ix) acquire any assets outside the ordinary course of business from any other Person for consideration in excess of $5,000,000 in any individual transaction or series of related transactions or $25,000,000 in the aggregate;

(x) make any loans, advances, guarantees or capital contributions to or investments in any Person, other than (A) advances to employees of the Company or any of its Subsidiaries in respect of travel or other related business expenses in the ordinary course of business or (B) advance payments or prepayments under any contract in the ordinary course of business;

(xi) incur any Indebtedness for borrowed money with a principal amount in excess of $10,000,000 or guarantee such Indebtedness of another Person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of the Company;

(xii) make or authorize any capital expenditure in excess of $25,000,000 in the aggregate during any 12-month period beginning on or after the date hereof (excluding any capital expenditures referenced on Section 6.01(b) of the Company Disclosure Letter);

(xiii) modify in any material respect any accounting policies, other than as required by GAAP or Law;

(xiv) except as required by applicable Law, (A) make any material change (or file any such change) in any method of Tax accounting, (B) make, change or rescind any material Tax election; (C) settle or compromise any material Tax liability for an amount materially in excess of the amount accrued or reserved therefor in the Financial Statements or enter into any closing agreement relating to a material amount of Taxes; or (D) other than in the ordinary course of business, waive or extend the statute of limitations in respect of any material Tax claim or assessment, unless requested by the appropriate Governmental Authority;

(xv) except as required by applicable Law or the terms of any Plan in effect on the date hereof or adopted or entered into after the date hereof in accordance with, or as set forth on, Section 6.01(b) of the Company Disclosure Letter, (A) adopt, enter into, terminate, materially modify or materially amend any collective bargaining agreement or similar contract or any Plan; (B) other than annual base cash compensation raises (x) that are merit-based and do not exceed 4% per annum in the aggregate or (y) in connection with promotions for employees below the level of Vice President, in each case, in the ordinary course of business and in a manner consistent with past practice, increase the compensation or benefits of any current or former Service Provider; (C) grant or pay any change-in-control, retention, severance or termination pay to, or increase in any manner the change-in-control, retention, severance or termination pay of any current or former Service Provider; (D) accelerate the vesting or payment of any compensation or benefit to any Service Provider under any Plan; or (E) terminate or hire any Service Provider, other than terminations in the ordinary course of business consistent with past practice (which, for the avoidance of doubt, shall include terminations for "cause", as reasonably determined by the Company);

(xvi) apply for any loan under the Paycheck Protection Program under the CARES Act or make any election pursuant to Sections 2301-2308 of the CARES Act, Sections 7001-7005 of the FFCRA, IRS Notice 2020-65 or any other similar Law;

(xvii) except as required by Law or any judgment by a court of competent jurisdiction, (A) settle or compromise any Action which involves payment to or by the Company or any of its Subsidiaries (exclusive of attorney's fees) in excess of $10,000,000 in any single instance or involves any non-*de minimis* injunctive or equitable relief or the imposition of any non-*de minimis* restrictions on the business activities of the Company and its Subsidiaries; (B) cancel or compromise any Indebtedness in excess of $2,000,000 in the aggregate; or (C) waive or assign any claims or rights in excess of $250,000 individually or $2,000,000 in the aggregate;

(xviii) (A) (1) enter into new clinical trial contracts or (2) terminate, cancel, fail to renew, or modify or amend, or waive, release or assign any material rights or claims under any existing clinical trial contract, other than in the ordinary course of business, or (B) enter into, terminate, cancel, fail to renew, or modify or amend, or waive, release or assign any material rights or claims under, (x) any Material Contract described in clause (iii) of the definition thereof, or any contract that, if existing on the date hereof, would have been such a Material Contract; or (y) any Material Contract (other than of the type described in clause (A) or clause (B)(x)) or Real Property Lease, or any contract or lease that, if existing on the date hereof, would have been a Material Contract or Real Property Lease, other than in the ordinary course of business;

(xix) other than in the ordinary course of business, amend any material Company Permit in any material respect, or allow any material Company Permit to lapse, expire or terminate, other than (A) amendments, renewals or extensions of material Company Permits or (B) non-renewal or non-extension of material Company Permits that are not necessary to conduct the Company's business as then conducted;

(xx) authorize, apply for, or cause to be approved, the listing of shares of Company Common Stock or Company Preferred Stock on any stock exchange;

(xxi) file any amendment to the Company Registration Statement, or cause, request or seek to have the Company Registration Statement declared effective under the Securities Act other than any such actions taken in connection with the withdrawal of the Company Registration Statement; or

(xxii) authorize, commit or agree to do any of the foregoing.

(c) Nothing contained in this Agreement is intended to give Parent, directly or indirectly, the right to control or direct the operations of the Company or its Subsidiaries prior to the Effective Time in violation of applicable Law.

Section 6.02 Conduct of Business by Parent Pending the Mergers. Parent covenants and agrees that, between the date of this Agreement and the Effective Time, except (a) as expressly contemplated by this Agreement or the other Transaction Documents or (b) with the prior consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned), Parent shall not, and shall cause its Subsidiaries not to, do any of the following:

(i) amend or otherwise change, including by merger, consolidation or otherwise, Parent's certificate of incorporation or bylaws, except for any amendments or changes that would not (x) materially delay, materially impede or prevent the consummation of the Transactions or (y) adversely affect the stockholders of the Company in any material respect differently than the stockholders of Parent;

(ii) declare, set aside, make or pay any dividend, payable in cash, stock, property or otherwise, with respect to any of Parent's capital stock;

(iii) liquidate, dissolve, reorganize or otherwise wind up the business and operations of Parent, First Merger Sub or Second Merger Sub; or

(iv) authorize, commit or agree to do any of, the foregoing.

ARTICLE VII

ADDITIONAL AGREEMENTS

Section 7.01 Registration Statement; Consent Solicitation Statement. (a) As promptly as practicable after the execution of this Agreement, Parent and the Company shall cooperate in preparing and shall prepare (i) a consent solicitation statement (such consent solicitation statement, as amended or supplemented from time to time, the "Consent Solicitation Statement") to be sent to the stockholders of the Company relating to the solicitation of consents from the Company's stockholders in connection with obtaining the Company Stockholder Approvals and (ii) a registration statement on Form S-4 to register the shares of Parent Common Stock and CVRs to be issued in connection with the Mergers (together with all amendments

thereto, the "S-4 Registration Statement"), and Parent shall file with the SEC the S-4 Registration Statement, in which the Consent Solicitation Statement shall be included as part of the prospectus, in connection with the registration under the Securities Act of the shares of Parent Common Stock to be issued to the stockholders of the Company pursuant to the Mergers and CVRs to be issued in connection with the Mergers. Parent shall use its reasonable best efforts to cause the Registration Statement to become effective as promptly as practicable and to keep the Registration Statement effective as long as necessary to consummate the Transactions, and, if required by Law, each of Parent and the Company shall use its reasonable best efforts to have the CVR Agreement become qualified under the Trust Indenture Act as promptly as practicable. Each of Parent and the Company shall furnish all information concerning itself as the other may reasonably request in connection with such actions and the preparation of the Registration Statement and the Consent Solicitation Statement. The Registration Statement and the Consent Solicitation Statement shall include all information reasonably requested by such other party to be included therein.

(b) Company shall use its reasonable best efforts to cause the Consent Solicitation Statement to be mailed to the stockholders of the Company and shall use commercially reasonable efforts to solicit and obtain the Company Stockholder Approvals via written consent, in each case as promptly as practicable after the S-4 Registration Statement is declared effective under the Securities Act (the "S-4 Effectiveness Time"); provided that, notwithstanding the foregoing, in no event shall the Company or any of its Subsidiaries be obligated to bear any expense or pay any fee (other than the payment of nominal administrative, processing or similar fees or charges) or grant any concession in connection with obtaining the Company Stockholder Approvals following such solicitation. The Company shall include the Company Recommendation in the Consent Solicitation Statement (unless there has been a Change in the Company Recommendation in accordance with Section 7.02(d) prior to the date of distribution of the Consent Solicitation Statement in accordance with this Section 7.01(b)). Notwithstanding anything to the contrary in this Agreement, the Company's obligations pursuant to the first sentence of this Section 7.01(b) shall not be affected by the commencement, public proposal, public disclosure or communication to the Company of any Competing Proposal or any Change in the Company Recommendation.

(c) No amendment or supplement to the Consent Solicitation Statement or the S-4 Registration Statement will be made by Parent or the Company without providing the other party a reasonable opportunity to review and comment thereon. Each party will advise the other promptly after receiving oral or written notice of any oral or written request by the SEC for amendment of the S-4 Registration Statement or Consent Solicitation Statement or SEC comments thereon or requests by the SEC for additional information. Parent will advise the Company promptly after receiving oral or written notice of the issuance of any stop order or the suspension of the qualification for offering or sale in any jurisdiction of the Parent Common Stock issuable in connection with the Mergers. Each party shall promptly provide the other with copies of any written communication from the SEC and shall cooperate on the preparation of appropriate responses thereto (and will provide the other with copies of any such responses given to the SEC) and modifications to the S-4 Registration Statement or Consent Solicitation Statement as shall be reasonably appropriate.

(d) If, at any time prior to the Effective Time, any information relating to (i) the Company or any of its Subsidiaries, or their respective Affiliates or Representatives, or (ii) Parent, First Merger Sub or Second Merger Sub, or their respective Affiliates or Representatives, shall be discovered by the Company or Parent which should be set forth in an amendment or a supplement to the S-4 Registration Statement or the Consent Solicitation Statement so that either such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly inform the other party and the parties will cooperate to prepare an appropriate amendment or supplement describing such information which shall promptly be filed with the SEC and, to the extent required by Law, disseminated to the stockholders of the Company.

(e) The Company will not call or convene any meeting of its stockholders in connection with the Company Stockholder Approvals. The only corporate actions to be set forth in the Consent Solicitation Statement are (i) the adoption of this Agreement and approval of the Transactions, including the Mergers, by the holders of Company Common Stock and Company Preferred Stock and (ii) any other matters contemplated by this Agreement that may be required to be approved by the holders of Company Common Stock and/or the holders of Company Preferred Stock under applicable Law.

(f) Following receipt of the Company Stockholder Approvals via written consent, the Company shall promptly provide any notices required by Section 228 of the DGCL in accordance therewith.

(g) The Company shall, as promptly as practicable and (i) no later than 45 days after the end of any fiscal quarter (other than any fourth fiscal quarter) ending after the date hereof, prepare and furnish to Parent copies of the unaudited consolidated financial statements of the Company and its Subsidiaries as of the end of and for such fiscal quarter, together with the comparable period of the prior fiscal year, reviewed by the Company's independent accountants as provided in the procedures specified by the Public Company Accounting Oversight Board in AU 722 and (ii) no later than 90 days after the end of any fiscal year ended after the date hereof, prepare and furnish to Parent copies of the annual consolidated financial statements of the Company and its Subsidiaries as of the end of and for such fiscal year, accompanied by an audit report, on such annual financial statements from the Company's independent accountants, in the case of each of clauses (i) and (ii) together with the notes thereto, and prepared from the books and records of the Company and its Subsidiaries and in accordance with GAAP applied on a consistent basis through the periods involved (except as may be otherwise required under GAAP) and the rules and regulations of the SEC, including the requirements of Regulation S-X. When delivered pursuant to this Section 7.01(g), such financial statements shall present fairly in all material respects the consolidated financial position and results of operations of the Company and its Subsidiaries as of the dates and for the periods shown therein.

Section 7.02 No Solicitation of Transactions. (a) The Company agrees that it will not, and that it will cause each of its Subsidiaries not to and will direct each of its and its Subsidiaries' Representatives not to, directly or indirectly, (i) solicit, initiate, seek or take any other action to facilitate or knowingly encourage the making, submission or announcement of any proposal that constitutes, or would be reasonably be expected to lead to any Competing Proposal, (ii) enter into, maintain, continue or participate in any discussions or negotiations with any Person or entity in furtherance of, or furnish to any Person any information or otherwise cooperate in any way with respect to, any Competing Proposal, (iii) agree to, approve, endorse, recommend or consummate any Competing Proposal, (iv) enter into, or propose to enter into, any Competing Transaction Agreement, or (v) resolve, propose or agree, or authorize or permit any Representative to do any of the foregoing. The Company shall, and shall cause its Subsidiaries to and will direct its and its Subsidiaries' Representatives to, immediately cease and cause to be terminated all existing discussions or negotiations with any Persons conducted prior to the execution of this Agreement by the Company, any of its Subsidiaries or its or any of their respective Representatives with respect to any Competing Proposal, request the prompt return or destruction of all confidential information previously furnished and terminate access to any physical or electronic data rooms related to a potential Competing Proposal previously granted to such Person.

(b) The Company shall promptly, and in any event within 24 hours of the Company obtaining knowledge of the receipt thereof, advise Parent in writing of any Competing Proposal, the financial and other material terms and conditions of any such Competing Proposal (including any changes thereto) and the identity of the Person making any such Competing Proposal. The Company shall (i) keep Parent reasonably informed of the status and material details (including any change to the terms thereof) of any such Competing Proposal and (ii) provide to Parent, as soon as practicable after receipt or delivery thereof (and in any event, within 24 hours of such receipt or delivery), copies of all correspondence (other than non-substantive written correspondence) and other written material (including all draft and final versions (and any amendments thereto) of agreements (including schedules and exhibits thereto) and any comments thereon) relating to any such Competing Proposal exchanged between the Company or any of its Subsidiaries (or their Representatives), on the one hand, and the Person making such Competing Proposal (or its Representatives), on the other hand.

(c) Notwithstanding anything to the contrary in this Agreement, at any time prior to the receipt of the Company Stockholder Approvals, the Company may, subject to compliance with Section 7.02(b), furnish information to, and enter into discussions with, a Person who has made, after the date hereof, an unsolicited, written, bona fide Competing Proposal so long as such Competing Proposal did not result from a breach of this Section 7.02 and, prior to furnishing such information and entering into such discussions, the Company Board has (i) reasonably determined, in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation and outside legal counsel) that (A) such Competing Proposal constitutes, or could reasonably be expected to lead to, a Superior Proposal and (B) the failure to furnish such information to, or enter into such discussions with, the Person who made such Competing Proposal would be inconsistent with the Company Board's fiduciary duties to the Company and its stockholders under applicable Law, (ii) previously provided all such information to Parent (or provides such information to Parent substantially concurrent with the time it is provided to such Person), and (iii) obtained from such Person an Acceptable Confidentiality Agreement.

(d) Except as set forth in this Section 7.02(d), neither the Company Board nor any committee thereof shall (i) (A) fail to make, withdraw, qualify, modify or amend, or propose publicly to fail to make, withdraw, qualify, modify or amend, the Company Recommendation or fail to include the Company Recommendation in the Consent Solicitation Statement, (B) adopt or recommend, or propose publicly to adopt or recommend, any Competing Proposal, or (C) enter into any agreement relating to a Competing Proposal (other than an Acceptable Confidentiality Agreement), or (ii) make any public statement inconsistent with the Company Recommendation (any of the actions described in the foregoing clauses (i) and (ii), a "Change in the Company Recommendation"). Notwithstanding the foregoing, if at any time prior to the receipt of the Company Stockholder Approvals and subject to compliance with Section 7.02(b) the Company Board determines in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation and outside legal counsel) that the failure of the Company Board to make a Change in the Company Recommendation would be inconsistent with the fiduciary duties of the Company Board to the Company and its stockholders under applicable Law, then the Company Board may make a Change in the Company Recommendation; provided, however, that no Change in the Company Recommendation may be made that relates to a Competing Proposal unless such Competing Proposal constitutes a Superior Proposal; provided, further, that the Company shall not be entitled to exercise its right to make a Change in the Company Recommendation until after the fourth Business Day following Parent's receipt of written notice from the Company advising Parent that the Company Board intends to make a Change in the Company Recommendation (a "Notice of Adverse Recommendation") and specifying the reasons therefor, including the terms and conditions of any Superior Proposal and including an unredacted copy of any proposed agreement (including schedules and exhibits thereto) relating to such Superior Proposal (it being understood and agreed that any subsequent amendment to the financial terms or any other material term of such Superior Proposal shall require a new Notice of Adverse Recommendation and a three Business Day notice period). The Company agrees that, during the applicable four or three Business Day notice period prior to the Company Board making a Change in the Company Recommendation, the Company and its Representatives shall negotiate in good faith with Parent and its Representatives regarding any revisions to the terms of this Agreement proposed by Parent. In determining whether to make a Change in the Company Recommendation, the Company Board shall take into account any changes to the financial or other terms of this Agreement proposed by Parent in response to a Notice of Adverse Recommendation or otherwise. At the end of the four Business Day notice period (or three Business Day notice period with respect to any amendment to the financial terms or any other material term of such Superior Proposal) the Company Board may effect a Change in the Company Recommendation if the Company Board shall again make a determination in good faith after consultation with its outside legal counsel and financial advisors (and taking into account any adjustment or modification of the terms of this Agreement proposed by Parent), that the Competing Proposal continues to be a Superior Proposal and that the Change in the Company Recommendation is required to comply with the fiduciary duties of the Company Board to the Company and its stockholders under applicable Law.

(e) Notwithstanding anything in this Agreement to the contrary, (i) neither the Company Board nor any committee thereof shall withdraw, revoke, rescind, modify or amend in any manner the Drag-Along Resolution and (ii) in no event shall any Change in the Company Recommendation (A) affect the validity and enforceability of this Agreement or the other Transaction Documents, including the obligations of the Company and the Company's stockholders that are party to the Transaction Documents to consummate the Mergers or the other Transactions and to deliver (or cause to be delivered) the written consent contemplated by Section 3(b) of the Selling Investor Support Agreement, or (B) cause any state corporate takeover statute or other similar statute to be applicable to the Mergers or the other Transactions.

Section 7.03 Access to Information; Confidentiality. (a) Except as otherwise prohibited by applicable Law, from the date of this Agreement until the Effective Time, the Company shall, and shall cause its Subsidiaries to, provide to Parent and Parent's Representatives reasonable access during normal business hours upon reasonable prior notice to the officers, employees and other personnel, agents, properties, offices and other facilities of the Company and its Subsidiaries and to the books and records thereof (including for purposes of conducting regulatory compliance reviews and audits to allow Parent to be in compliance with its policies and procedures and any applicable Law at the Effective Time); provided, however, that (x) the Company shall not be required to provide access to or disclose any such information to the extent such access or disclosure would result in the loss of attorney-client privilege of the Company or any of its Subsidiaries (provided that the Company and its Subsidiaries shall use their reasonable best efforts to allow for such access or disclosure in a manner that does not result in a loss of attorney-client privilege) and (y) the Company may limit physical access to the properties, offices and other facilities of the Company and its Subsidiaries to the extent the Company reasonably determines, in light of COVID-19, that such access would jeopardize the health and safety of any employee of the Company or its Subsidiaries or to the extent necessary to comply with applicable Laws.

(b) Without limiting the generality of the foregoing, the Company covenants and agrees that, between the date of this Agreement and the Effective Time, the Company shall keep Parent reasonably informed as to the Company's FDA regulatory strategy with respect to non-immaterial communications with FDA, pre-submissions to FDA, submissions to FDA, and any other regulatory issues under consideration for presentation to FDA, including IDEs, clinical trials (whether new or on-going), and medical technology, including by providing copies of material information to Parent; provided, that the Company shall not be required to provide such information to the extent providing such information would result in the loss of attorney-client privilege of the Company or any of its Subsidiaries (provided that the Company and its Subsidiaries shall use their reasonable best efforts to provide such information in a manner that does not result in a loss of attorney-client privilege). In order to keep Parent reasonably informed regarding the Company's regulatory relationship with FDA, the Company also agrees to in a reasonably timely manner provide Parent with any and all material communications with FDA with respect to its pre-submissions, submissions, and other non-immaterial regulatory issues such as IDEs, clinical trials (whether new or on-going), medical technology and any other subject which would likely have a material impact on the Company's current or future business. Nothing contained in this Section 7.03(b) is intended to give Parent, directly or indirectly, the right to control or direct the FDA regulatory strategy of the Company or its Subsidiaries prior to the Effective Time.

(c) Except as otherwise prohibited by applicable Law, from the date of this Agreement until the Effective Time, Parent shall, and shall cause its Subsidiaries to, provide to the Company and the Company's Representatives reasonable access during normal business hours upon reasonable prior notice to Parent's personnel and records on a basis consistent with the Company's access to such personnel and records prior to the date hereof in connection with the Company's due diligence review of Parent and its Subsidiaries in connection with the Transactions.

(d) All information obtained by the parties hereto pursuant to this Section 7.03 shall be kept confidential in accordance with the Confidentiality Agreement.

(e) No investigation pursuant to this Section 7.03 shall affect any representation, warranty, covenant or agreement in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

Section 7.04 Employee Benefits Matters. (a) From and after the Effective Time, Parent shall (or shall cause its Affiliates, including the Surviving Entity and its Subsidiaries to), honor in accordance with their terms, all Plans and all other contracts, agreements, arrangements, policies, plans and commitments of the Company and its Subsidiaries, in each case, as in effect immediately prior to the Effective Time that are applicable to current or former Service Providers. For the period beginning on the Closing Date and continuing through the first anniversary of the Closing Date (or, if shorter, during the period of employment), Parent shall, or shall cause the Surviving Entity and its Subsidiaries to, provide each employee of the Company or its Subsidiaries who continues to be employed by the Company or the Surviving Entity or their respective Affiliates after the Closing Date (collectively, the "Continuing Employees") with (i) an annual base salary or hourly wage rate, as applicable, and annual cash target bonus or other recurring cash incentive opportunity that is no less favorable, in the aggregate, than the annual base salary or hourly wage rate, as applicable, and annual target cash bonus or other recurring cash incentive opportunity provided to such Continuing Employee immediately prior to the Effective Time, in the aggregate, and (ii) health, welfare and retirement benefits that are substantially comparable, in the aggregate, to either, in Parent's sole discretion, (A) the health, welfare and retirement benefits provided to such Continuing Employee immediately prior to the Effective Time or (B) the health, welfare and retirement benefits provided to similarly situated employees of Parent and its Affiliates, in each case and for the avoidance of doubt, excluding defined benefit pension benefits. Without limiting the foregoing, the Chief Executive Officers of each of Parent and the Company, or each of their respective designees, shall cooperate to design and implement an annual bonus program, including performance goals, for the benefit of the Continuing Employees for the first full calendar year commencing after the Closing Date (the "Post-Closing Bonus Plan"), with the bonus payouts to be based on the attainment of performance goals applicable to the business of the Company and its Subsidiaries for such year (and not, for the avoidance of doubt, performance goals applicable to the business of Parent or any of its Subsidiaries other than the Company and its Subsidiaries). Each Continuing Employee shall be entitled to participate in the Post-Closing Bonus Plan with an annual bonus target equal to the greater of (x) such Continuing Employee's annual bonus target under the Closing Year VCP (as defined below) and (y) the annual bonus target of a similarly-situated employees of Parent (as reasonably determined by Parent where such targets constitute a range).

(b) For all purposes under the employee benefit plans of Parent and its Subsidiaries providing benefits to any Continuing Employee after the Effective Time (including the Plans), but excluding any retiree health or welfare plans or programs and (solely for purposes of vesting) any equity compensation arrangements (the "New Plans"), Parent shall credit each Continuing Employee with his or her years of service with the Company and its Subsidiaries and their respective predecessors before the Effective Time, to the same extent as such Continuing Employee was entitled, immediately prior to the Effective Time, to credit for such service under any similar Plan in which such Continuing Employee participated or was eligible to participate immediately prior to the Effective Time; provided that the foregoing shall not apply to the extent that its application would result in a duplication of benefits with respect to the same period of service. In addition, and without limiting the generality of the foregoing, Parent shall (or shall cause its Subsidiaries, including the Surviving Entity and its Subsidiaries, to) cause (i) each Continuing Employee to become immediately eligible to participate, without any waiting time, in any and all New Plans to the extent coverage under such New Plan is replacing coverage under a Plan in which such Continuing Employee participated immediately prior to the Effective Time, and (ii) for purposes of each New Plan providing medical, dental, pharmaceutical and/or vision benefits to any Continuing Employee, all pre-existing condition exclusions or limitations, evidence of insurability requirements, required physical examinations and actively-at-work requirements of such New Plan to be waived for such Continuing Employee and his or her covered dependents, to the extent such conditions were inapplicable or waived under the comparable Plans in which such Continuing Employee participated immediately prior to the Effective Time. Parent shall (or shall cause its Subsidiaries, including the Surviving Entity and its Subsidiaries, to) cause any eligible expenses incurred by any Continuing Employee and his or her covered dependents during the portion of the Plan year ending on the date such Continuing Employee's participation in the corresponding New Plan begins to be taken into account under such New Plan for purposes of satisfying all applicable deductible, coinsurance and maximum out-of-pocket requirements applicable to such Continuing Employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Plan.

(c) To the extent any payments to "disqualified individuals" of the Company or its Subsidiaries (within the meaning of Section 280G of the Code) could be characterized as "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code in connection with the Transactions, the Company shall (i) no later than the Closing (and in any event prior to obtaining the consent of any recipient of such payment in accordance with (ii) below), disclose its calculations with respect to the potential excess parachute payments to Parent, and provide any other information reasonably requested by Parent that is necessary in order for Parent to review and understand such calculations (it being understood that the Company shall not be required to provide documents and information not in the Company's possession or to prepare or draft any calculations or documents (other than the waivers, disclosure and solicitation documents and calculations of excess parachute payments otherwise referenced in this Section 7.04(c))), (ii) use commercially reasonable efforts to obtain from any disqualified individual a waiver of his or her rights to any such potential excess parachute

payment absent approval by the Company's shareholders in accordance with this Section 7.04(c), and (iii) prior to the Closing, submit such payments for approval or disapproval by a vote of the stockholders of the Company entitled to vote on such matters in a manner intended to meet the requirements of Section 280G of the Code and the applicable treasury regulations thereunder. Parent shall have the right to review and comment on any waiver required by clause (ii) and any disclosure and solicitation documents required by clause (iii) before such waiver or consent is sought or document is distributed, as applicable, and the Company shall consider any such comments in good faith. Parent shall, no later than ten (10) Business Days prior to the Closing, provide to the Company any Parent plans or arrangements that could result in the payment of any excess parachute payment that would be subject to the foregoing; provided that, in any event, the Company's failure to include such Parent plans or arrangement in the stockholders voting materials described herein due to Parent's failure to provide such plans and arrangements as contemplated hereby will not result in a breach of the covenants set forth in this Section 7.04(c).

(d) Parent shall maintain (or cause its Subsidiaries, including, following the Closing, the Surviving Entity and its Subsidiaries, to maintain) the Company's annual Variable Compensation Plan for the year in which the Closing Date occurs (the "Closing Year VCP") until at least December 31st of the year in which the Closing Date occurs, and shall pay (or cause its Subsidiaries, including, following the Closing, the Surviving Entity or its Subsidiaries, to pay) to each Continuing Employee who was a participant in the Closing Year VCP immediately prior to the Closing an award thereunder for the calendar year in which the Closing occurs based on the greater of (x) actual performance under the Closing Year VCP (which, for the avoidance of doubt, may be up to 150%) and (y) target performance (each, a "VCP Bonus"), subject to each such Continuing Employee's continued employment with the Surviving Entity or its Subsidiaries through the applicable payment date and otherwise in accordance with the terms of the Closing Year VCP. If any such Continuing Employee's employment is involuntarily terminated prior to the payment of his or her VCP Bonus, he or she will remain eligible to receive his or her VCP Bonus following the end of the applicable calendar year (but in no event later than March 15th of the year following the year in which the Closing Date occurs).

(e) Following the Closing, Parent shall provide each Continuing Employee with equity-based compensation ("Parent Equity Awards") in accordance and consistent with Parent's standard incentive equity grant practices, which shall include (without limitation), grants of Parent Equity Awards no less frequently than, in amounts and values that are no less than, and with terms and conditions (including vesting conditions) that are no less favorable than, Parent Equity Awards granted to similarly-situated Parent employees from time to time.

(f) Without limiting the generality of Section 11.05, the provisions of this Section 7.04 are for the sole benefit of the parties to this Agreement and nothing herein, express or implied, is intended or shall be construed as to confer upon or give any Person (including for the avoidance of doubt, any Continuing Employee or other current or former Service Provider), other than the parties hereto and their respective permitted successors and assigns, any legal or equitable or other rights or remedies (including with respect to the matters provided for in this Section 7.04) under or by reason of any provision of this Agreement. Nothing contained in this Agreement, express or implied, shall (i) be treated as an amendment to any Plan, New Plan or other compensation or benefit plan, program, policy, agreement, arrangement or understanding

for any purpose, (ii) obligate Parent or the Surviving Entity or any of their Subsidiaries to (A) maintain any particular benefit plan or arrangement or (B) retain the employment of any particular employee or (iii) prevent Parent or the Surviving Entity or any of their Subsidiaries from amending or terminating any benefit plan or arrangement, in each case, subject to compliance with the other provisions of this Section 7.04.

Section 7.05 Directors' and Officers' Indemnification and Insurance. (a) Parent shall cause the Surviving Entity to assume, and shall cause the Surviving Entity to comply with (including by providing the Company with sufficient funds to comply with), the obligations with respect to all rights to indemnification, advancement of expenses, and exculpation from liabilities, for acts or omissions occurring at or prior to the Effective Time now existing in favor of the current or former directors or officers of the Company as provided in the certificate of incorporation and bylaws of the Company or any indemnification contract between such directors or officers and the Company (in each case, as in effect on the date hereof), without further action, as of the Effective Time, and such obligations shall survive the Mergers and shall continue in full force and effect in accordance with their terms. For the avoidance of doubt, the applicable rights of indemnification, advancement of expenses, and exculpation contemplated by this Section 7.05 and pursuant to the terms of the certificate of incorporation or bylaws of the Company as in effect at or prior to the Effective Time shall not be impaired by any modification of such terms in any amendment or restatement of such certificate of incorporation or bylaws following the Effective Time.

(b) Parent shall obtain, at the Effective Time, a prepaid (or "tail") directors' and officers' liability insurance policy in respect of acts or omissions occurring at or prior to the Effective Time for six years from the Effective Time, covering each Person currently covered by the Company's directors' and officers' liability insurance policies (a true and complete copy of which has been heretofore made available to Parent), on terms with respect to such coverage and amounts no less favorable than those of such policy in effect on the date hereof; provided, however, that in no event shall the Surviving Entity be required to expend pursuant to this Section 7.05(b) an aggregate amount in excess of 300% of the last annual premium paid by the Company for such insurance; provided, further, that, if the aggregate amount necessary to procure such insurance coverage exceeds such maximum amount, Parent shall only be obligated to provide as much coverage as may be obtained for such maximum amount.

(c) In the event the Surviving Entity or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving limited liability company or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Surviving Entity, as the case may be, or at Parent's option, Parent, shall assume the obligations set forth in this Section 7.05.

Section 7.06 Notification of Certain Matters. (a) The Company shall give prompt notice to Parent, and Parent shall give prompt notice to the Company, of (i) the occurrence, or non-occurrence, of any change, event, fact or development which would reasonably be expected to cause any of their respective representations or warranties contained in this Agreement to become untrue or inaccurate such that the conditions set forth in

Section 8.02(a) or Section 8.03(a) would not be satisfied and (ii) any failure of the Company, Parent, First Merger Sub or Second Merger Sub, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement such that the conditions set forth in Section 8.02(b) or Section 8.03(b) would not be satisfied; provided, however, that the delivery of any notice pursuant to this Section 7.06 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

(b) The Company shall give prompt notice to Parent, and Parent shall give prompt notice to the Company, of any notice or other communication from any Governmental Authority in connection with the Transactions or from any Person alleging that the consent of such Person is or may be required in connection with the Transactions.

Section 7.07 Reasonable Best Efforts; Further Action. (a) Upon the terms and subject to the conditions set forth in this Agreement, each of the parties hereto agrees to use its reasonable best efforts to take, or cause to be taken, all actions that are necessary, proper or advisable to consummate and make effective the Transactions, including using its reasonable best efforts to accomplish the following: (i) the satisfaction of the conditions precedent set forth in Article VIII, (ii) the obtaining of all necessary consents, approvals or waivers from third parties, including pursuant to the contracts set forth on Section 4.04 of the Company Disclosure Letter; provided that, notwithstanding the foregoing, in no event shall the Company or any of its Subsidiaries be obligated to bear any expense or pay any fee (other than the payment of nominal administrative, processing or similar fees or charges) or grant any concession in connection with obtaining the consents, approvals or waivers referred to in this clause (ii), (iii) the obtaining of all necessary actions or nonactions and consents from, and the giving of any necessary notices to, Governmental Authorities and third parties and the making of all necessary registrations, declarations and filings under the HSR Act, which shall be made as soon as reasonably practicable following the date hereof and in any event no later than fifteen (15) Business Days following the date hereof, or are required or advisable under other applicable antitrust, competition or pre-merger notification Laws of any jurisdiction (collectively, "Antitrust Laws"), if any, (iv) the taking of all reasonable steps to provide any supplemental information requested by any Governmental Authority, including participating in meetings with officials of such entity in the course of its review of this Agreement or the Transactions, including the Merger, (v) the taking of all reasonable steps as may be necessary to avoid any Action by any Governmental Authority or third party that would otherwise have the effect of materially delaying or preventing the consummation of the Merger and (vi) the defending or contesting of any Actions challenging this Agreement or the consummation of the Merger, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Authority vacated or reversed. In connection with and without limiting the generality of the foregoing, reasonable best efforts shall include (and with respect to remedies, shall be limited to) Parent and its Subsidiaries offering and agreeing to undertake Permitted Restrictions as reasonably necessary to obtain pre-merger clearance in as timely a manner as reasonably possible from Governmental Authorities under Antitrust Laws in the United States and, if applicable, the UK and Germany (specifically, for (1) any waiting period applicable to the Mergers under the HSR Act to have been terminated or expired and the avoidance of an Action in the US seeking to prohibit consummation of the Merger, and (2) any antitrust clearance required to be obtained in the UK and Germany (if applicable)). Notwithstanding the foregoing or any other provision of this

Agreement to the contrary, in no event shall Parent or its Subsidiaries (including First Merger Sub and Second Merger Sub and, after the Effective Time, the Surviving Corporation and its Subsidiaries and, after the Second Effective Time, the Surviving Entity and its Subsidiaries) be required to agree to or accept (A) any commitment, undertaking or Order to divest, hold separate or otherwise dispose of any portion of its or their respective businesses or assets, including after giving effect to the Transactions, or (B) any limitation on the ability of Parent or its Subsidiaries to acquire or hold or exercise full rights of ownership of any capital stock of the Company or its Subsidiaries, including after giving effect to the Transactions; provided, however, it being understood that Permitted Restrictions affecting the operations of Parent or its Subsidiaries (including, for this purpose, the Company and its Subsidiaries) shall be deemed not to be a limitation on the ability to exercise full rights of ownership. In no event shall the Company or any of its Subsidiaries be permitted to commit or agree to any remedy (including any matter described in clauses (A) and (B) and any Permitted Restriction) without Parent's prior written consent. Nothing in this Section 7.07(a) shall require any party to take or agree to take any action with respect to its business or operations pursuant to this Section 7.07(a) unless the effectiveness of such agreement or action is conditioned upon the Closing.

For purposes of this Agreement, "Permitted Restrictions" shall mean the actions described in Section 7.07 of the Company Disclosure Letter.

(b) Each of Parent and the Company shall (i) reasonably cooperate with each other in connection with any filing or submission with any Governmental Authorities in connection with the Transactions and any consents from any Governmental Authority in connection therewith and any investigation or other inquiry related thereto and in connection with resolving any such investigation or inquiry with respect to any such filing or the Mergers, (ii) not extend any waiting or suspension period under any applicable Antitrust Laws or enter into any agreement with any Governmental Authority not to consummate the Mergers, except with the prior written consent of the other party (such consent not to be unreasonably withheld, conditioned or delayed), (iii) respond as promptly as practicable to any applicable inquiries or requests received from any Governmental Authority for additional information or documentation, (iv) promptly make any applicable further filings or information submissions pursuant thereto that may be necessary or advisable and (v) promptly make any requisite filings or submissions required or advisable under any applicable Antitrust Laws. Each of Parent and the Company shall (A) promptly notify the other party of any written or oral communication to that party or its Subsidiaries or Representatives from any Governmental Authority regarding the parties' collaborative efforts to obtain consents to the Mergers under Antitrust Laws, (B) subject to applicable Law and to the extent reasonably practicable, permit the other party to review and comment on any substantive written communication regarding such efforts prior to providing such communication to any Governmental Authority and (C) to the extent reasonably practicable, not agree to participate, or permit its Subsidiaries or Representatives to participate, in any substantive meeting or discussion with any Governmental Authority in respect of any filings, investigation or inquiry concerning consents to the Mergers under Antitrust Laws unless it consults with the other party in advance and, to the extent permitted by such Governmental Authority and reasonably practicable, gives the other party the opportunity to attend and participate. For the avoidance of doubt, subject to the proviso in the following sentence, Parent and the Company shall jointly control all communications with any Governmental Authority

relating to Antitrust Laws, and determine and direct the strategy and process by which the parties will seek required approvals relating to Antitrust Laws. If the parties hereto initially disagree upon any such proposed communication, strategy or process, the parties agree to work together in good faith to resolve the disagreement and endeavor to implement such communication, strategy or process in a mutually acceptable manner; provided that to the extent that a disagreement is unresolved after good faith discussions between Parent and the Company, the implementation of such communication, strategy or process will be controlled by Parent after good faith consideration of the views of Company. Without limiting the foregoing, neither party shall make any filings, submissions or substantive written communications to any Governmental Authority to obtain consents to the Mergers under Antitrust Laws without first providing a written copy of such filing, submission or communication to the other party (or as appropriate to such party's outside counsel) and allowing the other party a reasonable opportunity to provide comments on such filing, submission or communication prior to submission. Parent and the Company covenant and agree to incorporate all reasonable comments of the other party (or as appropriate such party's outside counsel) with respect to such filings, submissions and communications prior to delivery of the same to any Governmental Authority.

Section 7.08 Obligations of First Merger Sub and Second Merger Sub. Parent shall take all action necessary to cause each of First Merger Sub and Second Merger Sub to perform its obligations under this Agreement and to consummate the Mergers on the terms and subject to the conditions set forth in this Agreement.

Section 7.09 Consents of Accountants. Parent and the Company will each use their respective reasonable best efforts to cause to be delivered to each other consents from their respective independent auditors, in form reasonably satisfactory to the recipient and customary in scope and substance for consents delivered by independent public accountants in connection with registration statements on Form S-4 under the Securities Act.

Section 7.10 Listing. Parent shall cause the shares of Parent Common Stock to be issued in the Mergers to be approved for listing on the NASDAQ, subject to official notice of issuance, and the Company shall cooperate with Parent to the extent reasonably necessary with respect to such listing.

Section 7.11 Public Announcements. The initial press release relating to the Transactions shall be a joint press release, the text of which has been agreed to by each of Parent and the Company. Thereafter, unless otherwise required by applicable Law or the requirements of applicable stock exchanges, each of Parent and the Company shall each use its reasonable best efforts to consult with the other before issuing, and give each other the opportunity to review and comment upon, any press release or notice to stockholders, or otherwise making any public statements with respect to this Agreement, the Mergers or any of the other Transactions; provided, however, that each of Parent and the Company may make public statements that do not contain any information relating to the Transactions that has not been previously announced or made public in accordance with this Agreement and do not reveal material, nonpublic information regarding the other party; provided, further, that the Company may make public statements regarding a Change in the Company Recommendation pursuant to Section 7.02(d).

Section 7.12 Certain Tax Matters. (a) During the period from the date of this Agreement to the Closing Date, the Company and its Subsidiaries shall: (i) prepare and timely file all Tax Returns that are due on or before the Closing Date in accordance with, to the extent applicable and, except as required by Law, past practice, (ii) pay all Taxes due and payable in respect of such Tax Returns, except in the case of clauses (i) and (ii), where failure to file or pay would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (iii) accrue a reserve in the applicable books and financial statements in accordance with past practices for all Taxes payable for which no Tax Return is due prior to the Closing Date for which failure to pay would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect and (iv) promptly notify Parent of any suit, claim, action, investigation, proceeding or audit (in each case with respect to a material amount of Taxes) that becomes pending against or with respect to the Company or any of its Subsidiaries that would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) The Company shall deliver to Parent on or prior to the Closing Date a properly executed statement signed by the Company to the effect that the shares of Company Stock are not "United States real property interests" within the meaning of Section 897 of the Code; provided, however, that notwithstanding the foregoing, the sole remedy under this Agreement in respect of any Person for the failure of the Company to deliver such certification specified in this Section 7.12(b) to Parent shall be to withhold in accordance with Section 3.02(i) any Taxes that are required to be withheld by such Person pursuant to Section 1445 of the Code by reason of such failure from any payment otherwise payable pursuant to this Agreement.

Section 7.13 Drag-Along; Stockholder Agreements and Communications. (a) Following the execution of the Drag-Along Consent by the Selling Investors, the Company shall promptly send a notice to the its stockholders (in the form attached hereto as Exhibit E) regarding the approval of this Agreement and the Transactions for purposes of the Drag-Along and the exercise of the Drag-Along and informing the Voting Agreement Parties of their obligations pursuant to Section 2 of the Voting Agreement with respect to the Drag-Along.

(b) Promptly following the S-4 Effectiveness Time and prior to the Effective Time, and in consideration of, among other things, the entry into this Agreement by the Company, Parent, First Merger Sub and Second Merger Sub and the anticipated consummation of the Transactions, the Company shall, pursuant to Section 2.2(c) of the Voting Agreement, use commercially reasonable efforts to cause each Voting Agreement Party to duly execute and deliver to the Company and Parent a support agreement in the form attached hereto as Exhibit F (with such changes and modifications as may be mutually agreed by Parent and the Company, each, a "Support Agreement"); provided that, notwithstanding the foregoing, in no event shall the Company or any of its Subsidiaries be obligated to bear any expense or pay any fee (other than the payment of nominal administrative, processing or similar fees or charges) or grant any concession in connection with the foregoing.

(c) Unless otherwise required by Law or a Governmental Authority, the Company (i) shall recognize the proxy granted to Parent in respect of all shares of Company Stock held by the Voting Agreement Parties pursuant to the Drag-Along Consent and the proxy granted to Parent pursuant to the Selling Investor Support Agreement and each Support Agreement and (ii) shall not register transfers of Company Stock that do not comply with the terms of the Selling Investor Support Agreement and the Support Agreements (as applicable).

(d) Notwithstanding anything in this Agreement to the contrary, in no event shall any Change in the Company Recommendation affect the validity and enforceability of the obligations of the Company pursuant to this Section 7.13.

Section 7.14 Anti-Takeover Statutes. The Company and the Company Board shall: (a) grant such approvals and take all actions necessary so that no "business combination", "control share acquisition", "fair price", "moratorium" or other anti-takeover or similar Laws become applicable to this Agreement, the CVR Agreement, the Support Agreements and the Selling Investor Support Agreement or the Transactions, including the Mergers, and (b) if any such anti-takeover or similar Law becomes applicable to the Transactions, grant such approvals and take all actions necessary so that the Transactions may be consummated as promptly as practicable and otherwise to take all such other actions as are reasonably necessary to eliminate or minimize to the greatest extent possible the effects of any such Law on the Transactions.

Section 7.15 Stockholder Litigation. From and after the date hereof, the Company shall promptly advise Parent orally and in writing of any Actions (including derivative claims) commenced or, to the knowledge of the Company, threatened against the Company and/or its directors or officers relating to this Agreement, the Mergers and/or the other Transactions contemplated hereby and shall keep Parent promptly and reasonably informed regarding any such Action. The Company shall give Parent the opportunity to participate in the defense or settlement of any such Action and shall give due consideration to Parent's views with respect thereto. The Company shall not agree to any settlement of any such Action without Parent's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

Section 7.16 Section 16 Matters. Prior to the Effective Time, the Parent Board (or a duly formed and duly authorized committee thereof) shall take all such actions as may be necessary or appropriate to cause any acquisitions of Parent Common Stock (including derivative securities related to Parent Common Stock) by any individual who shall become subject to the reporting requirements of Section 16(a) of the Exchange Act as a result of the Transactions to be exempt under Rule 16b-3 under the Exchange Act, to the extent permitted by applicable Law.

Section 7.17 CVR Agreement. At or prior to the Effective Time, Parent will duly adopt, execute and deliver, and each of Parent and the Company shall use its commercially reasonable efforts to cause the Trustee to execute and deliver, the CVR Agreement.

Section 7.18 Financing. (a) Each of Parent, First Merger Sub and Second Merger Sub shall use its reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary or advisable to arrange and obtain the Financing on the terms and conditions described in or contemplated by the Financing Commitments prior to when the conditions to the Mergers set forth in Article VIII (other than those conditions that by their terms must be satisfied at the Closing) are satisfied, including using reasonable best efforts to (i)

maintain in effect the Financing Commitments; (ii) satisfy on a timely basis all conditions and covenants applicable to Parent, First Merger Sub and Second Merger Sub in the Financing Commitments and otherwise comply with its obligations in each case thereunder; (iii) enter into definitive agreements with respect to the Financing Commitments on the terms and conditions (including the "market flex" provisions) contemplated thereby; (iv) in the event that all conditions in the Financing Commitments have been satisfied, cause the Persons providing Financing under the Financing Commitments to fund the Financing and consummate the Financing contemplated by such Financing Commitments on or prior to the date the Closing is required to occur pursuant to Section 2.02; and (v) enforce its rights under the Financing Commitments, except, in the case of clauses (i) through (v) above, to the extent (and solely to the extent) Parent or one or more of its Subsidiaries has issued in one or more offerings any debt or equity securities in lieu of the Financing on or prior to the Closing Date or otherwise will have sufficient cash at the Closing, in each case in an amount such that Parent, First Merger Sub, Second Merger Sub, the Surviving Corporation and the Surviving Entity will be able to satisfy all of the payment obligations of Parent, First Merger Sub, Second Merger Sub, the Surviving Corporation and the Surviving Entity contemplated hereunder in connection with the Closing. Notwithstanding the foregoing, in no event shall Parent be required to pursue litigation against the Financing Sources in respect of this clause (a) or otherwise.

(b) None of Parent, First Merger Sub or Second Merger Sub shall agree to any amendment or modification to be made to, or any waiver of any provision or remedy under the Financing Commitments, without the prior written consent of the Company if such amendments, modifications or waivers would, or would reasonably be expected to, (i) reduce the aggregate amount of the Financing; (ii) impose new conditions (or expand any existing conditions) to the receipt of the Financing (in the case of each of (i) and (ii), only if such amendments, modifications or waivers would reasonably be expected to (x) interfere with Parent's ability to make available to the Exchange Agent at or immediately prior to the Closing funds sufficient for the satisfaction of all of Parent's, First Merger Sub's and Second Merger Sub's obligations under this Agreement, including the payment of the Merger Consideration and the payment of all associated costs and Expenses or (y) prevent, materially delay or materially impair the ability of Parent, First Merger Sub and Second Merger Sub to consummate the Mergers or its other obligations under the Agreement); (iii) prevent or materially delay the consummation of the Transactions; or (iv) adversely impact the ability of Parent, First Merger Sub or Second Merger Sub to enforce its rights against the other parties to the Financing Commitments (provided, however, that, for the avoidance of doubt, Parent, First Merger Sub and Second Merger Sub may amend or modify the Financing Commitments to add lenders, lead arrangers, underwriters, initial purchasers, bookrunners, syndication agents or similar entities, if the addition of such additional parties, individually and in the aggregate, would not prevent or materially delay the Financing or the consummation of the Transactions).

(c) Parent, First Merger Sub and Second Merger Sub shall keep the Company reasonably informed on a timely basis of the status of its efforts to arrange the Financing.

(d) Parent, First Merger Sub and Second Merger Sub shall give the Company prompt notice of Parent's receiving any notice of any material breach or material default by any party to any Financing Commitment or definitive document related to the Financing of which Parent, First Merger Sub or Second Merger Sub become aware; provided, however, that in no event will Parent, First Merger Sub and Second Merger Sub be under any obligation to disclose any information that is subject to attorney-client or similar privilege. If any portion of the Financing becomes unavailable on the terms and conditions (including the "market flex" provisions) contemplated in the Financing Commitments and such portion is necessary to consummate the Mergers, Parent shall use its reasonable best efforts to arrange and obtain alternative financing from alternative sources in an amount sufficient to consummate the transactions contemplated by this Agreement upon terms and conditions not materially less favorable to Parent than those in the Financing Commitments (including, as necessary, the "market flex" provisions contained in any fee letter related to the Financing Commitments) (the "Alternative Financing") as promptly as practicable following the occurrence of such event and prior to when the conditions to Mergers set forth in Article VIII (other than those conditions that by their terms must be satisfied at the Closing) are satisfied. Any replacement commitment letters and related fee letters (which may be redacted) in connection with an Alternative Financing shall constitute Financing Commitments under this Agreement.

Section 7.19 Financing Cooperation. (a) Prior to the Closing, the Company shall, and shall cause its Subsidiaries and each of its and their respective officers, employees, consultants and representatives to, use reasonable best efforts to cooperate with Parent, First Merger Sub and Second Merger Sub in connection with Parent's obtaining the Financing; provided, however, that nothing herein shall require such cooperation to the extent it would interfere unreasonably with the business or operations of the Company or its Subsidiaries in any material respect; provided, further, that neither the Company nor any of its Subsidiaries shall be required to commit to take any action that is not contingent upon the Closing (including the entry into any agreement) or that would be effective prior to the Effective Time other than as specifically set forth herein. Such cooperation shall include, without limitation:

(i) furnishing Parent, First Merger Sub and Second Merger Sub and their Financing Sources, promptly following Parent's request, with such pertinent and customary (as compared to other transactions of this size and nature) information (other than financial information, which is covered by clause (ii) below), to the extent reasonably available to the Company, regarding the Company and its Subsidiaries as may be reasonably determined by Parent to be necessary in order to consummate the Financing, including all information necessary to satisfy the conditions set forth in the Financing Commitments;

(ii) furnishing Parent and its Financing Sources as promptly as practicable (but no earlier than (i) 90 days after the end of the relevant final fiscal year end in the case of paragraph (1), and (ii) 45 days after the end of the relevant fiscal quarter in the case of paragraph (2)) with: (A) (1) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company prepared in accordance with GAAP for the three most recently completed fiscal years ended at least 90 days before the Closing Date, and (2) unaudited consolidated balance sheets and related statements of income, and cash flows of the Company prepared in accordance with GAAP and reviewed by the Company's independent accountants in accordance with the procedures set forth in AS 4105 (*Reviews of Interim Financial*

Information) for each subsequent fiscal quarter ended at least 45 days prior to the then expected Closing Date and (B) financial information of the type that would be required by Regulation S-X and Regulation S-K under the Securities Act for an offering of securities registered on Form S-3 under the Securities Act, including all information required to be incorporated by reference therein and audit reports of annual financial statements to the extent so required or otherwise reasonably necessary to permit Parent to prepare pro forma financial statements customary for Financings of the applicable type (all such information in clauses (A) and this clause (B), the "Required Information"); provided, however, that the Required Information shall not include, and Parent shall be solely responsible for, the preparation of pro forma financial information, including pro forma cost savings, synergies, capitalization, ownership or other pro forma adjustments desired to be incorporated into any pro forma financial information;

(iii) cooperating with Parent's Financing Sources' due diligence investigation of the Company and its Subsidiaries;

(iv) participating in and assisting with the syndication, underwriting, placement or other marketing of the Financing, including participating in a reasonable number of meetings, presentations, road shows, due diligence sessions, drafting sessions and sessions with rating agencies, including direct contact between senior management of the Company and its Subsidiaries and representatives of the Company with prospective investors, lenders and rating agencies in connection with a Financing;

(v) assisting with the preparation of customary materials for registration statements, rating agency presentations, offering documents, private placement memoranda, bank information memoranda, prospectuses and supplements related thereto and similar documents required in connection with the Financing (all such documents and materials, collectively, the "Financing Offering Documents"), providing customary authorization letters authorizing the distribution of information to prospective Financing Sources and containing customary 10b-5 representations and representations that the public side versions of such documents, if any, do not include material non-public information regarding the Company or its Subsidiaries or securities and management representation letters and delivering and consenting to the inclusion or incorporation in any SEC filing related to the Financing of the historical audited consolidated financial statements and unaudited consolidated interim financial statements of the Company;

(vi) executing and delivering any currency or interest hedging arrangements, other definitive financing documents (provided, however, that the effectiveness of such documents will be conditioned upon the occurrence of the Effective Time), and obtaining and delivering certificates or documents required to satisfy the conditions in the Financing Commitments;

(vii) obtaining from the Company's registered public accounting firm that has audited the Company's most recent financial statements customary comfort letters, consents, and other documentation and items required in connection with the Financing with respect to financial information provided pursuant to clause (a)(ii) of this Section 7.19 that is included or incorporated by reference in any prospectus, prospectus supplement, private placement memorandum or other offering document for which such comfort is customarily required, including customary confirmations (in customary form and scope and delivered at such customary times) of such accountants that they are prepared to issue any such comfort letter or consent subject to the completion of its customary procedures related thereto and obtaining customary legal opinions, in each case as reasonably requested by Parent (including those requested by Parent on behalf of a Financing Source);

(viii) delivering notices of prepayment within the time periods required by the relevant agreements governing indebtedness and arranging for customary payoff letters, lien terminations and instruments of discharge to be delivered at Closing to allow for the payoff, discharge and termination in full on the Closing Date of all indebtedness and Encumbrances under indebtedness of the Company required to be repaid as of the Effective Time by the terms of any Financing;

(ix) taking all corporate and other actions, subject to the occurrence of the Effective Time, reasonably requested by Parent to (A) permit the consummation of the Financing, (B) the distribution or payment of the proceeds of the Financing, if any, obtained by any Subsidiary of the Company to the Surviving Entity, and (C) cause the direct borrowing or incurrence of all of the proceeds of the Financing, by the Surviving Entity or any Subsidiary of the Company concurrently with or immediately following the Effective Time;

(x) furnishing Parent and its Financing Sources promptly and in any event at least 3 Business Days before the Closing Date with all documentation and other information which any Financing Source providing or arranging the Financing has reasonably requested at least 10 Business Days prior to the Closing Date that such Financing Source has determined is required by Governmental Authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act;

(xi) procuring consents to the reasonable use of all of the Company's logos in connection with the Financing (provided, however, that such logos are used solely in a manner that is not intended to and is not reasonably likely to harm or disparage the Company or its Subsidiaries or the reputation or goodwill of the Company or any of its Subsidiaries); and

(xii) furnishing customary information reasonably available to the Company regarding the Company and its Subsidiaries required for Parent to obtain corporate and facilities ratings and ratings on any debt securities issued in connection with the Financing.

(b) At Parent's reasonable request, the Company shall or shall cause its Subsidiaries to use their respective reasonable best efforts to amend or supplement any information supplied in writing by or on behalf of the Company or any of its Subsidiaries to Parent, First Merger Sub, Second Merger Sub or any Financing Source on a reasonably current basis to the extent such information (excluding any projections, forecasts, pro forma financial information and other forward-looking information), to the knowledge of the Company, taken as a whole, is not correct in all material respects, contains any untrue statement of material fact or omits to state any material fact necessary to make such information supplied in writing by or on behalf of the Company or any of its Subsidiaries not materially misleading.

(c) Nothing in this Section 7.19 shall require such cooperation to the extent it would (i) require the Company to agree to pay any fees, reimburse any expenses or give any indemnities prior to the Effective Time, (ii) require the Company to incur any other liability or obligation prior to the Effective Time (it being understood, however, that the Company shall bear all costs and expenses of its annual audit and quarterly reviews of its financial statements but not the costs of any comfort letter (which shall be borne by Parent)), or (iii) cause any condition to the Mergers set forth in Article VIII to fail to be satisfied or otherwise cause any breach of this Agreement that would give Parent the right to terminate this Agreement (unless, in each case, waived in writing by Parent). Parent shall promptly, upon request by the Company, pay all reasonable and documented out-of-pocket third party costs incurred by the Company or any of its Subsidiaries in connection with cooperation pursuant to this Section 7.19 except for the costs of the Company's registered public accounting firm described in the prior sentence. All confidential information provided by the Company or its Subsidiaries to Parent or its Affiliates pursuant to this Section 7.19 shall be kept confidential in accordance with the Confidentiality Agreement, except that Parent shall be permitted to disclose such information to its Financing Sources and prospective Financing Sources, subject to ordinary and customary confidentiality undertakings. Notwithstanding the foregoing, Parent shall be permitted to disclose such confidential information upon prior written notice to the Company if such disclosure is required in order to comply with applicable laws (including any securities Law or the rules of a securities exchange) and with judicial process. Parent, First Merger Sub and Second Merger Sub shall indemnify and hold harmless the Company, its Subsidiaries and their respective Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with the Financing (other than arising from fraud, willful misconduct or misrepresentations, misstatements or omissions) and any information utilized in connection therewith (other than written information directly provided by the Company and its Subsidiaries).

(d) For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, Parent acknowledges and agrees that its obligation to consummate the transactions contemplated by this Agreement on the terms and subject to the conditions set forth herein are not conditioned upon the availability or consummation of the Financing or any other debt financing, the availability of any equity financing or the receipt of the proceeds therefrom.

(e) Without limiting in any respect the liabilities of the Financing Sources to Parent, First Merger Sub, Second Merger Sub or their Affiliates, or the remedies of Parent, First Merger Sub, Second Merger Sub or their Affiliates against the Financing Sources under any other agreement to which they are both parties, none of the Financing Sources shall have any liability to the parties or their Affiliates relating to or arising out of this Agreement, whether at law or equity, in contract, in tort or otherwise, and neither the parties nor any of their Affiliates will have any rights or claims against the Financing Sources in respect of the Financing under this Agreement. Notwithstanding anything herein to the contrary, in no event shall the Company or its Affiliates be entitled to seek any remedy, including specific performance of this Agreement, against any of the Financing Sources (it being expressly agreed that the Financing Sources in their capacities as such shall be third party beneficiaries of this Section 7.19(e) and shall be entitled to enforce the provisions contained in this Section 7.19(e) as if they were a party to this Agreement).

(f) Notwithstanding anything to the contrary herein, it is understood and agreed that the condition precedent set forth in Section 8.02(b), as applied to the Company's obligations under this Section 7.19, shall be deemed to be satisfied unless the financing contemplated by the Debt Commitment Letter has not been obtained as a direct result of the Company's Intentional Breach of its obligations under this Section 7.19.

(g) The Company and Parent agree to the matters set forth on Section 7.19(g) of the Company Disclosure Letter.

Section 7.20 Resignations of Directors and Officers. At or prior to the Closing, the Company shall request that each director and officer of the Company deliver to Parent written resignation and release letters, effective as of the Closing Date, of each of the directors and officers of the Company requested by Parent in writing at least five Business Days prior to the Closing, effectuating his or her resignation from such position as a member of the Company Board or as an officer (although not as an employee, if applicable, unless otherwise so requested by Parent), in form and substance reasonably satisfactory to Parent.

ARTICLE VIII

CONDITIONS TO THE MERGERS

Section 8.01 Conditions to the Obligations of Each Party. The respective obligations of the Company, Parent, First Merger Sub and Second Merger Sub to consummate the Mergers are subject to the satisfaction or written waiver (where permissible under applicable Law) at or prior to the Effective Time of the following conditions:

(a) Registration Statement. The Registration Statement shall have become effective under the Securities Act and no stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC.

(b) Stockholder Approval. The Company Stockholder Approvals shall have been obtained in accordance with the DGCL and the Company's certificate of incorporation and bylaws.

(c) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law, whether temporary, preliminary or permanent (collectively, a "Restraint"), which is then in effect and has the effect of enjoining, restraining, prohibiting or otherwise preventing the consummation of the Transactions.

(d) Regulatory Approvals. (i) Any waiting period (and any extension thereof) applicable to the consummation of the Mergers under the HSR Act shall have expired or been terminated and (ii) any approval or waiting period with respect to those jurisdictions set forth in Section 8.01(d) of the Company Disclosure Letter shall have been obtained or terminated or shall have expired.

(e) NASDAQ Listing. The shares of Parent Common Stock to be issued in the Mergers shall have been authorized for listing on the NASDAQ, subject to official notice of issuance.

Section 8.02 Conditions to the Obligations of Parent, First Merger Sub and Second Merger Sub. The obligations of Parent, First Merger Sub and Second Merger Sub to consummate the Mergers are subject to the satisfaction or written waiver (where permissible under applicable Law) at or prior to the Effective Time of the following additional conditions:

(a) Representations and Warranties. In each case as of the date of this Agreement and as of the Closing Date, except to the extent any such representations and warranties expressly relate to an earlier date, in which case as of such earlier date, (i) the representations and warranties of the Company set forth in the first sentence of Section 4.07 (Absence of Certain Changes or Events) shall be true and correct in all respects, (ii) the representations and warranties of the Company set forth in Section 4.01(a) (Organization and Qualification; Subsidiaries) (only as it relates to the Company), Section 4.02 (Capitalization) (except with respect to Section 4.02(b) and Section 4.02(e)), Section 4.03 (Authority Relative to This Agreement) (except with respect to Section 4.03(d) and Section 4.03(e)), and Section 4.17 (Brokers) shall be true and correct in all material respects and (iii) the other representations and warranties of the Company set forth in Article IV shall be true and correct (without giving effect to any "material", "materiality" or "Company Material Adverse Effect" qualification contained therein) except where the failure of any such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Agreements and Covenants. The Company shall have performed or complied, in each case, in all material respects with the agreements and covenants required by this Agreement to be performed by it or complied with at or prior to the Effective Time.

(c) Officer's Certificate. The Company shall have delivered to Parent a certificate, dated the Closing Date, signed by the Chief Executive Officer or Chief Financial Officer of the Company, certifying as to the satisfaction of the conditions specified in Section 8.02(a) and Section 8.02(b).

(d) Restrictions. No Restraint shall be in effect, in each case, under any Antitrust Law which imposes any remedies on Parent and its Subsidiaries (including First Merger Sub and Second Merger Sub and, after the Effective Time, the Surviving Corporation and its Subsidiaries and, after the Second Effective Time, the Surviving Entity and its Subsidiaries), (a) other than Permitted Restrictions or (b) unless such Restraint is part of an agreement between Parent and its Subsidiaries and a Governmental Authority.

(e) Stockholder Agreements. The Selling Investors shall have duly executed and delivered, or caused to be delivered, to Parent, First Merger Sub or Second Merger Sub the Selling Investor Support Agreement and the Drag-Along Consent.

Section 8.03 Conditions to the Obligations of the Company. The obligations of the Company to consummate the Mergers are subject to the satisfaction or waiver (where permissible under applicable Law) at or prior to the Effective Time of the following additional conditions:

(a) Representations and Warranties. In each case as of the date of this Agreement and as of the Closing Date, except to the extent any such representations and warranties expressly relate to an earlier date, in which case as of such earlier date, (i) the representations and warranties of Parent, First Merger Sub and Second Merger Sub set forth in Section 5.09(e)(i) (Absence of Changes) shall be true and correct in all respects, (ii) the representations and warranties of Parent, First Merger Sub and Second Merger Sub set forth in Section 5.01 (Corporate Organization), Section 5.03 (Capitalization) and Section 5.04 (Authority Relative to This Agreement; No Vote Required) shall be true and correct in all material respects and (iii) the other representations and warranties of Parent, First Merger Sub and Second Merger Sub set forth in Article V shall be true and correct (without giving effect to any "material", "materiality" or "Parent Material Adverse Effect" qualification contained therein) except where the failure of any such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) Agreements and Covenants. Parent, First Merger Sub and Second Merger Sub shall have performed or complied, in each case, in all material respects with the agreements and covenants required by this Agreement to be performed by them or complied with at or prior to the Effective Time.

(c) Officer's Certificate. Parent shall have delivered to the Company a certificate, dated the Closing Date, signed by the Chief Executive Officer or Chief Financial Officer of Parent, certifying as to the satisfaction of the conditions specified in Section 8.03(a) and Section 8.03(b).

(d) CVR Agreement. The CVR Agreement shall be in full force and effect at or prior to the Effective Time.

ARTICLE IX

TERMINATION, AMENDMENT AND WAIVER

Section 9.01 Termination. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Effective Time, as follows:

(a) by mutual written consent of Parent and the Company, duly authorized by the Parent Board and the Company Board, respectively; or

(b) by either Parent or the Company if:

(i) the Effective Time shall not have occurred on or before 11:59 p.m., Eastern time, on the Outside Date; provided, however, that if on the Outside Date all of the conditions set forth in Section 8.01, Section 8.02 and Section 8.03 have been satisfied (or, with respect to the conditions that by their terms must be satisfied at the Closing, would have been so satisfied if the Closing would have occurred) other than the conditions set forth in Section 8.01(c) (to the extent such Restraint arises under the HSR Act or any other Antitrust Laws), Section 8.01(d) or Section 8.02(d), then either Parent or the Company may extend the Outside Date to 11:59 p.m., Eastern time, on December 20, 2021 by delivering written notice to the other party, which notice shall expressly reference extension of the Outside Date to December 20, 2021 pursuant to this Section 9.01(b)(i); provided, further, that the right to terminate this Agreement under this Section 9.01(b)(i) shall not be available to any party whose breach of any provision of this Agreement has been the proximate cause of, or resulted in, the failure of the Effective Time to occur on or before such time; or

(ii) any Restraint having the effect set forth in Section 8.01(c) hereof shall have become final and nonappealable; provided, however, that the party seeking to terminate this Agreement shall have complied in all material respects with its obligations under Section 7.07; provided, further, that an Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the UK Enterprise Act 2002 is not considered a Restraint for the purposes of this clause 9.01(b)(ii); or

(c) by Parent:

(i) upon a breach by the Company of, or failure by the Company to perform, any representation, warranty, covenant or agreement set forth in this Agreement such that the conditions set forth in Section 8.02(a) or Section 8.02(b) would not be satisfied and such breach or failure is incapable of being cured by the Outside Date or, if curable by the Outside Date, is not cured by the Company within thirty (30) days of receipt by the Company of written notice of such breach or failure; provided, however, that Parent shall not have the right to terminate this Agreement pursuant to this Section 9.01(c)(i) if either of Parent, First Merger Sub or Second Merger Sub is in breach of its representations, warranties or covenants such that the conditions in Section 8.03(a) and Section 8.03(b) would not be satisfied;

(ii) If any Restraint having the effect set forth in Section 8.02(d) hereof shall have become final and nonappealable; provided, however, that Parent shall have complied in all material respects with its obligations under Section 7.07; provided, further, that an Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the UK Enterprise Act 2002 is not considered a Restraint for the purposes of this clause 9.01(c)(ii);

(iii) if the Selling Investors fail to duly execute and deliver, or cause to be delivered, to Parent, First Merger Sub or Second Merger Sub the Selling Investor Support Agreement and the Drag-Along Consent within 24 hours following the execution and delivery of this Agreement; or

(d) by the Company upon a breach by any of Parent, First Merger Sub or Second Merger Sub of, or a failure by any of Parent, First Merger Sub or Second Merger Sub to perform, any representation, warranty, covenant or agreement set forth in this Agreement such that the conditions set forth in Section 8.03(a) or Section 8.03(b) would not be satisfied and such breach or failure is incapable of being cured by the Outside Date or, if curable by the Outside Date, is not cured by Parent, First Merger Sub or Second Merger Sub, as applicable, within 30 days of receipt by Parent, First Merger Sub or Second Merger Sub, as applicable, of written notice of such breach or failure; provided, however, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.01(d) if the Company is in breach of its representations, warranties or covenants such that the conditions in Section 8.02(a) and Section 8.02(b) would not be satisfied.

Section 9.02 Effect of Termination. In the event of termination of this Agreement pursuant to Section 9.01, written notice thereof shall be given to the other parties hereto, specifying the provision or provisions hereof pursuant to which such termination shall have been made, and this Agreement shall forthwith become void, and there shall be no liability under this Agreement on the part of any party hereto or their respective Subsidiaries or Representatives, except (a) with respect to this Section 9.02, Section 4.17, Section 5.13, Section 7.03(d), Section 7.19(c), Section 9.03, Section 9.04, Section 9.05, the tenth and eleventh sentences of Section 10.02 and Article XI, each of which shall survive any termination of this Agreement and remain in full force and effect and (b) nothing in this Section 9.02 or Section 9.03 shall relieve any party from liability for fraud committed prior to such termination or for any Intentional Breach prior to such termination of any of its representations, warranties, covenants or agreements set forth in this Agreement; provided, however, that the Confidentiality Agreement shall survive any termination of this Agreement.

Section 9.03 Fees and Expenses. (a) In the event that:

(i) Parent or the Company terminates this Agreement pursuant to Section 9.01(b)(i) and, at the time of such termination, one or more of the conditions set forth in Section 8.01(c) (if the failure of such condition to be satisfied is a result of a Restraint arising under Antitrust Laws), Section 8.01(d) or Section 8.02(d) were not satisfied or waived;

(ii) Parent or the Company terminates this Agreement pursuant to Section 9.01(b)(ii) as a result of a Restraint arising under Antitrust Laws; or

(iii) Parent terminates this Agreement pursuant to Section 9.01(c)(ii),

and, in the case of each of clauses (i), (ii) and (iii), at the time of such termination (A) all of the other conditions set forth in Article VIII have been satisfied or validly waived (except for those conditions that by their terms must be satisfied at the Closing, provided that such conditions would have been so satisfied if the Closing would have occurred) and (B) the Company and the Selling Investors are not in breach in any material respect of its obligations under this Agreement or Selling Investor Support Agreement, as applicable, in any manner that shall be the proximate cause of the failure of any of the conditions referred to in clause (i) above or the imposition of the Restraint in clause (ii) above or the imposition of any remedies (x) other than Permitted Restrictions or (y) unless such remedy is part of an agreement between Parent and its Subsidiaries and a Governmental Authority, as applicable, then Parent shall pay to the Company a fee equal to $300,000,000 (the "Regulatory Termination Fee"), by wire transfer on the second Business Day following the date of termination of this Agreement. In no event shall Parent be required to pay the Regulatory Termination Fee on more than one occasion.

(b) All Expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such Expenses, whether or not the Mergers or any other Transaction is consummated, except Expenses incurred in connection with filing, printing and mailing of the Registration Statement and the Consent Solicitation Statement (including filing fees) shall be borne by Parent, whether or not the Mergers or any other Transaction is consummated.

(c) The parties hereto acknowledge and agree that the agreements contained in Section 9.03(a) are an integral part of the Transactions, and that, without these agreements, the parties hereto would not enter into this Agreement; accordingly, if Parent fails promptly to pay the Regulatory Termination Fee, and, in order to obtain such payment, the Company commences a suit that results in a judgment against Parent for the Regulatory Termination Fee, Parent shall pay to the Company its costs and expenses (including attorneys' fees and expenses) in connection with such suit, in each case, together with interest on the amount of the Regulatory Termination Fee, as applicable, from the date such payment was required to be made until the date of payment at the prime rate set forth in *The Wall Street Journal*, in effect on the date such payment was required to be made. Each party further acknowledges that the Regulatory Termination Fee is not a penalty, but rather is a reasonable amount that will compensate the receiving party in the circumstances in which such payment is payable for the efforts and resources expended and opportunities forgone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the Transactions contemplated hereby, which amounts would otherwise be impossible to calculate with precision.

(d) Subject to the proviso at the end of this sentence, in the event the Regulatory Termination Fee is required to be paid and is paid to the Company pursuant to Section 9.03(a), such payment of the Regulatory Termination Fee shall constitute liquidated damages and be the sole and exclusive monetary remedy of the Company and its Subsidiaries and the Company's and its Subsidiaries' respective current or future stockholders, employees, directors, officers or Affiliates (collectively, the "Company Related Parties") against Parent, First Merger Sub and Second Merger Sub and their respective current, former or future Representatives (collectively, the "Parent Related Parties") for all losses, damages, costs or expenses in respect of this Agreement (or the termination thereof) or the Transactions (or the failure of such transactions to occur for any reason or for no reason) or any breach of any covenant or agreement or otherwise in respect of this Agreement or any oral representation made or alleged to be made in connection herewith, and upon payment of the Regulatory Termination Fee, none of the Parent Related Parties shall have any further monetary liability or obligation relating to or arising out of this Agreement or the Transactions, and none of the Company, its Subsidiaries or any other Company Related Party shall seek to recover any other monetary damages; provided, however, that (x) Section 7.19(c) shall survive any such termination and (y) in the event of any Intentional Breach by Parent, First Merger Sub or Second Merger Sub prior to such termination, the Company shall be entitled to the payment of the Regulatory Termination Fee (to the extent owed pursuant to Section 9.03(a)) and to seek any damages (including, for the avoidance of doubt, damages of the type referred to in Section 11.05(ii)), to the extent proven, resulting from or arising out of such Intentional Breach (as reduced by any Regulatory Termination Fee paid by Parent).

Section 9.04 Continuation Payments; Additional Termination Payment; Equity Issuance Fees and Expenses. (a) In the event (i) the Effective Time has not occurred on or before 11:59 p.m., Eastern Time, on December 20, 2020, and (ii) the Company is not in breach in any material respect of its obligations under this Agreement in any manner that shall have proximately caused the failure of the Effective Time to occur prior to the date on which a Continuation Payment (as defined below) is due, Parent shall make a payment to the Company of $35 million (each, a "Continuation Payment"), by wire transfer on the next Business Day following such date and on the 20th day of each month thereafter until the earlier of (a) the Closing Date or (b) the termination of this Agreement by either Parent or the Company pursuant to Section 9.01 (such date, the "Continuation End Date"); provided, however, that Parent shall have no obligation to make any Continuation Payment which is an Excess Continuation Payment unless and until the Company Conditions have been satisfied (it being understood that any Excess Continuation Payment(s) that would have been required to be paid if the Company Conditions have been satisfied will be paid by Parent to the Company promptly following satisfaction of the Company Conditions); provided, further, that the Company may waive Parent's obligation to make any Excess Continuation Payment. For the avoidance of doubt, no additional Continuation Payments shall be payable by Parent in relation to periods after the Continuation End Date.

(b) In the event that this Agreement is terminated in a circumstance where the Regulatory Termination Fee becomes payable by Parent in accordance with Section 9.03 and subject to the satisfaction (or waiver by Parent) of the Company Conditions (unless Parent's material breach of this Section 9.04 is the proximate cause of the failure of such Company Conditions to be satisfied), at the Company's election, by written notice to Parent no later than the date which is ten (10) Business Days after such termination, Parent shall pay to the Company an additional amount specified by the Company up to $300 million (the "Additional Termination Payment") on or prior to the date which is three (3) Business Days after the later of: (i) the date of the Company's written election referred to in this Section 9.04(b), and (ii) the satisfaction of the Company Conditions (unless Parent's breach of this Section 9.04 is the proximate cause of the failure of such Company Conditions to be satisfied, in which case the Additional Termination Payment shall be payable upon the date specified in clause (i)).

(c) Upon the date which is the later of (i) sixty (60) days after the date of termination of this Agreement (the "Termination Date"), and (ii) three (3) Business Days after satisfaction or waiver (where permissible) of the Issuance Conditions, as consideration for any Excess Continuation Payments and the Additional Termination Payment, in each case, actually made by Parent, as applicable, the Company shall (x) issue and deliver to Parent a number of validly issued, fully paid and non-assessable shares of Series E-1 Preferred Stock equal to (I) (A) the aggregate amount of Excess Continuation Payments actually paid by Parent to the Company, plus (B) the amount of the Additional Termination Payment actually paid by Parent to the Company ((A) plus (B) being the "Investment Amount"), minus (C) an amount (if any) specified by the Company in its sole discretion (the "Reduction Amount"), divided by (II) the Issue Price (the "Equity Issuance"), and (y) pay to Parent the Reduction Amount (if any); provided that, prior to consummation of the Equity Issuance, the Company may elect (in its sole discretion) to pay to Parent an amount of cash equal to the Investment Amount, and, upon such payment being made to Parent, the Company shall have no further liability pursuant to this Section 9.04 and, for the avoidance of doubt, will not be obliged to consummate the Equity Issuance or follow the process set forth in Section 9.04(f).

(d) The Company shall use its reasonable best efforts to cause the Company Conditions to be satisfied prior to the earlier to occur of (i) in circumstances where the Regulatory Termination Fee is payable, the Termination Date, and (ii) prior to the date that the first payment by Parent to the Company of any Excess Continuation Payment is payable. Parent irrevocably agrees that it shall (and shall cause its Subsidiaries to), upon the written request of the Company, vote any shares of capital stock of the Company held by it to approve all matters and execute any written consents and/or amendments or restatements of the Investor Agreements, in each case as are reasonably necessary to satisfy the Company Conditions.

(e) As used in this Section 9.04:

(i) "Class A-1 Common Stock" shall mean a series of common stock of the Company having substantially the same terms as the Class A Common Stock, except that (1) shares of Class A-1 Common Stock shall have no voting rights and (2) upon the transfer by the holder thereof to a third party, a share of Class A-1 Common Stock shall automatically convert into a share of Class A Common Stock if such conversion satisfies the Regulatory Condition.

(ii) "Company Conditions" shall mean:

(A) The Company shall have received all necessary stockholder and other corporate approvals and adopted and filed with the Secretary of State of the State of Delaware an amendment to its certificate of incorporation, in a form consistent with this Section 9.04, creating and authorizing the issuance of the Series E-1 Preferred Stock and the Series E Preferred Stock, Class A-1 Common Stock and Class A Common Stock into which such Series E-1 Preferred Stock may be converted

(B) The Company shall have either (x) received such waivers as are reasonably required under its certificate of incorporation, bylaws and the Investor Agreements to permit the consummation of the Equity Issuance, including the waiver of any preemptive rights, rights of first offer, rights of first refusal or similar rights of any stockholder of the Company with respect to the Equity Issuance, or (y) notified the Parent that it has complied, or intends to comply, with any such preemptive rights, rights of first offer, rights of first refusal or similar rights of any stockholder of the Company with respect to the Equity Issuance (it being understood that the Company may, at its election, issue additional shares of Series E-1 Preferred Stock to such stockholders above and beyond the amount of shares to be issued to Parent in the Equity Issuance (assuming there is no Reduction Amount) or adjust the number of shares to be issued to Parent in the Equity Issuance by specifying a Reduction Amount).

(C) Amendments to each of the Investor Agreements to include the Series E-1 Preferred Stock and the Series E Preferred Stock in the definition of "Preferred Stock" and to define "Class A Common Stock" to include shares of Class A-1 Common Stock in each such Investor Agreement, in each case in a consistent with this Section 9.04, shall have been approved and adopted.

(iii) "Excess Continuation Payments" shall mean Continuation Payments actually paid to the Company in excess of $315 million.

(iv) "Issuance Conditions" shall mean the Regulatory Condition and the Company Conditions.

(v) "Issue Price" shall mean $8 billion divided by the Company Fully Diluted Share Count (with the reference to the Effective Time in the definition of "Company Fully Diluted Share Count" deemed to be a reference to the date of the Equity Issuance).

(vi) "Regulatory Condition" shall mean (A) no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law, whether temporary, preliminary or permanent, which is then in effect and has the effect of enjoining, restraining, prohibiting or otherwise preventing the Equity Issuance, (B) no Action by a Governmental Authority seeking such Law shall be pending, and (C) any waiting period under the HSR Act, if applicable, shall have expired or been terminated.

(vii) "Series E Preferred Stock" shall mean a series of preferred stock of the Company having substantially the same terms as the Series A Preferred Stock, except that the Original Issue Price (as defined in the Restated Certificate of Incorporation) shall be equal to the Issue Price.

(viii) "Series E-1 Preferred Stock" shall mean a series of preferred stock of the Company having substantially the same terms as the Series A Preferred Stock, except that (i) the Original Issue Price (as defined in the Restated Certificate of Incorporation) of the Series E-1 Preferred Stock shall be equal to the Issue Price, (ii) shares of Series E-1 Preferred Stock shall have no voting rights (including with respect to a vote on mandatory conversion in connection with a Qualified IPO (as defined in the Restated Certificate of Incorporation)), other than the right to approve (x) the amendment, alteration or repeal of any provision of the certificate of incorporation or bylaws of the Company in a manner that alters or changes the powers, preferences or rights of the shares of Series E-1 Preferred Stock so as to adversely affect them disproportionately to any other series or class of stock (it being understood that the creation of a new series of preferred stock shall not be deemed to alter or change the powers, preferences, or rights of the Series E-1 Preferred Stock or otherwise require the affirmative vote or written consent of the holders of the Series E-1 Preferred Stock), and (y) any waiver of any adjustment to the conversion price for the Series E-1 Preferred Stock, (iii) holders of Series E-1 Preferred Stock will have no rights to designate a member of the Company Board, (iv) upon transfer by the holder thereof to a third party, a share of Series E-1 Preferred Stock shall automatically convert into a share of Series E Preferred Stock if such conversion satisfies the Regulatory Condition and (v) the Series E-1 Preferred Stock shall otherwise be convertible into shares of Class A-1 Common Stock on substantially the same terms on which the Series A Preferred Stock is convertible into Class A Common Stock.

(f) In the event that a Governmental Authority shall, pursuant to any applicable Antitrust Law, have enacted, issued, promulgated, enforced or entered any Law, which shall have become final and nonappealable, that has the effect of enjoining, restraining, prohibiting or otherwise preventing the satisfaction of the Regulatory Condition or the consummation of the Equity Issuance on or before the date which is 180 days after the Termination Date (the "Equity Issuance End Date"), then Parent shall nonetheless be obligated to make the Excess Continuation Payments and the Additional Termination Payment to the extent otherwise payable pursuant to this Section 9.04; provided that:

(i) for a period of 60 days after the Equity Issuance End Date, the parties hereto shall use reasonable best efforts to structure the Equity Issuance in a manner that is in compliance with applicable Law (including arranging for the Equity Issuance to be made in favor of a nominee of Parent or such other arrangement as is mutually agreed between the Company and Parent);

(ii) if, after such 60 day period, neither the Equity Issuance nor an alternative structure contemplated by clause (i) have been consummated, the Company shall (subject to the proviso at the end of this sentence of this clause (ii)) (x) from such date until the date which is 24 months after the Termination Date (the "Alternative Financing End Date"), use its commercially reasonable efforts to carry out one or more bona fide equity capital raises (each, an "Alternative Capital Raise") in respect of shares of Company Capital Stock, and (y) if any Alternative Capital Raise is consummated prior to the Alternative Financing End Date, pay to Parent an amount equal to the lesser of (A)(I) the lesser of (a)(1) the number of shares of Series E-1 Preferred Stock that would have been issued pursuant to the Equity Issuance (and have not yet been covered by an Alternative Capital Raise pursuant to this Section 9.04(f)(ii)), and (2) the actual number of shares issued on the Alternative Capital Raise, multiplied by (II) the price per security obtained by the Company on the Alternative Capital Raise minus (b) the costs and expenses incurred by Company in connection with such Alternative Capital Raise, and (B) the Investment Amount;

provided that, notwithstanding the foregoing provisions of this Section 9.04(f), at any time between the Equity Issuance End Date and the Alternative Financing End Date, the Company may elect (in its sole discretion) to pay to Parent an amount of cash equal to the Investment Amount, and, upon such payment being made to Parent, the Company shall have no further obligations or liability pursuant to this Section 9.04 in respect of the Excess Continuation Payments and the Additional Termination Payment. Notwithstanding the foregoing provisions of this Section 9.04, except in the event of an Intentional Breach of this Section 9.04 by the Company, with effect from the Alternative Financing End Date, the Company shall have no obligations or liability pursuant to this Section 9.04 or in respect of the Excess Continuation Payments and the Additional Termination Payment.

(g) Until the Equity Issuance End Date, solely in connection with the Equity Issuance and/or the alternative structure contemplated by Section 9.04(f)(i), the Company will use its commercially reasonable efforts to reasonably cooperate with Parent to obtain any required approvals under Antitrust Laws in connection with the Equity Issuance and/or such alternative structure by: (i) providing Parent with such information as Parent reasonably requests in writing in connection with making any filings required under Antitrust Laws, (ii) at Parent's reasonable request (and at Parent's sole cost and expense) making such administrative filings with Governmental Authorities that are required by Antitrust Law to be made by the Company in connection with the Equity Issuance or such alternative structure, (iii) at Parent's reasonable request (and at Parent's sole cost and expense), attending and participating in meetings with any Governmental Authorities which are reasonably required in connection with obtaining clearance under Antitrust Laws, (iv) promptly notifying Parent of any written or material oral communication from any Governmental Authority relating to such approvals or clearance, (v)

subject to applicable Law and to the extent reasonably practicable, permit Parent to review and comment on any substantive written communication regarding the Equity Issuance or such alternative structure prior to providing such communication to any Governmental Authority and (vi) to extent reasonably practicable, not agree to participate, or permit its Subsidiaries or Representatives to participate, in any substantive meeting or discussion with any Governmental Authority with respect to the Equity Issuance or such alternative structure unless it consults with Parent in advance and, to the extent permitted by such Governmental Authority and reasonably practicable, gives Parent the opportunity to attend and participate. For the avoidance of doubt, and notwithstanding any provision in this Section 9.04(g), nothing in this Section 9.04(g) shall obligate the Company or any of its Subsidiaries to offer, agree to or accept any commitment, remedy, undertaking or Order of any kind.

Section 9.05 Amendment. This Agreement may be amended by the parties hereto by action taken by or on behalf of their respective boards of directors at any time prior to the Effective Time; provided, however, that, after the Company Stockholder Approvals have been obtained, no amendment may be made that under applicable Law or in accordance with the rules of any relevant stock exchange requires further approval by the stockholders of the Company without such approval having been obtained. This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto. Notwithstanding anything to the contrary in this Section 9.05, none of Section 5.08, Section 7.18, Section 7.19, Section 9.05, Section 11.05, Section 11.07 and Section 11.09 (or any other provision of this Agreement the amendment or waiver of which has the effect of modifying such Sections) may be amended, modified, terminated or waived in a manner that is adverse to the Financing Sources without the prior written consent of such Financing Sources (it being expressly agreed that the Financing Sources in their capacities as such shall be third party beneficiaries of this Section 9.05 and shall be entitled to the protections of the provisions contained in this Section 9.05 as if they were a party to this Agreement).

Section 9.06 Waiver. At any time prior to the Effective Time, any party hereto may (a) extend the time for the performance of any obligation or other act of any other party hereto, (b) to the extent permitted by applicable Law, waive any breach of or inaccuracy in the representations and warranties of any other party contained in this Agreement or in any document delivered pursuant hereto and (c) to the extent permitted by applicable Law, waive compliance with any agreement of any other party or any condition to its own obligations contained in this Agreement. No extension or waiver by the Company shall require the approval of the stockholders of the Company, unless required by applicable Law. Notwithstanding the foregoing, no failure or delay by the Company or Parent, First Merger Sub or Second Merger Sub in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise of any other right hereunder. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

Section 9.07 Procedure for Termination or Amendment. A termination of this Agreement pursuant to Section 9.01 or an amendment of this Agreement pursuant to Section 9.04 shall, in order to be effective, require, in the case of Parent or the Company, action by its board of directors or, with respect to any amendment of this Agreement pursuant to Section 9.04, the duly authorized committee of its board of directors to the extent permitted by applicable Law.

ARTICLE X

CVR HOLDER REPRESENTATIVE

Section 10.01 Designation and Replacement of CVR Holder Representative. The parties have agreed that it is desirable to designate a representative to act on behalf of those holders of Company Stock and Company Equity Awards who receive CVRs pursuant to the terms of this Agreement (each, a "Holder") for all purposes under the CVR Agreement (the "CVR Holder Representative"). The Company (and, upon execution of a Letter of Transmittal, each Holder) will, promptly following the date hereof, subject to the prior written consent of Parent (not to be unreasonably withheld, conditioned or delayed), designate an initial CVR Holder Representative, and appoint the CVR Holder Representative as agent and attorney-in-fact for and on behalf of the other Holders for all purposes under the CVR Agreement; provided that notwithstanding the foregoing, the Company may appoint Fortis Advisors LLC (or any of its Affiliates) or Shareholder Representative Services LLC (or any of its Affiliates) as the CVR Holder Representative without Parent's consent. The CVR Holder Representative may resign at any time by five days' prior written notice to Parent. The CVR Holder Representative may be removed pursuant to the terms of the CVR Agreement. In the event that the CVR Holder Representative has resigned or been removed, a new CVR Holder Representative, as applicable, shall concurrently be appointed pursuant to the CVR Agreement. All power, authority, rights and privileges conferred in this Agreement and the CVR Agreement to the initial CVR Holder Representative will apply to any successor CVR Holder Representative. The designation of any Person as a CVR Holder Representative is and shall be coupled with an interest, and, except as set forth in this Article X, such designation is irrevocable and shall not be affected by the death, incapacity, illness, bankruptcy, dissolution or other inability to act of any of the stockholders of the Company.

Section 10.02 Authority and Rights of the CVR Holder Representative; Limitations on Liability. The CVR Holder Representative shall have such powers and authority as are necessary to carry out the functions, on behalf of the Holders, assigned to it under the CVR Agreement, as applicable; provided, however, that the CVR Holder Representative shall have no obligation to act, except as expressly provided herein. Without limiting the generality of the foregoing, each Holder agrees that the CVR Holder Representative has full power, authority and discretion, on behalf of each Holder and his, her or its successors and assigns, to (a) interpret the terms and provisions of the CVR Agreement and the documents to be executed and delivered by the Holders in connection therewith, (b) execute and deliver and receive deliveries of all agreements, certificates, statements, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given in connection with the consummation of the transactions contemplated by the CVR Agreement, as applicable, (c) receive service of process in connection with any claims under the CVR Agreement or any document or agreement contemplated to be executed or delivered in connection with the CVR Agreement, (d) agree to, negotiate and enter into settlements and compromises of, and assume the defense of, claims, and demand arbitration and comply with Orders and awards of arbitrators

with respect to such claims, and take all actions necessary or appropriate in the judgement of the CVR Holder Representative for the accomplishment of the foregoing, (e) give and receive notices and communications, and (f) take all actions necessary or appropriate in the judgment of the CVR Holder Representative in connection with the CVR Agreement. All actions taken by the CVR Holder Representative under the CVR Agreement shall be binding upon the Holders and their successors as if expressly confirmed and ratified in writing by each of them. The CVR Holder Representative shall not, in its capacity as such, have any liability to any Holder with respect to actions taken or omitted to be taken in its capacity as the CVR Holder Representative, except that the CVR Holder Representative will be liable for its willful misconduct or actual fraud, as finally determined by a court of competent jurisdiction from which no further appeal may be taken. The CVR Holder Representative shall at all times be entitled to rely on any directions received from the Majority Holders (as defined in the CVR Agreement); provided, however, that the CVR Holder Representative shall not be required to follow any such direction, and shall be under no obligation to take any action in its capacity as the CVR Holder Representative, unless the CVR Holder Representative has been provided with other funds, security or indemnities which, in the sole determination of the CVR Holder Representative are sufficient to protect the CVR Holder Representative against the costs, expenses and liabilities which may be incurred by the CVR Holder Representative in responding to such direction or taking such action. At no cost to the Parent, First Merger Sub, Second Merger Sub or the Company, the CVR Holder Representative shall be entitled to engage such counsel, experts and other agents and consultants as it shall deem necessary in connection with exercising its powers and performing its function hereunder and (in the absence of bad faith on the part of the CVR Holder Representative) shall be entitled to conclusively rely on the opinions and advice of such Persons. The CVR Holder Representative shall be entitled to reimbursement from the Holders or the holders of the CVRs, as applicable, for all reasonable expenses, disbursements and advances (including fees and disbursements of their counsel, experts and other agents and consultants) incurred by the CVR Holder Representative in such capacity, and shall be entitled to indemnification from the Holders against any loss, liability or expenses arising out of actions taken or omitted to be taken in its capacity as the CVR Holder Representative (except in each case for those arising out of the CVR Holder Representative's, as applicable, gross negligence or willful misconduct), including the costs and expenses of investigation and defense of claims. Parent and the Company shall be able to rely conclusively (without liability) on any instructions given and actions taken by the CVR Holder Representative as the instruction and decision of each Holder in all matters referred to therein, including instructions with respect to the payment and distribution of any amounts payable pursuant to or in relation to the CVR Agreement. No Holder shall have any cause of action against Parent or the Company for any action taken by Parent or the Company in reliance upon the written instructions or decisions of the CVR Holder Representative, or otherwise on account of payments or distributions made by or on behalf of Parent in accordance with the instructions of the CVR Holder Representative. The annual administration or retainer fees payable to the CVR Holder Representative shall be borne by Parent. Other than such annual administration or retainer fees, none of Parent, the Company or their respective Subsidiaries shall be responsible for or pay any other fees, expenses or other costs of the CVR Holder Representative. Notwithstanding anything to the contrary in this Article X, in the event of a conflict between the terms of the CVR Agreement and this Article X, the CVR Agreement shall control.

ARTICLE XI

GENERAL PROVISIONS

Section 11.01 Non-Survival of Representations, Warranties, Covenants and Agreements; Exclusive Remedy. The representations, warranties, covenants and agreements in this Agreement and in any certificate delivered pursuant hereto shall terminate at the Effective Time, except for those covenants and agreements contained in this Agreement (including, without limitation, Article II, Article III, Section 7.04, Section 7.05, Article X and this Article XI) that by their terms are to be performed in whole or in part after the Effective Time (the "Post-Closing Covenants"). Effective as of the Effective Time, except for claims for Fraud or in respect of the Post-Closing Covenants, following the Effective Time, none of Parent, First Merger Sub, Second Merger Sub, the Company or any holder of Company Stock or Company Equity Awards (each, an "Equityholder") shall have any other rights or remedies in connection with any breach of this Agreement or any other liability arising out of the negotiation, entry into or consummation of the Transactions, whether at law or in equity or based on contract, tort, statute or otherwise. The provisions of and the limited remedies provided in this Section 11.01 were specifically bargained for among the parties and were taken into account by the parties in arriving at the Merger Consideration. After the Closing, no party or its Affiliates may seek the rescission of the Transactions.

Section 11.02 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) upon confirmation of receipt after transmittal by facsimile (to such number specified below or another number or numbers as such Person may subsequently specify by proper notice under this Agreement), (c) upon confirmation of receipt after transmittal by email (to such email address specified below or another email address or addresses as such Person may subsequently specify by proper notice under this Agreement) and (d) on the next Business Day when sent by national overnight courier (providing proof of delivery), in each case to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.02):

if to Parent, First Merger Sub or Second Merger Sub:

Illumina, Inc.
5200 Illumina Way
San Diego, California 92122
Attention: Charles E. Dadswell, Senior Vice President and General Counsel
Telephone: 858-202-4500
Facsimile: 858-202-4545
Email: CDadswell@illumina.com
legalnotices@illumina.com

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019-7475
Attention: Faiza J. Saeed
Ting S. Chen
Telephone: 212-474-1000
Facsimile: 212-474-3700
Email: fsaeed@cravath.com
tchen@cravath.com

if to the Company:

GRAIL, Inc.
1525 O'Brien Drive
Menlo Park, California 94025
Attention: General Counsel
Telephone: 650-863-1024
Email: msong@grailbio.com

with a copy to:

Latham & Watkins LLP
Attention: W. Alex Voxman, Esq.
Andrew Clark, Esq.
Telephone: 213-485-1234
Facsimile: 213-891-8763
Email: alex.voxman@lw.com
andrew.clark@lw.com

Section 11.03 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by virtue of any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

Section 11.04 Entire Agreement; Assignment. This Agreement (including the exhibits and schedules hereto, including the Company Disclosure Letter), the other Transaction Documents and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject

matter hereof and thereof. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties, in whole or in part (whether pursuant to a merger, by operation of Law or otherwise), without the prior written consent of the other parties, except that Parent, First Merger Sub and Second Merger Sub may assign all or any of their rights and obligations under this Agreement to any Affiliate of Parent, provided that no such assignment shall relieve the assigning party of its obligations under this Agreement if such assignee does not perform such obligations.

Section 11.05 Parties in Interest. This Agreement shall be binding upon, inure solely to the benefit of, and be enforceable by, only the parties hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, except (i) as specifically provided in Section 7.05, Section 7.18, Section 7.19, Section 9.05, Section 11.05, Section 11.07 and Section 11.09 (which is intended to be for the benefit of the Persons expressly covered thereby and may be enforced by such Persons) and (ii) that the Company shall have the right to pursue damages on behalf of its stockholders in the event of Parent's, First Merger Sub's or Second Merger Sub's Intentional Breach of this Agreement, which right is hereby acknowledged by Parent, First Merger Sub and Second Merger Sub.

Section 11.06 Specific Performance. The parties hereto agree that the parties hereto would be irreparably damaged if any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached. Accordingly, the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms of this Agreement, in addition to any other remedy at law or in equity. The parties further agree that no party to this Agreement shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any such legal or equitable relief and each party waives any objection to the imposition of such relief or any right it might have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 11.07 Governing Law. (a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice or conflict of law provisions or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. All Actions arising out of or relating to this Agreement or the Transactions shall be heard and determined exclusively in the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware, and, in each case, the appellate court(s) therefrom). The parties hereto hereby (i) irrevocably submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division)

or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware and, in each case, the appellate court(s) therefrom) for the purpose of any Action arising out of or relating to this Agreement or the Transactions brought by any party hereto, (ii) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the Transactions may not be enforced in or by the above-named courts, and (iii) agree that such party will not bring any Action arising out of or relating to this Agreement or the Transactions in any court other than the Court of Chancery of the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware). Service of process, summons, notice or document to any party's address and in the manner set forth in Section 11.02 shall be effective service of process for any such action.

(b) Each of the parties hereto and each Affiliate of Parent acknowledges and irrevocably agrees (i) that any Action (whether at law, in equity, in contract, in tort or otherwise) arising out of, or in any way relating to, the Financing or the performance of services thereunder or related thereto against or by any Financing Source in its capacity as such shall be subject to the exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, New York, New York, and any appellate court therefrom, and each party hereto submits for itself and its property with respect to any such Action to the exclusive jurisdiction of such courts, (ii) not to bring or permit any of its Affiliates to bring or support anyone else in bringing any such Action in any other court, (iii) to waive and hereby waive, to the fullest extent permitted by Law, any objection which any of them may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such Action in any such court, (iv) that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law and (v) that any such Action shall be governed by, and construed in accordance with, the Laws of the State of New York (it being expressly agreed that the Financing Sources in their capacities as such shall be third party beneficiaries of this Section 11.07 and shall be entitled to enforce the provisions contained in this Section 11.07 as if they were a party to this Agreement).

Section 11.08 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or .pdf) in counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 11.09 WAIVER OF JURY TRIAL. EACH PARTY HERETO AND EACH AFFILIATE OF PARENT ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, EACH OF THE PARTIES HERETO AND EACH AFFILIATE OF PARENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS (INCLUDING THE COMMITMENT LETTER AND ANY FINANCING CONTEMPLATED BY PARENT OR ANY OF ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT). EACH OF THE PARTIES HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS IN THIS SECTION 11.09.

Section 11.10 Non-Assertion of Attorney-Client Privilege. Parent acknowledges that Latham & Watkins LLP and other legal counsel ("Prior Company Counsel") have, on or prior to the Closing Date, represented one or more of the Selling Investors, Equityholders, the Company, and its Subsidiaries and other Affiliates, and their respective officers, employees and directors (each such Person, other than the Company and its Subsidiaries and their respective officers and employees, a "Designated Person") in one or more matters relating to this Agreement or any other agreements or transactions contemplated hereby (including any matter that may be related to a litigation, claim or dispute arising under or related to this Agreement or such other agreements or in connection with such transactions) (excluding, for the avoidance of doubt, the Company's planned initial public offering) (each, an "Existing Representation"). Each of Parent and the Company (on behalf of itself and its Affiliates) waives and shall not assert, and agrees after the Closing to cause its Affiliates to waive and to not assert, any attorney-client privilege, attorney work-product protection or expectation of client confidence with respect to any communication between any Prior Company Counsel, on the one hand, and any Designated Person or the Company or any of its Subsidiaries (collectively, the "Pre-Closing Designated Persons"), or any advice given to any Pre-Closing Designated Person by any Prior Company Counsel, occurring during one or more Existing Representations in connection with any representation by one or more Prior Company Counsel of one or more Designated Persons, in each case, in connection with one or more post-Closing matters relating to this Agreement or any other agreements or transactions contemplated hereby (including any matter that may be related to a litigation, claim or dispute arising under or related to this Agreement or such other agreements or in connection with such transactions) (collectively, "Pre-Closing Privileges"), it being the intention of the parties hereto that all rights to such Pre-Closing Privileges, and all rights to waiver or otherwise control such Pre-Closing Privilege, shall be retained by such Designated Persons and shall not pass to or be claimed or used by Parent or the Company, except as provided in the last sentence of this Section 11.10. Furthermore, each of Parent and the Company (on behalf of itself and its Affiliates) acknowledges and agrees that any advice given to or communication with any of the Designated Persons in connection with any Existing

Representation shall not be subject to any joint privilege (whether or not the Company or one more of its Subsidiaries also received such advice or communication) and shall be owned solely by such Designated Persons. Notwithstanding the foregoing, (i) in the event that a dispute arises between Parent or the Company or any of its Subsidiaries, on the one hand, and a third party other than a Designated Person, on the other hand, the Company may assert the Pre-Closing Privileges on behalf of the Designated Persons to prevent disclosure to such third party, provided, however, that such privilege may be waived only with the prior written consent of the Designated Persons, acting on behalf of the applicable Designated Persons (such consent not to be unreasonably withheld, conditioned or delayed) and (ii) the foregoing provisions of this Section 11.10 shall not extend to any communication or materials not involving the negotiation, documentation and consummation of the transactions contemplated by this Agreement or any claims brought in connection with such transactions or this Agreement.

Section 11.11 Release by Equityholders. (a) Effective as of the Effective Time, upon execution of a Letter of Transmittal, each Equityholder, on behalf of himself, herself or itself and each of his, her or its past, present and future controlled Affiliates, parent(s) and subsidiary companies, representatives, and assigns (each, an "Equityholder Releasing Party" and, collectively, the "Equityholder Releasing Parties") will absolutely, unconditionally and irrevocably release, acquit and forever discharge the Company and each of its respective past, present and future controlled Affiliates, parent(s) and subsidiary companies, joint ventures, predecessors, successors and assigns, and their respective past, present and future representatives, investors, equityholders, insurers and indemnitees, firms, corporations, limited liability companies, partnerships, trusts, associations, organizations, stockholders, members, managers, directors, officers, employees, partners, trustees, principals, consultants, contractors, family members, heirs, executors, administrators, predecessors, successors and assigns (collectively the "Released Parties"), of and from any and all manner of action or inaction, cause or causes of action, Actions, Encumbrances, contractual obligations, promises, liabilities or damages (whether for compensatory, special, incidental or punitive damages, equitable relief or otherwise) of any kind or nature whatsoever, past, present or future, at law, in equity or otherwise (including with respect to conduct which is negligent, grossly negligent, willful, intentional, with or without malice, or a breach of any duty, applicable Law or rule), whether known or unknown, whether fixed or contingent, whether concealed or hidden, whether disclosed or undisclosed, whether liquidated or unliquidated, whether foreseeable or unforeseeable, whether anticipated or unanticipated, whether suspected or unsuspected ("Claims"), which such Equityholder Releasing Parties, or any of them, ever have had or ever in the future may have against the Released Parties, or any of them, in each case, to the extent arising solely as a result of the ownership or purported ownership of any of Company Stock, Company Stock Options or other security or interest of the Company and which, in each case, are based on acts, events or omissions occurring prior to or contemporaneously with the Effective Time (the "Equityholder Released Claims"); provided, however, that the foregoing release shall not release, impair or diminish, and the term "Equityholder Released Claims" shall not include, in any respect (i) an Equityholder's right pursuant to the Transaction Documents, including the right to receive its respective portion of the Merger Consideration; (ii) any Claims for indemnification, insurance benefits, reimbursement or advancement of expenses in such Equityholder's capacity as a director, officer or employee of the Company under the Company's

organizational documents or any indemnification agreement in effect as of the date hereof (or any fiduciary insurance policy maintained by the Company or the Surviving Entity for the benefit of the Equityholder, or any indemnification agreements with the Equityholder or its board designee) with respect to any act, omission, event or transaction occurring prior to or contemporaneously with the Effective Time; or (iii) the rights of any Equityholder Releasing Party in his or her capacity as an employee of the Company.

(b) Upon execution of a Letter of Transmittal, each Equityholder shall represent and acknowledge that he, she or it has read this release and the Merger Agreement and other Transaction Documents and understands their terms and has been given sufficient opportunity to review this release and the Transaction Documents and to ask questions of the Company's Representatives. Each Equityholder will further represent that, in signing the Letter of Transmittal, he, she or it does not rely, and has not relied, on any representation or statement made by any Representative of the Company or any other Person with respect to the subject matter, basis or effect of this release or otherwise, except such express representations and warranties set forth in the Merger Agreement or this Agreement.

(c) Without limiting the generality of Section 11.11(a), with respect to the Equityholder Released Claims, each Equityholder, upon execution of a Letter of Transmittal, will acknowledge that he, she or it is familiar with Section 1542 of the Civil Code of the State of California ("Section 1542") and expressly waive all rights under Section 1542 and any similar applicable Law or common law principle in any applicable jurisdiction prohibiting or restricting the waiver of unknown claims. Section 1542 reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

(d) Notwithstanding the provisions of Section 1542 or any similar applicable Law or common law principle in any applicable jurisdiction, upon execution of a Letter of Transmittal, each Equityholder will expressly acknowledge that the foregoing release is intended to include in its effect all claims within the scope of such release which any Equityholder does not know or suspect to exist in his, her or its favor against any of the Released Parties (including, without limitation, unknown and contingent claims), and that the foregoing release expressly contemplates the extinguishment of all such claims (except to the extent expressly set forth in this Section 11.11).

IN WITNESS WHEREOF, Parent, First Merger Sub, Second Merger Sub and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ILLUMINA, INC.

By: /s/ Francis deSouza
Name: Francis deSouza
Title: President and Chief Executive Officer

SDG OPS, INC.

By: /s/ Francis deSouza
Name: Francis deSouza
Title: President

SDG OPS, LLC

By: /s/ Francis deSouza
Name: Francis deSouza
Title: President

GRAIL, INC.

By: /s/ Hans Bishop
Name: Hans Bishop
Title: Chief Executive Officer

SELLING INVESTOR SUPPORT AGREEMENT

SELLING INVESTOR SUPPORT AGREEMENT (hereinafter referred to as this "Agreement"), dated as of [●], among Illumina, Inc., a Delaware corporation ("Parent") and each of the undersigned stockholders (the "Selling Investors") of GRAIL, Inc., a Delaware corporation (the "Company"), set forth on Schedule 1(b) hereto.

WHEREAS, the Company, Parent, SDG Ops, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("First Merger Sub"), and SDG Ops, LLC, a Delaware limited liability company and wholly owned subsidiary of Parent ("Second Merger Sub"), have entered into an Agreement and Plan of Merger dated as of September 20, 2020 (as it may be amended from time to time, the "Merger Agreement"), which provides for, among other things, the merger of First Merger Sub with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Corporation") (the "First Merger"), and immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation will merge with and into Second Merger Sub, with Second Merger Sub being the surviving company of the Second Merger (the "Second Merger" and, together with the First Merger, the "Mergers"), and pursuant to which all shares of Company Stock issued and outstanding immediately prior to the Effective Time (other than as provided in Section 2.04(c) of the Merger Agreement and Appraisal Shares) will be converted into the right to receive the Merger Consideration;

WHEREAS, each Selling Investor Beneficially Owns and is entitled to vote (or direct the voting of) the number of shares of Company Stock set forth opposite such Selling Investor's name on Schedule 1(b) attached hereto; and

WHEREAS, Parent desires that the Selling Investors agree, and the Selling Investors are willing to agree, on the terms and subject to the conditions set forth herein, (i) to not Transfer (as defined below) the Covered Shares (as defined below), and (ii) to vote or consent with respect to all of the Covered Shares in a manner so as to facilitate the consummation of the Mergers and the other Transactions.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Certain Definitions. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Merger Agreement. For all purposes of and under this Agreement, the following terms shall have the following respective meanings:

(a) "Beneficially Own" means, with respect to any securities, (i) having "beneficial ownership" of such securities for purposes of Rule 13d-3 or 13d-5 under the Exchange Act (or any successor statute or regulation) or (ii) having the right to become the Beneficial Owner of such securities (whether such right is exercisable immediately or only after the passage of time or the occurrence of conditions) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise.

(b) "Covered Shares" means, with respect to any Selling Investor, (i) all shares of Company Stock set forth opposite such Selling Investor's name on Schedule 1(b) attached hereto, and (ii) all shares of Company Stock that such Selling Investor comes to Beneficially Own during the period from the date of this Agreement through the Expiration Date, together with any voting securities or instruments of the Company, or other securities or interests exercisable for or convertible into shares of Company Stock or voting securities or instruments of the Company, that such Selling Investor comes

to Beneficially Own during the period from the date of this Agreement through the Expiration Date (including by way of bonus issue, share dividend or distribution, subdivision, reclassification, recapitalization, consolidation, exchange, readjustment or other similar transaction or other change in the capital structure of the Company).

(c) "Expiration Date" means the earlier to occur of (i) the Effective Time and (ii) the termination of the Merger Agreement in accordance with its terms.

(d) "Transfer" means, with respect to any Selling Investor, that such Selling Investor sells, pledges, Encumbers, exchanges, assigns, grants an option with respect to, transfers, tenders or otherwise disposes of its Beneficial Ownership of Covered Shares.

2. Agreement Not to Transfer or Encumber. Each Selling Investor hereby agrees that, from the date hereof until the Expiration Date, it shall not Transfer any Covered Shares, cause the conversion of any Covered Shares or deposit any Covered Shares into a voting trust or enter into any tender, voting or other agreement or arrangement with any Person with respect to any Covered Shares or grant a proxy or power of attorney with respect thereto (other than pursuant to this Agreement or the Drag-Along Consent) or give instructions with respect to the voting of the Covered Shares in any manner that is inconsistent with this Agreement or otherwise take any other action with respect to the Covered Shares that would in any way restrict, limit or interfere with the performance by the Selling Investors of their obligations hereunder or the transactions contemplated hereby, including the execution and delivery of the Written Consent approving the adoption of the Merger Agreement and approving the Transactions; provided, however, that the Stockholder may Transfer all or any portion of the Shares to one or more of its controlled Affiliates or a family member that, prior to such Transfer, executes and delivers to the Parent a written agreement, in form and substance reasonably acceptable to Parent, to assume all of the Selling Investor's obligations hereunder and to be bound by the terms of this Agreement to the same extent as the Selling Investor is bound hereunder and to make each of the representations and warranties hereunder in respect of the Covered Shares transferred as the Selling Investor shall have made hereunder. Notwithstanding the foregoing, following the receipt of the Company Stockholder Approvals, a Selling Investor may cause the conversion of any shares of Company Class B Common Stock into shares of Company Class A Common Stock in accordance with the Company's certificate of incorporation.

3. Agreement to Consent and Approve.

(a) Each Selling Investor agrees to execute and deliver the Drag-Along Consent in such Selling Investor's capacity as a holder of Company Preferred Shares, and (ii) to refrain from (x) withdrawing, revoking, rescinding, modifying or amending in any manner the Drag-Along Consent or (y) modifying or amending in any manner, or waiving compliance of, the Voting Agreement.

(b) Each Selling Investor hereby irrevocably and unconditionally agrees, promptly after the Registration Statement (which shall include the Consent Solicitation Statement) is declared effective by the SEC (and in any event within five Business Days after notification thereof to such Selling Investor), to execute and deliver, or cause to be executed and delivered, a written consent substantially in the form attached hereto as Exhibit A (the "Written Consent") approving the adoption of the Merger Agreement and approving the Transactions, including the Mergers, with respect to all of such Selling Investor's Covered Shares. The Selling Investor's execution and delivery of the Written Consent shall be carried out in accordance with the DGCL and the organizational documents of the Company, so as to ensure that it is duly counted for purposes of recording the results of such consent.

(c) Each Selling Investor hereby irrevocably and unconditionally agrees that, from the date hereof until the Expiration Date, it shall vote or cause to be voted (including by written consent) all of

such Selling Investor's Covered Shares (i) in favor of (A) the adoption of the Merger Agreement and the approval of the Transactions and (B) any amendment to the Company's certificate of incorporation or Investor Agreements to the extent contemplated in Section 9.04 of the Merger Agreement and otherwise as is reasonably necessary to permit to, or assist the Company in, complying with its obligations under Section 9.04 of the Merger Agreement and (ii) against (A) any Competing Proposal; (B) any amendment of the organizational documents of the Company which would prevent or materially delay the consummation of the Transactions, including the Mergers; or (C) any other action, agreement or transaction involving the Company that would reasonably be expected to prevent or materially delay the consummation of the Transactions, including the Mergers.

(d) Each Selling Investor agrees that, from the date hereof until the Expiration Date, in the event that a meeting of the stockholders of the Company is held regarding the Merger Agreement, the Transactions or any of the matters referred to in Section 3(c), it shall, or shall cause the holder of record of any of the Covered Shares of such Selling Investor on any applicable record date to, be present in person or represented by proxy at such meeting or otherwise cause all Covered Shares of such Selling Investor to be counted as present thereat for purposes of establishing a quorum, and shall vote all of such Selling Investor's Covered Shares at such meeting in accordance with Section 3(c).

(e) Except for the delivery of the Written Consent expressly contemplated by this Agreement, prior to the Expiration Date, no Selling Investor shall call, seek to call or request the call of any meeting of stockholders of the Company with respect to any matter relating to the Mergers or any other Transaction, or take any action by consent relating to the Mergers or any other Transaction, other than as expressly contemplated by Section 3(c), whether pursuant to the DGCL, the organizational documents of the Company or otherwise.

(f) Notwithstanding anything to the contrary herein, in no event shall this Section 3 require or be construed so as to require any Selling Investor to vote or cause to be voted (including by written consent) such Selling Investor's Covered Shares in favor of or against any stockholder vote to approve "parachute payments" (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder) solicited in connection with the Transaction.

(g) Notwithstanding anything to the contrary herein, in the event that a vote or consent of the stockholders of the Company is required in order to effect an amendment to the Merger Agreement that reduces the amount or changes the form of consideration payable in respect of each share of Company Capital Stock in the Mergers or otherwise amends the Merger Agreement in a manner adverse to the Selling Investor (any such amendment, an "Adverse Amendment"), the provisions of this Section 3 shall not apply with respect to the Selling Investor's vote or consent with respect to such Adverse Amendment (and Selling Investor shall not be required to vote or consent to such Adverse Amendment); provided, however, that the term "Adverse Amendments" shall not include the amendments contemplated in Section 3(c)(i)(B).

4. Voided Acts. Any (i) Transfer (or purported Transfer) in breach of this Agreement or (ii) attempt by any Selling Investor to vote, or express consent or dissent with respect to (or otherwise to utilizing the voting power of), its Covered Shares in contravention of this Agreement shall be null and void *ab initio*.

5. Agreement Not to Solicit. Each Selling Investor agrees that it shall not, and shall cause each of such Selling Investor's controlled Affiliates not to, and shall instruct such Selling Investor's and such Selling Investor's controlled Affiliates' Representatives not to, directly or indirectly, (a) solicit, initiate seek, or take any other action to facilitate or encourage the making, submission or announcement of any proposal that constitutes, or would be reasonably be expected to lead to, any Competing Proposal, (b) enter into, maintain, continue or participate in any discussions or negotiations with any Person or

entity in furtherance of, or furnish to any Person any information or otherwise cooperate in any way with respect to, any Competing Proposal, (c) agree to, approve, endorse, recommend or consummate any Competing Proposal, (d) enter into, or propose to enter into, any Competing Transaction Agreement, or (e) resolve, propose or agree, or authorize or permit any Representative to do any of the foregoing. Each Selling Investor shall, and each Selling Investor shall cause such Selling Investor's controlled Affiliates and use such Selling Investor's reasonable best efforts to cause such Selling Investor's Representatives to, immediately cease and cause to be terminated any discussions and negotiations with any Person conducted heretofore with respect to any Competing Proposal or proposal that would reasonably be expected to lead to a Competing Proposal.

6. Commencement or Participation in Actions. Each Selling Investor hereby agrees not to commence or join in, and to take all reasonable actions necessary to opt out of (if applicable), any Action against the Company and/or its directors and officers (for the avoidance of doubt, participating in the defense of such Action or any Action to enforce the Drag-Along is not prohibited by this Section 6) with respect to, any litigation (a) challenging the validity of, or seeking to enjoin the operation of, any provision of this Agreement or the Merger Agreement or the exercise of the Drag-Along in connection with the Transactions or (b) alleging a breach of any fiduciary duty of the Company Board or its members or any stockholder of the Company in connection with the Merger Agreement, the Transactions or the transactions contemplated hereby.

7. Appraisal Rights or Rights of Dissent. Each Selling Investor hereby waives, and agrees not to exercise or assert, any appraisal or dissenters' rights it may have or could potentially have or acquire in connection with the Mergers under Section 262 of the DGCL and otherwise, whether or not such Selling Investor has previously made a written demand upon the Company and otherwise complied with the appraisal rights provisions of the DGCL.

8. Confidentiality. Each Selling Investor agrees that, for a period of two years following the Expiration Date, such Selling Investor shall not, and shall cause its Affiliates, directors, officers, employees and agents not to divulge or convey to any third party, any of the Company's confidential information, other than: (i) any of the Company's confidential information that is or becomes generally available to the public other than as a result of an act or omission by such Selling Investor or its Affiliate, director, officer, employee or agent, (ii) any information that has been independently developed or conceived by the Selling Investor or its Affiliates, director, officer, employee or agent, (iii) is or has been made known or disclosed to the Selling Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company. Notwithstanding the foregoing, each Selling Investor shall be permitted to make any such disclosure (a) to its directors, officers, employees and agents who reasonably need to know such information and who agree to keep such information confidential and are made aware of the Selling Investor's obligations of confidentiality under this Agreement and (b) to the extent requested by a Governmental Authority or required by Law or legal process (in which case the Selling Investor will, to the extent reasonably practicable and legally permissible, provide Parent with advance notice of such required or requested disclosure, shall use commercially reasonable efforts to resist such disclosure, and, at the request of Parent, shall cooperate with Parent to, at Parent's sole cost and expense, limit or prevent such disclosure).

9. Directors and Officers. Each Selling Investor is entering into this Agreement solely in its capacity as a Beneficial Owner of Covered Shares, and in this regard, such Selling Investor shall not be deemed to make any agreement or understanding in this Agreement in such Selling Investor's capacity as a director or officer of the Company, including with respect to Section 7.02 of the Merger Agreement. The parties acknowledge and agree that nothing in this Agreement shall (i) restrict in any respect any actions taken by a Selling Investor or its designee who is a director or officer of the Company in his or her capacity as a director or officer of the Company or (ii) be construed to prohibit, limit or restrict the Selling Investor or its designee from exercising its fiduciary duties as a director or officer of the Company.

10. Irrevocable Proxy.

(a) Each Selling Investor hereby irrevocably grants to, and appoints, Parent, and any individual designated in writing by Parent, and each of them individually, as such Selling Investor's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Selling Investor, to vote such Selling Investor's Covered Shares, or execute a written consent or grant approval in respect of such Covered Shares, in a manner consistent with this Agreement from the date hereof until the Expiration Date, provided, however, for the avoidance of doubt, that such proxy and voting and related rights are limited to those matters set forth in clauses (b)-(d) of Section 3, and each Selling Investor shall retain at all times the right to vote such Selling Investor's Covered Shares (or to direct how such Covered Shares shall be voted) in such Selling Investor's sole discretion and without any other limitation on any matters not connected with the Transactions. Each Selling Investor understands and acknowledges that Parent has entered into the Merger Agreement in reliance upon such Selling Investor's execution and delivery of this Agreement. Each Selling Investor hereby affirms that the irrevocable proxy set forth in this Section 10(a) is given to secure the performance of the duties of such Selling Investor under this Agreement. Each Selling Investor hereby further affirms that the irrevocable proxy is coupled with an interest sufficient in law and such irrevocable proxy is executed and intended to be irrevocable in accordance with applicable Law and Section 2.09 of the Company's bylaws until, and shall not be terminated by operation of Law or upon the occurrence of any other event other than, the termination of this Agreement pursuant to Section 19. Each Selling Investor shall, upon written request by Parent, as promptly as practicable, execute and deliver to Parent a separate written instrument or proxy that embodies the terms of this irrevocable proxy set forth in this Section 10(a). Each Selling Investor agrees not to grant any proxy that conflicts with or is inconsistent with the proxy granted to Parent in this Agreement.

(b) Each Selling Investor hereby revokes (or agrees to cause to be revoked) any proxies that conflict with or are inconsistent with the proxy granted to Parent in this Agreement that such Selling Investor has heretofore granted with respect to the Covered Shares Beneficially Owned by such Selling Investor, other than any such proxy granted to Parent pursuant to the Drag-Along Consent and Voting Agreement.

11. [Reserved].

12. Representations and Warranties of Parent. Parent hereby represents and warrants as follows:

(a) Organization and Qualification. Parent is a legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation.

(b) Authority; Binding Agreement. (i) Parent has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby, and (ii) the execution and delivery by Parent of this Agreement and the performance of Parent's obligations and the consummation of the transactions contemplated hereby by Parent have been duly authorized by all necessary action, and no other actions on the part of Parent (or its board of directors or stockholders) are necessary to authorize or adopt this Agreement or to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Parent, and, assuming this Agreement constitutes a valid and binding obligation of the Selling Investors, constitutes a valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(c) No Conflicts. None of the execution and delivery by Parent of this Agreement, the performance by Parent of its obligations hereunder or the consummation by Parent of the transactions contemplated hereby does or would reasonably be expected to conflict with or result in a violation or breach of (i) Parent's certificate of incorporation or bylaws, (ii) any other contract to which Parent is a party or by which Parent may be bound, except for violations, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to in any material respect impair or adversely affect the ability of Parent to perform its obligations under this Agreement, or (iii) any Law applicable to Parent.

(d) No Litigation. There are no Actions pending or, to the knowledge of Parent, threatened against Parent, or any Order to which Parent is subject, except, in each case, for those that, individually or in the aggregate, would not reasonably be expected to prevent or materially and adversely impair or otherwise affect the ability of Parent to fully perform its obligations under this Agreement.

13. Representations and Warranties of the Selling Investors. Each Selling Investor (severally and not jointly) hereby represents and warrants as follows:

(a) Organization and Qualification. If such Selling Investor is not an individual, such Selling Investor is a legal entity duly formed or organized (as applicable), validly existing and in good standing under the Laws of the jurisdiction in which it is formed or organized, as applicable.

(b) Authority; Binding Agreement. If such Selling Investor is an individual, he or she has full legal capacity, right and authority to execute and deliver this Agreement and to perform his or her obligations hereunder and consummate the transactions contemplated hereby. If such Selling Investor is not an individual, (i) such Selling Investor has all requisite power and authority to execute and deliver this Agreement, to perform such Selling Investor's obligations hereunder and to consummate the transactions contemplated hereby and (ii) the execution and delivery by such Selling Investor of this Agreement and the performance of such Selling Investor's obligations and the consummation of the transactions contemplated hereby by such Selling Investor have been duly authorized by all necessary action, and no other actions on the part of such Selling Investor (or its governing body, board of directors, members, partners, stockholders or trustees, as applicable) are necessary to authorize or adopt this Agreement or to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by such Selling Investor, and, assuming this Agreement constitutes a valid and binding obligation of Parent, constitutes a valid and binding obligation of such Selling Investor, enforceable against such Selling Investor in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(c) No Conflicts. None of the execution and delivery by such Selling Investor of this Agreement, the performance by such Selling Investor of such Selling Investor's obligations hereunder or the consummation by such Selling Investor of the transactions contemplated hereby does or would reasonably be expected to conflict with or result in a violation or breach of, or in default under, (i) if such Selling Investor is not an individual, such Selling Investor's articles or certificate of formation, incorporation or organization, operating agreement, bylaws or comparable organizational documents, as applicable, each in its currently effective form as amended from time to time, (ii) any other contract to which such Selling Investor is a party or by which such Selling Investor may be bound, including any voting agreement or voting trust, or (iii) any Law applicable to such Selling Investor, except, in each case, for violations, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to (x) in any material respect impair or adversely affect the ability of such Selling Investor to

perform such Selling Investor's obligations under this Agreement on a timely basis or (y) prevent or materially delay the consummation of the Transactions. The execution, delivery and performance by such Selling Investor of this Agreement, and the consummation by such Selling Investor of the transactions contemplated hereby, require no consent or action by or in respect of, or filing with, any Governmental Authority.

(d) Ownership of Shares. Such Selling Investor (i) is the lawful record and Beneficial Owner of the shares of Company Stock set forth opposite such Selling Investor's name on Schedule 1(b) attached hereto and has, and at all times prior to the Expiration Date will have, the sole power to vote (or cause to be voted), Transfer, or demand or waive any appraisal rights with respect to, such shares of Company Stock, all of which are free and clear of, and not subject to, any Encumbrances (other than those (A) created by this Agreement, (B) applicable to such Selling Investor's Covered Shares that may exist pursuant to securities Laws or (C) any proxies that are not required by Section 10(b) to be revoked and which do not relate to the Mergers, the Transactions or Competing Proposals) and (ii) as of the date hereof, does not Beneficially Own or have the right to vote (or cause the voting of) any shares of any class of Company Stock or other securities of the Company or any interest therein or any voting rights with respect to any securities of the Company other than the shares of Company Stock set forth opposite such Selling Investor's name on Schedule 1(b) attached hereto.

(e) [Reserved].

(f) No Litigation. As of the date hereof, there are no Actions pending or, to the knowledge of such Selling Investor, threatened against such Selling Investor, or any Order to which such Selling Investor is subject, except, in each case, for those that, individually or in the aggregate, would not reasonably be expected to (i) prevent or impair or materially delay the ability of such Selling Investor to fully perform such Selling Investor's obligations under this Agreement on a timely basis or (ii) prevent or materially delay the consummation of the Transactions.

(g) No Finder's Fees. No broker, investment banker, financial advisor, finder, agent or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission payable by the Company in connection with this Agreement based upon arrangements made by or on behalf of such Selling Investor in his, her or its capacity as a stockholder of the Company.

14. Disclosure and Communications.

(a) Each Selling Investor hereby consents to and authorizes the publication and disclosure of such Selling Investor's identity and ownership, this Agreement and the nature of such Selling Investor's commitments, arrangements and understandings pursuant to this Agreement and such other information pertinent to such disclosure, including the filing of this Agreement, by Parent and the Company in the Registration Statement, Consent Solicitation Statement or other disclosure document required by applicable Law to be filed with the SEC or other Governmental Authority in connection with this Agreement, the Merger Agreement or the Transactions, and agrees to reasonably cooperate with Parent in connection with such filings.

(b) The Selling Investors shall not issue or make any press release or public announcement related to this Agreement, the Merger Agreement or the Transactions, or any other announcement or communication to the employees, customers or suppliers of the Company or any of its Subsidiaries, in each case without the approval of Parent, unless required by applicable Law; provided, that, each Selling Investor may make public statements that do not contain any information relating to the Transactions that has not been previously announced or made public in accordance with this Agreement or the Merger Agreement so long as no such public statement (i) disparages the Transactions, (ii) encourages other holders of capital stock of the Company to vote against, or withhold their vote or consent on, the Transactions, including the adoption of the Merger Agreement, or (iii) encourages other holders of capital stock of the Company to exercise appraisal rights.

15. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Parent any direct or indirect ownership or incidence of ownership of or with respect to any Covered Shares. All ownership and economic benefits of and relating to the Covered Shares shall remain vested in and belong to the applicable Selling Investor, and, except as otherwise provided herein, Parent shall not have any authority to direct any Selling Investor in the voting or disposition of any Covered Shares. For the avoidance of doubt, each Selling Investor shall be entitled to any dividends or other distributions declared by the Company Board with respect to such Selling Investor's Covered Shares having a record date prior to the Effective Time.

16. [Reserved].

17. Stop Transfer Instructions. Each Selling Investor shall not request that the Company register the Transfer (book-entry or otherwise) of any certificated or uncertificated interest representing any of such Selling Investor's Covered Shares, unless such Transfer is made in compliance with this Agreement. Each Selling Investor hereby authorizes Parent to direct the Company to impose stop orders to prevent the Transfer of any Covered Shares on the books of the Company in violation of this Agreement.

18. [Reserved.]

19. Termination. This Agreement, and all rights and obligations of the parties hereunder, shall terminate and shall have no further force or effect upon the termination of the Merger Agreement in accordance with its terms; provided, however, that (i) this Section 19 and Sections 1, 14 and 23 shall survive any termination of the Agreement and (ii) Sections 2, 3, 4, 5, 10 and 17 shall terminate and shall have no further force or effect as of the Expiration Date. Notwithstanding the foregoing, nothing set forth in this Section 19 or elsewhere in this Agreement shall relieve either party hereto from liability, or otherwise limit the liability of a Selling Investor, for any intentional breach of this Agreement prior to such termination.

20. Transaction Documents. Each Selling Investor acknowledges that the Merger Agreement and the other Transaction Documents may be amended in accordance with the terms and conditions set forth in the Merger Agreement and the other Transaction Documents.

21. Waiver. Each Selling Investor hereby waives any and all notice, information and consent requirements, as well as any right of first refusal, right of first offer, right of first negotiation, right restricting share transfers, redemption right, co-sale right, registration right, preemptive right and other similar rights, that may be applicable to, or triggered by, the Transactions, including the Mergers, the Merger Agreement, the other Transaction Documents and any of the transactions contemplated thereby that are contained in the Company's organizational documents or any contractual obligation between the Company and such Selling Investor, or under applicable Law.

22. Release by Selling Investors.

(a) Effective as of the Effective Time, each Selling Investor, on behalf of himself, herself or itself and each of his, her or its past, present and future controlled Affiliates, parent(s) and subsidiary companies, representatives, and assigns (each, a "Selling Investor Releasing Party" and, collectively, the "Selling Investor Releasing Parties") hereby absolutely, unconditionally and irrevocably releases, acquits and forever discharges the Company and each of its respective past, present and future controlled Affiliates, parent(s) and subsidiary companies, joint ventures, predecessors, successors and

assigns, and their respective past, present and future representatives, investors, equityholders, insurers and indemnitees, firms, corporations, limited liability companies, partnerships, trusts, associations, organizations, stockholders, members, managers, directors, officers, employees, partners, trustees, principals, consultants, contractors, family members, heirs, executors, administrators, predecessors, successors and assigns (collectively the "Selling Investor Released Parties"), of and from any and all manner of action or inaction, cause or causes of action, Actions, Encumbrances, contractual obligations, promises, liabilities or damages (whether for compensatory, special, incidental or punitive damages, equitable relief or otherwise) of any kind or nature whatsoever, past, present or future, at law, in equity or otherwise (including with respect to conduct which is negligent, grossly negligent, willful, intentional, with or without malice, or a breach of any duty, applicable Law or rule), whether known or unknown, whether fixed or contingent, whether concealed or hidden, whether disclosed or undisclosed, whether liquidated or unliquidated, whether foreseeable or unforeseeable, whether anticipated or unanticipated, whether suspected or unsuspected ("Claims"), which such Selling Investor Releasing Parties, or any of them, ever have had or ever in the future may have against the Selling Investor Released Parties, or any of them, in each case, to the extent arising solely as a result of the ownership or purported ownership of any of Company Stock, Company Stock Options or other security or interest of the Company and which, in each case, are based on acts, events or omissions occurring prior to or contemporaneously with the Effective Time (the "Selling Investor Released Claims"); provided, however, that the foregoing release shall not release, impair or diminish, and the term "Selling Investor Released Claims" shall not include, in any respect (i) the Selling Investor's right pursuant to the Transaction Documents, including the right to receive its respective portion of the Merger Consideration; (ii) any Claims for indemnification, insurance benefits, reimbursement or advancement of expenses in such Selling Investor Releasing Party's capacity as a director, officer or employee of the Company under the Company's organizational documents or any indemnification agreement in effect as of the date hereof (or any fiduciary insurance policy maintained by the Company or the Surviving Corporation for the benefit of the Selling Investor, or any indemnification agreements with the Selling Investor or its board designee) with respect to any act, omission, event or transaction occurring prior to or contemporaneously with the Effective Time; or (iii) the rights of any Selling Investor Releasing Party in his or her capacity as an employee of the Company.

(b) Each Selling Investor Releasing Party represents and acknowledges that he, she or it has read this release and the Merger Agreement and other Transaction Documents and understands their terms and has been given sufficient opportunity to review this release and the Transaction Documents and to ask questions of the Company's Representatives. Each Selling Investor Releasing Party further represents that, in signing this release, he, she or it does not rely, and has not relied, on any representation or statement made by any Representative of the Company or any other Person with respect to the subject matter, basis or effect of this release or otherwise, except such express representations and warranties set forth in the Merger Agreement or this Agreement.

(c) Without limiting the generality of Section 22(a), with respect to the Selling Investor Released Claims, each Selling Investor Releasing Party acknowledges that he, she or it is familiar with Section 1542 of the Civil Code of the State of California ("Section 1542") and hereby expressly waives all rights under Section 1542 and any similar applicable Law or common law principle in any applicable jurisdiction prohibiting or restricting the waiver of unknown claims. Section 1542 reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

(d) Notwithstanding the provisions of Section 1542 or any similar applicable Law or common law principle in any applicable jurisdiction, each Selling Investor Releasing Party expressly acknowledges that the foregoing release is intended to include in its effect all Claims within the scope of such release which any Selling Investor Releasing Party does not know or suspect to exist in his, her or its favor against any of the Selling Investor Released Parties (including, without limitation, unknown and contingent Claims), and that the foregoing release expressly contemplates the extinguishment of all such Claims (except to the extent expressly set forth in this Section 22).

23. Miscellaneous and General.

(a) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented or otherwise modified with respect to any Selling Investor, except upon the execution and delivery of a written agreement executed by each of Parent and such Selling Investor. Any agreement on the part of any party to any waiver or any extension of time for performance shall be valid only if set forth in an instrument in writing signed on behalf of such party. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise herein provided, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable Law or equity, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

(b) Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (including by facsimile or by attachment to electronic mail in portable document format (PDF)), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

(c) Governing Law; WAIVER OF JURY TRIAL.

(i) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice or conflict of law provisions or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. All Actions arising out of or relating to this Agreement or the transactions contemplated hereby shall be heard and determined exclusively in the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware ((or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware, and, in each case, the appellate court(s) therefrom). The parties hereto hereby (A) irrevocably submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware ((or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware, and, in each case, the appellate court(s) therefrom) for the purpose of any Action arising out of or relating to this Agreement or the transactions contemplated hereby brought by any party hereto, (B) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the

Action is improper, or that this Agreement or the transactions contemplated hereby may not be enforced in or by the above-named courts, and (C) agree that such party will not bring any Action arising out of or relating to this Agreement or the transactions contemplated hereby in any court other than the Court of Chancery of the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware). Service of process, summons, notice or document to any party's address and in the manner set forth in Section 23(d) shall be effective service of process for any such action.

(ii) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS IN THIS SECTION 23(C)(II).

(d) Notices. Notices, requests, instructions or other documents to be given under this Agreement shall be in writing and shall be deemed given, (i) on the date sent by e-mail of a PDF document if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, (ii) when delivered, if delivered personally to the intended recipient, and (iii) one Business Day later, if sent by overnight delivery via a national courier service (providing proof of delivery), and in each case, addressed to a party at the following address for such party:

if to Parent:

Illumina, Inc.
5200 Illumina Way
San Diego, California 92122
Attention: Charles E. Dadswell, Senior Vice President and General Counsel
Telephone: 858-202-4500
Facsimile: 858-202-4545
Email: CDadswell@illumina.com
legalnotices@illumina.com

with copies to (which shall not constitute notice):

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Faiza J. Saeed, Esq.
Ting S. Chen, Esq.
Email: fsaeed@cravath.com
tchen@cravath.com

if to a Selling Investor, to such Selling Investor at the address corresponding to such Selling Investor's name on Schedule 1(b) with copies (which shall not constitute notice) to the Company (in accordance with Section 11.02 of the Merger Agreement) and to its counsel:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Attention: Alex W. Voxman, Esq.
Andrew Clark, Esq.
Email: alex.voxman@lw.com
andrew.clark@lw.com

Notice may be given to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above.

(e) Entire Agreement. This Agreement (including any Schedules hereto) and the Merger Agreement constitute the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties both written and oral, among the parties hereto, with respect to the subject matter hereof.

(f) Parties in Interest; No Third Party Beneficiaries. Subject to Section 23(i), and without relieving any party of any obligation hereunder, this Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns. This Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder.

(g) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (i) a suitable and equitable provision negotiated in good faith by the parties hereto shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not, subject to clause (i) above, be affected by such invalidity or unenforceability, except as a result of such substitution, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(h) Interpretation.

(i) The Section headings or captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the

provisions hereof. Where a reference in this Agreement is made to a Section or Schedule, such reference shall be to a Section of or Schedule to this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" when used in this Agreement is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any statute defined or referred to herein means such statute as from time to time amended, modified or supplemented, including by succession of comparable successor statutes. Any agreement or instrument defined or referred to herein includes all attachments thereto and instruments incorporated therein.

(ii) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(i) Assignment. This Agreement shall not be assignable by operation of law or otherwise without the prior written consent of each of the parties. Any purported assignment in contravention of the preceding sentence shall be null and void.

(j) Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense, whether or not the transactions contemplated by this Agreement or the Merger Agreement are consummated.

(k) Specific Performance. The parties hereto acknowledge and agree that irreparable damage would occur and that the parties would not have any adequate remedy at law if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that Parent shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof in any court referred to in Section 23(c), without proof of actual damages (and each party hereby waives any requirement for the security or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties further agree not to assert that a remedy of specific enforcement is an unenforceable, invalid, contrary to applicable Law or inequitable remedy for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy for any such breach or that Parent otherwise has an adequate remedy at law.

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

ILLUMINA, INC.

By: /S/ FRANCIS DESOUZA
Name: Francis deSouza
Title: President and Chief Executive Officer

[Parent Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

6 Dimensions Capital, L.P.

By: 6 Dimensions Capital GP, LLC
Its: General Partner

By: /s/ LEON CHEN
Name: Leon Chen
Title: Director

6 Dimensions Affiliates Fund, L.P.

By: 6 Dimensions Capital GP, LLC
Its: General Partner

By: /s/ LEON CHEN
Name: Leon Chen
Title: Director

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Absolute Partners Master Fund Limited

By: /s/ HENRY LI
Name: Henry Li
Title: Director

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Arch Venture Fund IX Overage, L.P.

By: ARCH Venture Partners IX Overage, L.P.
Its: General Partner

By: ARCH Venture Partners IX, LLC
Its: General Partner

By: /s/ MARK MCDONNELL
Name: Mark McDonnell
Title: Managing Director

Arch Venture Fund VIII, L.P.

By: ARCH Venture Partners VIII, L.P.
Its: General Partner

By: ARCH Venture Partners VIII, LLC
Its: General Partner

By: /s/ MARK MCDONNELL
Name: Mark McDonnell
Title: Managing Director

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ HAL BARRON
Hal Barron

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Biomatics Capital Partners, L.P.

By: /s/ BORIS NIKOLIC
Name: Boris Nikolic
Title: Managing Director

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ HANS BISHOP
Hans Bishop

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Bristol-Myers Squibb Company

By: /s/ DAVID ELKINS
Name: David Elkins
Title: Executive Vice President & CFO

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ BROOK BYERS
Brook Byers

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Celgene Switzerland LLC

By: /s/ DAVID ELKINS
Name: David Elkins
Title: Executive Vice President & CFO

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Creekstone Investment, LLC

By: /s/ PAUL DAUBER
Name: Paul Dauber
Title: Manager

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Decheng Capital China Life Sciences USD Fund I, L.P.

By its General Partner, Decheng Capital China Management I (Cayman)

By: /s/ XIANGMIN CUI
Name: Xiangmin Cui
Title: Managing Director

Decheng Capital China Life Sciences USD Fund II, L.P.
(as stockholder, and as Proxyholder for Denlux Diagnostics Invest Inc. and Denlux Capital Inc.)

By its General Partner,
Decheng Capital China Management II (Cayman)

By: /s/ XIANGMIN CUI
Name: Xiangmin Cui
Title: Managing Director

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Deepbay Holdings Ltd.

By: /s/ ALEXANDER WEST
Name: Alexander West
Title: Director

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Denlux Capital Inc.

By: /s/ XIANGMIN CUI
Name: Xiangmin Cui
Title: Managing Director

Denlux Diagnostics Invest Inc.

By: /s/ XIANGMIN CUI
Name: Xiangmin Cui
Title: Managing Director

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

The Duane Family Trust

By: /s/ CATHY FRIEDMAN
Name: Cathy Friedman
Title: Trustee

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Explore Investments LLC

By: /s/ PAUL DAUBER
Name: Paul Dauber
Title: Manager

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ KAYE FOSTER
Kaye Foster

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ CATHY FRIEDMAN
Cathy Friedman

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ MAYKIN HO
Maykin Ho

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Huber Family QTIP Trust U/A/D 09/19/2012

By: /S/ JEFF HUBER
Name: Jeff Huber
Title: Manager

Huber Vossough 2020 GRAT U/A/D 08/18//2020

By: /S/ JEFF HUBER
Name: Jeff Huber
Title: Manager

Maywood Trust U/A/D 09/19/2012

By: /S/ JEFF HUBER
Name: Jeff Huber
Title: Manager

The Jeffrey T. Huber 2018 Grantor Retained Annuity Trust U/A/D 3/12/2018

By: /S/ JEFF HUBER
Name: Jeff Huber
Title: Manager

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Illumina, Inc.

By: /s/ FRANCIS DESOUZA
Name: Francis deSouza
Title: President & CEO

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Johnson & Johnson UK Treasury Company Limited

By: /s/ LUC FREYNE
Name: Luc Freyne
Title: Director

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ KWAN CHEE CHAN
Kwan Chee Chan

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Madrone Opportunity Fund, L.P.

By: Madrone Capital Partners, LLC
Its: General Partner

By: /s/ GREG PENNER
Name: Greg Penner
Title: Manager

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Merck Sharp & Dohme Corp.

By: /s/ BENJAMIN THORNER
Name: Benjamin Thorner
Title: SVP & Head of BD&L, MRL

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Milky Way Investments Group Limited

By: /s/ DESPOINA ZINONOS
Name: Despoina Zinonos
Title: President

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Rainbow Horizon Limited

By: /s/ Jackson Law
Name: Jackson Law
Title: Managing Partner

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ WILLIAM RASTETTER
William Rastetter

The Rastetter Family Trust DTD Sept. 2, 2010,
William and Marisa Rastetter, Trustees

By: /s/ WILLIAM RASTETTER
Name: William Rastetter
Title: Trustee

By: /s/ MARISA RASTETTER
Name: Marisa Rastetter
Title: Trsutee

The Investment 2002 Trust dated
November 11, 2002

By: /s/ WILLIAM RASTETTER
Name: William Rastetter
Title: Chairman, Neurocrine

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Sutter Hill Associates, LLC, a California limited liability company

By: /s/ JEFF BIRD

Name: Jeff Bird
Title: Managing Director, Sutter Hill Ventures

Sutter Hill Ventures, a California Limited Partnership

By: /s/ JEFF BIRD

Name: Jeff Bird
Title: Managing Director, Sutter Hill Ventures

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

/s/ WAI KWUN ROSSA CHIU
Wai Kwun Rossa Chiu

Schedule 1(b)

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

Waycross Ventures, LLC

By: /s/ BROOK BYERS
Name: Brook Byers
Title: Managing Partner

Schedule 1(b)

[Selling Investor Signature Page to Selling Investor Support Agreement]

Schedule 1(b)

Selling Investor	Class A Common Stock	Class B Common Stock	Series A Preferred Stock	Series B Preferred Stock	Series C Preferred Stock	Series D Preferred Stock	Restricted Stock Units	Company Stock Options

Exhibit A

[Form of] Written Consent

CONSENT
OF THE PREFERRED STOCKHOLDERS
AND CLASS A COMMON STOCKHOLDERS
OF GRAIL, INC.

The undersigned (the "Selling Investors"), being the holders of a majority of the shares of Class A Common Stock, par value $0.001 per share (the "Company Class A Common Stock"), of GRAIL, Inc., a Delaware corporation (the "Company"), issuable or previously issued upon conversion of the shares of the Company's Series A Preferred Stock, par value $0.001 per share, Series B Preferred Stock, par value $0.001 per share, Series C Preferred Stock, par value $0.001 per share, and Series D Preferred Stock, par value $0.001 per share (collectively, the "Company Preferred Stock"), hereby consent to, adopt and approve the following resolutions and each and every action effected thereby:

WHEREAS, the Company, Illumina, Inc., a Delaware corporation ("Parent"), SDG Ops, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("First Merger Sub"), and SDG Ops, LLC, a Delaware limited liability company and wholly owned subsidiary of Parent ("Second Merger Sub"), have entered into an Agreement and Plan of Merger dated as of September 20, 2020 (as it may be amended from time to time, the "Merger Agreement"; capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Merger Agreement), which provides for, among other things, the merger of First Merger Sub with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Corporation") (the "First Merger"), and immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation will merge with and into Second Merger Sub, with Second Merger Sub being the surviving company of the Second Merger (the "Second Merger" and, together with the First Merger, the "Mergers"), and pursuant to which all shares of Company Stock issued and outstanding immediately prior to the Effective Time (other than as provided in Section 2.04(c) of the Merger Agreement and Appraisal Shares) will be converted into the right to receive the Merger Consideration;

WHEREAS, each Selling Investor holds and is entitled to vote (or direct the voting of) the number of shares of Company Preferred Stock set forth opposite such Selling Investor's name on Schedule 1 attached hereto, collectively constituting a majority of the shares of Company Class A Common Stock issuable or previously issued upon conversion of the shares of Company Preferred Stock;

WHEREAS, each Selling Investor is a party to the Amended and Restated Voting Agreement dated as of November 27, 2019 (the "Voting Agreement"), by and among the Company and the Voting Agreement Parties thereto, as amended by Amendment No. 1 to the Voting Agreement dated as of April 17, 2020, by and among the Company and the Voting Agreement Parties thereto, and Amendment No. 2 to the Voting Agreement dated as of May 11, 2020, by and among the Company and the Voting Agreement Parties thereto;

WHEREAS, Section 2.2 of the Voting Agreement provides that, in the event that each of (a) the Company Board and (b) the holders of a majority of the shares of Company Class A Common Stock then issuable or previously issued upon conversion of the shares of Company Preferred Stock approves a Sale of the Company (as defined therein) in writing, specifying that Section 2 of the Voting Agreement shall apply to such transaction, then each Voting Agreement Party shall be obligated to vote all shares of Company Stock held by such Voting Agreement Party in favor of, and adopt, such Sale of the Company and take such other actions as set forth in Section 2 of the Voting Agreement;

WHEREAS, the Company Board has approved the Transactions in writing as a Sale of the Company pursuant to Section 2.2 of the Voting Agreement and has specified that Section 2 of the Voting Agreement shall apply to the Transactions;

WHEREAS, in connection with the Transactions, each Selling Investor has entered into the Selling Investor Support Agreement, dated as of [•], by and among Parent and certain other stockholders of the Company party thereto (the "Selling Investor Support Agreement"), pursuant to which, among other things, each Selling Investor has agreed to vote or execute and deliver consents with respect to all shares of Company Stock held by such Selling Investor in accordance with the terms of the Selling Investor Support Agreement; and

WHEREAS, each Selling Investor desires, pursuant to Section 2.2 of the Voting Agreement, to approve the Transactions as a Sale of Company and to specify that the Drag-Along apply to the Transactions, including the Mergers.

NOW, THEREFORE, BE IT

RESOLVED, that the Merger Agreement and the Transactions, including the Mergers, are and each hereby is, approved, authorized and confirmed in all respects for purposes of Section 2.2(ii) of the Voting Agreement; and be it further

RESOLVED, that the Transactions constitute, and are hereby approved as, a Sale of the Company pursuant to Section 2.2 of the Voting Agreement and that Section 2 of the Voting Agreement applies to the Transactions; and be it further

RESOLVED, that the exercise of the Drag-Along pursuant to Section 2.2 of the Voting Agreement in connection with the Transactions is approved, authorized and confirmed in all respects; and be it further

RESOLVED, that each Voting Agreement Party shall be (x) notified of its obligation to (i) vote all shares of Company Stock held by such Voting Agreement Party in favor of, and adopt, the Merger Agreement and the Transactions, including the Mergers, by executing a written consent in the form attached hereto as Exhibit A and delivering such written consent to the Company after the Registration Statement is declared effective by the SEC as specified in the Consent Solicitation Statement, (ii) vote against any and all proposals that could delay or impair the ability of the Company to consummate the Transactions, including the Mergers, and (iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable law (including, without limitation, appraisal rights pursuant to Section 262 of the General Corporation Law of the State of Delaware) with respect to the Transactions, including the Mergers, and (y) requested to execute and deliver the Support Agreement as promptly as practicable following the date hereof, pursuant to Section 2.2(c) of the Voting Agreement (provided, however, that the foregoing shall not require or be construed so as to require any Voting Agreement Party to vote the shares of Common Stock held by such Voting Agreement Party in favor of any stockholder vote to approve "parachute payments" (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder) solicited in connection with the Transaction); and be it further

RESOLVED, that promptly after the Registration Statement (which shall include the Consent Solicitation Statement) is declared effective by the SEC, each Selling Investor will execute and deliver, or cause to be delivered, a written consent in the form attached hereto as Exhibit A pursuant to and in accordance with the Selling Investor Support Agreement; and be it further

RESOLVED, that, pursuant to Section 3.2 of the Voting Agreement, Parent be, and hereby is, appointed as the Selling Investors' designee to hold and have the sole power to exercise the proxy and power of attorney contemplated by Section 3.2 of the Voting Agreement in connection with the Transactions, which designation shall not be revoked or rescinded prior to the earlier of the Effective Time or the termination of the Merger Agreement in accordance with its terms.

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

[Selling Investor]

By: _____
Name:
Title:

[Signature Page to Drag-Along Consent]

Schedule 1

Exhibit A

[Form of] Written Consent

EXHIBIT C

FORM OF

CONTINGENT VALUE RIGHTS AGREEMENT[1]

by and among

ILLUMINA, INC.,

[TRUSTEE]

and

[HOLDER REPRESENTATIVE]

Dated as of [•]

[1] Subject to review by trustee and Holder Representative.

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Note: This Table of Contents shall not, for any purpose, be deemed to be a part of this CVR Agreement.

Reconciliation and tie between Trust Indenture Act of 1939 and Contingent Value Rights Agreement, dated as of [•].

Trust Indenture Act Section	**Agreement Section**
Section 310(a)(1)	3.8
(a)(2)	3.8
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(a)(5)	3.8
(b)	3.7, 3.9
Section 311(a)	3.12
(b)	3.12
Section 312(a)	4.1, 4.2(a)
(b)	4.2(b)
(c)	4.2(c)
Section 313(a)	4.3(a)
(b)	4.3(a)
(c)	4.3(a)
(d)	4.3(b)
Section 314(a)	4.4
(b)	Not Applicable
(c)(1)	1.2(a)
(c)(2)	1.2(a)
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.2(b)
Section 315(a)	3.1(a), 3.1(b)
(b)	7.11
(c)	3.1(a)
(d)	3.1(c)
(d)(1)	3.1(a), 3.1(b)
(d)(2)	3.1(c)(ii)
(d)(3)	3.1(c)(iii)
(e)	7.12
Section 316(a)(last sentence)	1.1 (Definition of “Outstanding”)
(a)(1)(A)	7.9
(a)(1)(B)	7.10
(a)(2)	Not Applicable
(b)	7.7
Section 317(a)(1)	7.2
(a)(2)	7.2
(b)	6.3
Section 318(a)	1.7

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of this CVR Agreement.

THIS CONTINGENT VALUE RIGHTS AGREEMENT, dated as of [•] (this "CVR Agreement"), by and among Illumina, Inc., a Delaware corporation (the "Parent"), [•], a national banking association, as Trustee (the "Trustee"), and [•], a [•], as Holder Representative (the "Holder Representative"), in favor of each person who from time to time holds one or more Contingent Value Rights (the "CVRs" and, each individually, a "CVR") to receive cash payments in the amounts and subject to the terms and conditions set forth herein.

W I T N E S S E T H:

WHEREAS, this CVR Agreement is entered into pursuant to the Agreement and Plan of Merger, dated as of September 20, 2020 (as amended prior to the effective time thereof, the "Merger Agreement"), by and among Parent, SDG Ops, Inc., a Delaware corporation and direct, wholly owned Subsidiary of Parent ("First Merger Sub"), SDG Ops, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Parent ("Second Merger Sub"), and GRAIL, Inc., a Delaware corporation (the "Company");

WHEREAS, pursuant to the Merger Agreement, Parent, First Merger Sub, Second Merger Sub and the Company have agreed to enter into a business combination transaction pursuant to which (a) First Merger Sub will merge with and into the Company (the "First Merger"), with the Company being the surviving corporation (the Company, in its capacity as the surviving corporation of the First Merger, is sometimes referred to as the "Surviving Corporation"), and (b) immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation will merge with and into the Second Merger Sub (the "Second Merger" and, together with the First Merger, the "Mergers"), with Second Merger Sub being the surviving company of the Second Merger (Second Merger Sub, in its capacity as the surviving company of the Second Merger, is sometimes referred to as the "Surviving Entity" or the Company); and

WHEREAS, the CVRs shall be issued in accordance with and pursuant to the terms and conditions of the Merger Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the consummation of the transactions contemplated by the Merger Agreement, it is covenanted and agreed, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. For all purposes of this CVR Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article 1 have the meanings assigned to them in this Article 1, and include the plural as well as the singular;

(b) all accounting terms used herein and not expressly defined herein shall, except as otherwise noted, have the meanings assigned to such terms in accordance with applicable Accounting Standards, where "Accounting Standards" means GAAP;

(c) all capitalized terms used in this CVR Agreement without definition shall have the respective meanings ascribed to them in the Merger Agreement;

(d) all other terms used herein which are defined in the Trust Indenture Act (as defined herein), either directly or by reference therein, have the respective meanings assigned to them therein;

(e) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this CVR Agreement as a whole and not to any particular Article, Section or other subdivision; and

(f) the words "include," "includes" or "including" are deemed to be followed by the words "without limitation".

"Affiliate" of a Person means a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

"Applicable Percentage" means, as of a specified date, (a) a percentage equal to 30% (measured by the projected Covered Revenues of Applicable Products of Parent and its Subsidiaries for the period from such specified date through the End Date) less (b) the percentage of projected Covered Revenues of Applicable Products of Parent and its Subsidiaries that have been sold, transferred, conveyed, leased, exclusively licensed (or licensed pursuant to another licensing arrangement or arrangements involving Intellectual Property that operate to transfer a substantial portion of the value of such Intellectual Property) or otherwise disposed of in connection with prior Minority Transactions (measured in accordance with immediately foregoing clause (a) as of the date of such Disposition).

"Applicable Products" means the Products referred to in clauses (a), (b) and (e) of the definition of Covered Revenues. If a Product that was a Bundled Product or Service ceases to be a Bundled Product or Service, then effective as of the date on which such Product ceases to be a Bundled Product or Service, it will not be an Applicable Product for any purpose under this CVR Agreement for so long as it is not a Bundled Product or Service and does not and would not generate Covered Revenues on a standalone basis.

"Board of Directors" means the board of directors of Parent or any other body performing similar functions, or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of Parent, to have been duly adopted by the Board of Directors or a written consent signed by the requisite directors serving on the Board of Directors and, in either case, that is in full force and effect on the date of such certification, and delivered to the Trustee.

"Bundled Product or Service" means any Product or Service of Parent and its Subsidiaries included within Covered Revenues as a result of the application of the final sentence of the definition of "Field" and does not generate Covered Revenues on a standalone basis.

"Business Day" means any day on which banks are not required or authorized to close in the City of New York.

"Commencement Date" means the later of (a) the Closing Date and (b) (i) the date that the Company's Galleri early detection test first becomes commercially available in the United States as a laboratory developed test, based on the date of any press release or other public announcement related to such event, or (ii) such earlier date (on or after the Closing Date) that the Holder Representative specifies in writing to Parent upon five days' prior notice; provided that in any event the Commencement Date shall be no later than December 31, 2022.

"Confidential Information" shall have the meaning set forth in Section 6.8 of this CVR Agreement.

"Consideration" means (a) the total value of all cash, securities and other property paid or payable, directly or indirectly, by a purchaser to Parent or its Subsidiaries in connection with a transaction, plus, without duplication, (b) the aggregate principal amount of all indebtedness for borrowed money (including capitalized leases and preferred equity obligations) of Parent or its Subsidiaries, directly or indirectly, assumed by the transferee or acquiror in such transaction or refinanced (including any premiums paid) or extinguished by the transferee or acquiror in connection with such transaction. If any portion of Consideration is subject to increase by payments related to future events contingent or otherwise (including amounts paid into escrow), then the amount of such Consideration will be calculated based on the present value of such payments as mutually agreed upon in good faith by Parent and the Holder Representative. Non-cash consideration consisting of publicly traded securities shall be valued as set forth in the definitive agreement for the transaction or, if not so specified, at the average of their closing prices for the five trading days immediately prior to the closing of the transaction and any other non-cash consideration shall be valued at the fair market value thereof as determined in good faith by Parent and the Holder Representative.

"control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise.

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of execution of this CVR Agreement is located at [•].

"Covered Products and Services" means the Products and Services referred to in clauses (a) and (b) of the definition of Covered Revenues, the Samples referred to in clause (d) of the definition of Covered Revenues and the Products, Services and Data referred to in the definition of "Sale of Data" referenced in clause (e) of the definition of "Covered Revenues". If a Product or Service that was a Bundled Product or Service ceases to be a Bundled Product or Service, then effective as of the date on which such Product or Service ceases to be a Bundled Product or Service, it will not be a Covered Product and Service for any purpose under this CVR Agreement for so long as it is not a Bundled Product or Service and does not and would not generate Covered Revenues on a standalone basis.

"Covered Revenues" means, for any Covered Revenues Measuring Period or any Threshold Measuring Period (including, for the avoidance of doubt, the First Threshold Measuring Period and the Final Threshold Measuring Period), without duplication:

(a) Net Sales of any Products or Services designed and Sold for use in the Field, in each case utilizing any Methylation-based Technology, whether in whole or in part; plus

(b) Net Sales of the Minimal Residual Disease Test for Therapy Selection; plus

(c) Other Covered Revenue of Parent and its Subsidiaries on a consolidated basis; plus

(d) other revenue of Parent and its Subsidiaries on a consolidated basis in connection with the use or license of Samples, and Net Sales of Samples, in each case for any purpose so long as such Samples were generated or collected by the Company or its Subsidiaries or (following the Closing) Parent or its Subsidiaries from activities within the Field; plus

(e) Net Sales from the Sale of Data; plus

(f) the portion of the Consideration attributable to the Applicable Products or any other assets or rights, including Intellectual Property, Data, and Samples, in each case that generate Covered Revenues (other than in connection with a Specified Asset Sale), in each case Disposed of in a Minority Transaction; less

(g) any Permitted Deductions to the extent not already deducted in calculating any of the foregoing clauses (a) through (f);

provided that Covered Revenues shall exclude payments received in the form of grants for research from governmental entities or non-profit organizations. Notwithstanding anything to the contrary set forth herein, Covered Revenues shall exclude in all cases any revenue of Parent and its Subsidiaries to the extent generated from (A) Parent's and its Subsidiaries' general purpose instruments and reagents used for nucleic acid clustering and sequencing-by-synthesis or (B) Parent's and its Subsidiaries' general purpose analysis software for DNA base calling and sequence alignment.

For the avoidance of doubt, any dollar of revenue that is included within the calculation of Covered Revenues shall only be counted once for purposes of calculating Covered Revenues under this CVR Agreement. For example, if a Product is Sold to a non-wholly owned Subsidiary and included in the calculation of Net Sales, including subject to clauses 2 and 3 of the definition of Net Sales, a Sale of such Product by such non-wholly owned Subsidiary to a third party shall only be included in the calculation of Net Sales for the purpose of the calculation of Covered Revenues to the extent the Net Sales in such second transaction exceeds the Net Sales included in Covered Revenues in the first transaction.

Notwithstanding the foregoing, in the event that Parent or any Subsidiary of Parent directly or indirectly, by a sale or swap of assets or other rights, merger, reorganization, joint venture, lease, license or any other transaction or arrangement, sells, transfers, conveys, licenses or otherwise disposes of their respective rights in and to the business of Parent and its Subsidiaries that would generate Covered Revenues after the Closing Date and prior to the Commencement Date, the Consideration received in connection with such sale or swap of assets or other rights, merger, reorganization, joint venture, lease, license or any other transaction or arrangement attributable to the business of Parent and its Subsidiaries that would generate Covered Revenues shall be included in Covered Revenues in the First Threshold Measuring Period.

"Covered Revenues Measuring Period" means each fiscal quarter of Parent during the Covered Revenues Term; provided that (a) if the Commencement Date does not fall on the first day of Parent's fiscal quarter, the first Covered Revenues Measuring Period shall commence on the Commencement Date and end on the last day of Parent's fiscal quarter during which the Commencement Date falls and (b) the final Covered Revenues Measuring Period shall end on the End Date.

"Covered Revenues Payment" means, subject to any reductions pursuant to Sections 6.5(a) or 6.5(b), (I) (x) with respect to any Covered Revenues Measuring Period within a Threshold Measuring Period (other than the First Threshold Measuring Period and the Final Threshold Measuring Period), an amount equal to (i) for any Covered Revenues recognized in the applicable Threshold Measuring Period up to and including $1,000,000,000, 2.5% of such Covered Revenues for such Covered Revenues Measuring Period plus (ii) for any Covered Revenues recognized in the applicable Threshold Measuring Period in excess of $1,000,000,000, 9.0% of such Covered Revenues recognized in such Covered Revenues Measuring Period and (y) with respect to any Covered Revenues Measuring Period within the First Threshold Measuring Period or the Final Threshold Measuring Period, an amount equal to (i) for any Covered Revenues recognized in the applicable Threshold Measuring Period up to and including amount equal to $2,737,850.79 multiplied by the total number of days in such Threshold Measuring Period, 2.5% of such Covered Revenues recognized in such Covered Revenues Measuring Period plus (ii) for any Covered Revenues recognized in the applicable Threshold Measuring Period in excess of an amount equal

to $2,737,850.79 multiplied by the number of days in such Threshold Measuring Period, 9.0% of such Covered Revenues recognized in such Covered Revenues Measuring Period, in the case of each of (x) and (y), multiplied by (II) a fraction, the numerator of which is the aggregate number of CVRs Outstanding as of the applicable Covered Revenues Payment Date, and the denominator of which is the Total Equity Count; provided that in no event will any Covered Revenues Payment become payable on account of Covered Revenues recognized in the period after the End Date; provided, further, that if Parent or any of its Subsidiaries enters into an agreement (including any license, settlement, covenant not to sue or other similar agreement and including any agreement with collaboration, licensing, asset sale, intellectual property enforcement or other similar terms) that requires payment to a third party for any significant know how, trade secrets, patents or other Intellectual Property after the Closing Date that is utilized to generate any Covered Revenue ("Specified Covered Revenue"), 9.0% of the amounts payable under such agreement shall be deducted from the Covered Revenues Payments payable in respect of Specified Covered Revenue under clauses (x)(ii) and (y)(ii) above, provided that the total amount deducted shall not exceed 1.0% of all Covered Revenues for which Covered Revenues Payments are payable under clauses (x)(ii) and (y)(ii) above (i.e., in no event will a Covered Revenues Payment with respect to a Covered Revenues Measuring Period under clauses (x)(ii) and/or (y)(ii) above be less than 8.0% of Covered Revenues recognized in the applicable Threshold Measuring Period).

"Covered Revenues Payment Date" means the 15th day after the date Parent is required to provide the Covered Revenues Statement pursuant to Section 4.4(b) for the Covered Revenues Measuring Period in respect of which a Covered Revenues Payment is due.

"Covered Revenues Statement" means, with respect to each Covered Revenues Measuring Period, the written statement of Parent, certified by the Chief Financial Officer of Parent and setting forth the calculation of the Covered Revenues Payment due, if any, and identifying any Covered Product and Service, if applicable, in respect of the applicable Covered Revenues Measuring Period in accordance with this CVR Agreement, including (a) for any Covered Products and Services for all countries in the aggregate, (x) the aggregate gross amount invoiced or otherwise charged for the sale and distribution of such Covered Products and Services by Parent and its Subsidiaries to third parties (other than Parent or its Affiliates) during the applicable period and (y) an itemized calculation of Net Sales for such Covered Products and Services showing deductions for such Covered Revenues Measuring Period provided for in accordance with the definition of Net Sales and (b) to the extent that any Covered Revenue for an applicable period is recorded in currencies other than United States dollars, the exchange rates used for conversion of such foreign currency into United States dollars.

"Covered Revenues Term" means the period beginning on the Commencement Date and ending on the End Date.

"CVR" and "CVRs" shall have the meaning set forth in the Preamble of this CVR Agreement.

"CVR Agreement" means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

"CVR Certificate" means a certificate representing any of the CVRs.

"CVR Register" shall have the meaning set forth in Section 2.6(a) of this CVR Agreement.

"CVR Shortfall" shall have the meaning set forth in Section 6.5(e) of this CVR Agreement.

"Data" means any data, metadata or information in any form whatsoever (including computational data, validation data, genomics data, genotype data, phenotype data, sequencing data, assay and related data, epigenomics data (including methylation data), other -omics data (including proteomics, metabolomics and transcriptomics data), data generated or derived from biological samples, in vitro and in vivo data, stability data, other study data, nonclinical and clinical data (including preclinical and clinical broad data sets, and safety databases), business and commercial data, manufacturing data, and regulatory data), whether or not raw, processed, analyzed, compiled, aggregated, organized, preliminary or final, technical, scientific, in hard copy or electronic form or in a database to the extent generated, created, aggregated or collected from or in the course of: (i) any Parent or Company research, development, clinical study, regulatory, manufacturing or commercial activities; or (ii) other activities or sources, including (a) knowledge, know-how, trade secrets, practices, procedures, methods (including any applicable reference standards), processes, expertise, techniques, methods, results, inventions (whether or not patentable), developments, specifications, formulations, formulae, materials or compositions of matter, (b) software, algorithms, blueprints, marketing reports, or engineering reports; or (c) nonclinical and clinical results (including pharmacological, biological, chemical, biochemical, toxicological, pharmaceutical, physical, analytical preclinical and clinical study and investigator reports, statistical analyses, expert opinions and reports).

"Default Interest Rate" means a rate equal to the sum of 3.0% plus the prime rate of interest quoted in the Money Rates section of *The Wall Street Journal*, or similar reputable data source, calculated daily on the basis of a 365-day year or, if lower, the highest rate permitted under applicable Law.

"Diligent Efforts" means, with respect to any Product or Service, efforts of a Person to perform diligently its obligations using such effort and employing such resources normally used by such Person in the exercise of its commercially reasonable business discretion relating to the research, development or commercialization of a Product or Service, that is of similar market potential at a similar stage in its development or product life, taking into account issues of market exclusivity (including patent coverage, regulatory and other exclusivity), safety and efficacy, product profile, the competitiveness of alternate Products or Services in the marketplace or under development, the launch or Sales of a similar Product or Service by such Person or third parties, the regulatory structure involved and likelihood of obtaining regulatory approval or clearance, the profitability of the applicable Product or Service (including pricing and reimbursement status achieved) and other relevant factors, including technical, commercial, legal, scientific and/or medical factors. Factors beyond the reasonable control of a Person, including regulatory delays, safety findings, unforeseen technical challenges, the failure of a Product or Service to meet necessary scientific or regulatory endpoints, and force majeure events shall be taken into account when evaluating whether a Person's efforts hereunder constitute Diligent Efforts.

"Disposition" means any, direct or indirect, sale or swap of assets or other rights, merger, reorganization, joint venture, lease, exclusive license (or another licensing arrangement or arrangements involving Intellectual Property that operate to transfer a substantial portion of the value of such Intellectual Property) or any other transaction or arrangement or series of related transactions or arrangements entered into by Parent or any of its Subsidiaries to sell, transfer, convey, lease, exclusively license (or license pursuant to another licensing arrangement or arrangements involving Intellectual Property that operate to transfer a substantial portion of the value of such Intellectual Property) or otherwise dispose of its or their respective rights in and to applicable assets.

"End Date" means the date that is 12 years after the Commencement Date.

"Event of Default" shall have the meaning set forth in Section 7.1 of this CVR Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder.

"Exchange Act Documents" shall have the meaning set forth in Section 4.4(a) of this CVR Agreement.

"Existing IP" means the Company's know-how or other Intellectual Property as in existence as of the Closing Date, including all modifications, derivations, continuations, and improvements thereto following the Closing Date.

"Existing Products" means all Products referred to in clauses (a), (b) and (e) in the definition of Covered Revenues as in existence as of the Closing Date, to the extent regulatory approval and clearance is applicable, including Galleri multi-cancer early detection test, DAC diagnostic aid for cancer test and the Minimal Residual Disease Test.

"Field" means (i) detection, screening or diagnosis of or for cancer or nonalcoholic steatohepatitis ("NASH") in all populations, including through use of the Company's Galleri multi-cancer early detection test and/or DAC diagnostic aid for cancer test, and/or (ii) surveillance or monitoring of individuals with or suspected of cancer or NASH in order to determine the probability of whether an individual likely has cancer or NASH, disease prognosis, risk assessment, staging, monitoring of such disease, progression or recurrence, including through use of the Company's Minimal Residual Disease Test. For the avoidance of doubt, the Field excludes (i) applications, Products and Services to the extent consisting solely of Therapy Selection and (ii) any Products of Parent or its Subsidiaries in existence as of the Closing Date and improvements, future versions, iterations and natural extensions thereof (including the TruSight Oncology 500 Product ("TSO500")) used for solely Therapy Selection. If a Product or Service utilizing any Methylation-based Technology, whether in whole or in part (including any Product or Service of Parent or its Subsidiaries in existence as of the Closing Date (including TSO500)) is used for an application in the Field alone and/or also Therapy Selection, it shall be included in its entirety in the calculation of Covered Revenues. If a Product or Service utilizing any Methylation-based Technology, whether in whole or in part (including Products or Services of Parent or its Subsidiaries in existence as of the Closing Date (including TSO500)), is bundled, combined or Sold together with another Product or Service, regardless of whether such other Product or Service utilizes any Methylation-based Technology (including Products of Parent or its Subsidiaries in existence as of the Closing Date (including TSO500)) for an application in the Field alone and/or also Therapy Selection, such bundled or combined Product or Service shall be deemed included within the Field and included in its entirety in the calculation of Covered Revenues.

"Final Threshold Measuring Period" means the final Threshold Measuring Period of the Covered Revenues Term.

"First Merger" shall have the meaning set forth in the Recitals of this CVR Agreement.

"First Merger Sub" shall have the meaning set forth in the Recitals of this CVR Agreement.

"First Threshold Measuring Period" means the first Threshold Measuring Period of the Covered Revenues Term.

"GAAP" means United States generally accepted accounting principles in effect from time to time, applied consistently by the Company in the preparation of its financial statements throughout the periods involved.

"Governmental Authority" means any federal, national, foreign, supranational, state, provincial, county, local or other government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any court, tribunal, or judicial or arbitral body of competent jurisdiction.

"Holder" means a Person in whose name a CVR is registered in the CVR Register.

"Holder Representative" means the Person identified in the preamble of this CVR Agreement, who shall initially be the representative of the Holders appointed in accordance with Article X of the Merger Agreement, as such representative may be replaced from time to time by the request of the Majority Holders upon such Holders' written notice to the then current Holder Representative, Parent and Trustee and subject to the prior written consent of Parent (not to be unreasonably withheld, conditioned or delayed).

"Independent Accountant" shall have the meaning set forth in Section 6.5(a) of this CVR Agreement.

"Intellectual Property" means all worldwide rights in or to (a) patents and patent applications, including, in each case, any provisionals, substitutions, divisionals, continuations, continuations-in-part, re-examinations, renewals, extensions, reissues, and equivalents thereof in any jurisdiction, (b) copyrightable works (including copyrights in Software), whether published or unpublished and copyright registrations, applications for registration, and extensions thereof and (c) trade secrets and other proprietary information, whether or not patentable, including inventions, discoveries, prototypes and Data.

"Law" means any federal, state, local, national, supranational, foreign or administrative law (including common law), statute, ordinance, regulation, requirement, rule, code or Order.

"Majority Holders" means, at the time of determination, Holders (other than Parent and its Affiliates and their respective successors) of at least a majority of the Outstanding CVRs held by Holders (other than Parent and its Affiliates and their respective successors).

"Merger Agreement" shall have the meaning set forth in the Recitals of this CVR Agreement.

"Mergers" shall have the meaning set forth in the Recitals of this CVR Agreement.

"Methylation-based Technology" means detection or assessment of methylation status at one or more genomic locations derived from a Sample by methylation-aware methods, including sequencing-based methods for assessment of methylation status of nucleic acid molecules. Methylation-based Technology includes reagents, protocols and methods for extraction, chemical (including bisulfite treatment) or enzymatic conversion, DNA library preparation or reagents for use with any methylation-aware method, enrichment kits, panels and/or methods for the enrichment of nucleic acids derived from one or more differentially methylated genomic regions informative for determining presence of disease or tissue of origin, and analysis software including for example, bioinformatics, pipelines, machine learning, algorithms and classifiers, for determining methylation status at one or more genomic locations, detecting presence of a disease state, type of disease, disease burden, or disease tissue of origin based on methylation status at one or more genomic regions, and any clinical implications thereof.

"Minimal Residual Disease Test" means the Company's or any of its Subsidiaries' Products utilizing Methylation-based Technology, whether in whole or in part, including wet lab, software analysis and bioinformatics pipeline, classifier and machine learning and components thereof (including all improvements, future versions, iterations and natural extensions thereto and thereof) for detection of residual disease in cancer patients following initial diagnosis.

"Minority Transaction" means any bona fide Disposition of (a) the rights in and to any Applicable Products of Parent and its Subsidiaries that generated less than the Applicable Percentage as of the consummation of such transaction, or (b) any immaterial non-Product assets, in each case, to any third party. Notwithstanding the foregoing, for purposes of the immediately preceding clause (a), no Disposition

(or series of related Dispositions) of Applicable Products of Parent or its Subsidiaries that would cause the Applicable Percentage to be less than 10%, or during any period that the Applicable Percentage is less than 10%, shall be a Minority Transaction under such clause (a) if such Disposition would cause the Applicable Percentage to decrease by 5% or more, unless the Holder Representative provides its prior written consent to treat such Disposition as a Minority Transaction. For purposes of clarification, a Minority Transaction shall not include (A) Sales of Products or Services made by Parent or its wholly owned Subsidiaries or (B) ordinary course licensing arrangements between Parent and its Subsidiaries, on the one hand, and third party licensees, on the other hand, in each case of clauses (A) and (B) in the ordinary course of business and which are taken into account in the calculation of Net Sales in accordance with the terms of this CVR Agreement. The Disposition of assets that are ancillary to and are not required for the generation of Covered Revenues (e.g., real property) shall not be a Minority Transaction; provided, however, Covered Products and Services, Data described in the definition of "Sale of Data", Samples described in clause (d) of the definition of "Covered Revenues", and any assets in the Field utilizing Existing IP (and, in each case, any rights therein) and/or any assets that are integral thereto shall not be deemed or considered ancillary for this purpose.

"Net Sales" means the gross amount invoiced or otherwise charged by Parent and its Subsidiaries for Sales of Covered Products and Services, less Permitted Deductions to the extent actually taken or incurred and separately accounted for in the invoice with respect to such Sale, in each case, in accordance with standard allocation procedures, allowance methodologies, and accounting methods consistently applied in accordance with GAAP at the time in question (except as otherwise expressly provided below):

For clarity, no deductions shall be made for sales commissions. For purposes of calculating Covered Revenue for a Covered Product or Service in question, a Sale will be deemed to occur upon the Company and/or Parent and/or its Subsidiaries invoicing or otherwise charging the customer for the Covered Product or Service in question.

Notwithstanding the foregoing, Net Sales shall be calculated as follows under the following circumstances:

(1) Products and Services provided to third parties without charge in connection with (x) research and development or clinical trials in the ordinary course of business provided without charge (provided that neither Parent nor any of its Subsidiaries provide such Products or Services for the purpose of receiving revenue related or unrelated to the Products or Services provided (other than Covered Revenues) and Parent and its Subsidiaries act in good faith in connection therewith) (y) compassionate use, humanitarian and charitable donations, or indigent programs or for use as samples (in accordance with applicable Law) shall be excluded from the computation of Net Sales.

(2) Parent's or its Subsidiary's Sale of Covered Products or Services to a wholly owned Subsidiary of Parent shall be excluded from the computation of Net Sales unless such Product or Service (i) is thereafter sold to a third party, provided, however, that in such event, Net Sales will be calculated on the gross amount invoiced or otherwise charged to such third party on an arm's-length basis, or (ii) is used or distributed to a wholly owned Subsidiary of Parent in connection with any Plan of Parent or any of its Subsidiaries.

(3) If (i) a Covered Product or Service is Sold in a manner that is not an arm's-length transaction, (ii) a Covered Product or Service is provided to a Subsidiary in connection with any Plan of Parent or any Subsidiary of Parent, or (iii) a Covered Product or Service is Sold in-kind or for non-cash consideration, Net Sales for such Covered Product or Service will equal the average for such Covered Product or Service in the applicable country during the preceding calendar quarter. If there is not sufficient information available to determine such average Net Sales price,

the Holder Representative and the Parent will negotiate in good faith and mutually agree upon the Net Sales value, taking into consideration the fair market value of such Covered Product or Service and the Net Sales of similar Covered Products or Services in similar countries (provided that if Parent and the Holder Representative are unable to agree on such Net Sales value after negotiating in good faith for 30 days, the Parties shall engage a Subject Matter Expert to resolve the dispute in accordance with the procedures set forth in Section 6.5(b), *mutatis mutandis*).

"Officer's Certificate" means a certificate signed by a duly authorized executive officer of Parent.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for Parent.

"Order" means any order, judgment, injunction, award, decision, determination, stipulation, ruling, subpoena, writ, decree or verdict entered by or with any Governmental Authority.

"Other Covered Revenue" means all revenue of Parent and its Subsidiaries (including the Company) on a consolidated basis recognized in connection with any activities in or directed to the Field, or otherwise to the extent arising from or attributable to the Field, in each case that utilize Existing IP, other than revenue recognized in connection with Net Sales, which activities include licensing (or granting of similar rights, including option, distribution rights and/or enforcing intellectual property rights) under the intellectual property of Parent and its Subsidiaries (including the Company) (other than intercompany licenses), collaboration, asset sale, intellectual property enforcement or other activities (including any settlements, awards, penalties, damages or other recoveries), in each case in or directed to the Field, or otherwise to the extent arising from or attributable to the Field that utilize the Company's Existing IP. If Parent and its Subsidiaries (including the Company) receive non-cash consideration (including shares of equity or in-kind contribution of goods or services), or consideration in a transaction that is not at arm's length (including any transfer of technology or intellectual property rights to an Affiliate, other than a wholly owned Subsidiary), from any activities in or directed to the Field, or otherwise arising to the extent from or attributable to the Field (other than from or in connection with Net Sales) that utilize the Company's Existing IP such consideration will be included in Other Covered Revenue based on the fair market value of such consideration, as determined in good faith by Parent. Notwithstanding the foregoing, Other Covered Revenue shall exclude any consideration received by Parent or its Subsidiaries in connection with any Minority Transaction (to the extent included in clause (f) of the definition of Covered Revenues), any transaction subject to Section 8.1 or any Specified Asset Sale.

"Outstanding" when used with respect to CVRs means, as of the date of determination, all CVRs theretofore authenticated, issued and delivered under this CVR Agreement, except (i) CVRs theretofore cancelled by the Trustee or delivered to the Trustee for cancellation and (ii) CVRs in exchange for or in lieu of which other CVRs have been authenticated and delivered pursuant to this CVR Agreement, other than any such CVRs in respect of which there shall have been presented to the Trustee proof satisfactory to it that such CVRs are held by a bona fide purchaser in whose hands the CVRs are valid obligations of Parent; provided, however, that in determining whether the Holders of the requisite Outstanding CVRs have given any request, demand, authorization, direction, consent, waiver or other action hereunder, CVRs owned by Parent or any Affiliate of Parent (or any successor thereof), whether held as treasury securities or otherwise, shall be disregarded and deemed not to be Outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, consent, waiver or other action, only CVRs that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded.

"Parent" means the Person (as defined herein) named as Parent in the first paragraph of this CVR Agreement, until a successor Person shall have become such pursuant to the applicable provisions of this CVR Agreement, and thereafter Parent shall mean such successor Person. To the extent necessary to comply with the requirements of the provisions of Trust Indenture Act Sections 310 through 317, inclusive, to the extent that they are applicable to Parent, the term "Parent" shall include any other obligor with respect to the CVRs for the purposes of complying with such provisions.

"Parent Request" or "Parent Order" means a written request or order signed in the name of Parent by a duly authorized officer of Parent, and delivered to the Trustee.

"Party" means the Trustee, the Holder Representative and Parent, as applicable.

"Paying Agent" means any Person authorized by Parent to pay the amounts determined pursuant to Section 2.2, if any, with respect to any CVRs on behalf of Parent.

"Payment Date" means any Covered Revenues Payment Date and any such date as shall be required for any CVR Shortfall payment pursuant to the review procedure set forth in Section 6.5.

"Permitted Deductions" means the following items, all in accordance with standard allocation procedures, allowance methodologies and accounting methods consistently applied in accordance with GAAP (except as otherwise provided below):

(a) credits or allowances for defects, returns, rejections, recalls or billing corrections;

(b) reasonable reserves made for uncollectible amounts on previously sold or distributed Products and Services and deductions for bad debts (which adjustment shall be based on actual bad debts incurred and written off as uncollectible by Parent in a quarter, net of any recoveries of previously written off bad debts from current or prior quarters);

(c) separately itemized and invoiced freight, postage, shipping and insurance, handling, and other transportation costs, provided that such items are passed on to the purchaser (or other acquirer) at cost;

(d) sales, use, value added, and other similar Taxes (excluding income Taxes), tariffs, customs duties, surcharges, and other governmental charges levied on the production, Sale, transportation, delivery, use, or performance of any Product or Service (as applicable) that are incurred at time of the transaction, are directly related to the transaction, and are actually paid to a Governmental Authority; and

(e) any reasonable and customary quantity, cash, rebates, or charge backs; provided that the aggregate deductions under this clause (e) and clause (a) above shall not exceed, in any calendar year, 5.0% of the gross amount invoiced or otherwise received for the Sale of any Products or Services.

"Permitted Transfer" means (a) a transfer by a Holder of all, but not less than all, CVRs held by such Holder to a single transferee, (b) a transfer by a Holder of any or all of the CVRs held by such Holder to a single transferee, provided that such transfer does not result in such Holder or such transferee holding less than 0.5% of the total number of CVRs then Outstanding or (c) a transfer as provided in Section 2.11 of this CVR Agreement. Notwithstanding any other provision in this CVR Agreement to the contrary, any transfer that results in a number of Holders that would require the registration of the CVRs as a class of equity securities under the Exchange Act shall be deemed to not be a Permitted Transfer.

"Person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (as defined in Section 13(d)(3) of the Exchange Act), trust, association, entity or Governmental Authority.

"Pro Rata Portion" means, with respect to a Holder, a fraction, the numerator of which is the sum of the aggregate number of CVRs that such Holder holds, and, the denominator of which is the total number of CVRs Outstanding, in each case, as of the applicable Payment Date.

"Product" means any tangible or intangible item, material, composition, or device, including kits, nucleotides, buffers, reagents, equipment, instruments, hardware, software, and any component of any of the foregoing.

"Redemption Eligibility Date" means the date that at least 90% of the CVRs issued pursuant to the terms of the Merger Agreement either (a) are no longer Outstanding and/or (b) have been repurchased, acquired, redeemed or retired by the Company.

"Redemption Price" means (i) the fair market value of a CVR as determined by an independent nationally recognized valuation firm mutually acceptable to Parent and the Holder Representative, the expenses of which will be borne by Parent or (ii) in the event that Holders (other than Parent and its Affiliates and their respective successors) of more than 50% of Outstanding CVRs accept a tender offer by Parent or any of its Affiliates that is undertaken by Parent or any of its Affiliates in connection with the redemption after the Redemption Eligibility Date, the price accepted in such tender offer.

"Representatives" shall have the meaning set forth in Section 6.8 of this CVR Agreement.

"Responsible Officer" when used with respect to the Trustee means any officer assigned to the Corporate Trust Office and also means, with respect to any particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Review Request Period" shall have the meaning set forth in Section 6.5(a) of this CVR Agreement.

"Sale of Data" means (i) Sales of a Product or Service accessing Data or databases containing Data, generated, created, aggregated or collected by the Company or (following the Closing) Parent or any Subsidiary of Parent from activities within the Field and subjecting it to analysis, data mining or similar information technology processes for any purpose to create or improve such Product or Service for any purpose (including outside the Field) or (ii) Sales of Data or databases containing Data generated, created, aggregated or collected by the Company or (following the Closing) Parent or any Subsidiary of Parent from activities within the Field to a third party for any purpose (including outside the Field); provided that in each case of (i) and (ii), if any such Data or databases containing such Data is amalgamated with other Data of Parent wherein 50% or more of the value of such combined Data is derived from the other Data of Parent, then 50% of the Net Sales generated shall be deemed to be "Covered Revenues".

"Sales" means any sale, distribution, lease, license, provision, performance, making available or exploitation of any Covered Products or Services (with the terms "Sell" and "Sold" having correlative meanings) (it being understood, for the avoidance of doubt, that a "Sale" shall not include any transaction subject to Section 8.1 or a Minority Transaction).

"Sample" means a non-tissue biopsy sample including a sample of blood (and any components thereof including whole blood, blood fraction, plasma, serum, blood mononuclear cells (PBMCs) and white blood cells (WBC)), urine, pleural fluid, pericardial fluid, cerebrospinal fluid, peritoneal fluid, cervical swab, fecal, saliva or any other bodily fluid.

"SEC" means the Securities and Exchange Commission.

"Second Merger" shall have the meaning set forth in the Recitals of this CVR Agreement.

"Second Merger Sub" shall have the meaning set forth in the Recitals of this CVR Agreement.

"Services" means any work or service of any kind for use in the Field utilizing any Methylation-based Technology, whether in whole or in part, and all ancillary, wrap-around or support services that are reasonably related to, provided in connection with or customarily billed together to support such work or services, including services for genotyping, sequencing, screening, diagnostics and testing (including by using the Galleri multi-cancer early detection test, the DAC diagnostic aid for cancer, or the Minimal Residual Disease Test), Data interpretation, clinical trial, research, collaboration, development, and software or Data provided as a service, in each case for use in the Field utilizing any Methylation-based Technology.

"Shortfall Interest Rate" means a rate equal to the prime rate of interest quoted in *The Wall Street Journal*, or similar reputable data source, calculated daily on the basis of a 365-day year or, if lower, the highest rate permitted under applicable Law.

"Shortfall Report" shall have the meaning set forth in Section 6.5(b) of this CVR Agreement.

"Subsidiary" or "Subsidiaries" of any specified Person means an Affiliate controlled by such Person, directly or indirectly, through one or more intermediaries, and, for the avoidance of doubt, after the Closing, the Company and its Subsidiaries are Subsidiaries of Parent.

"Surviving Corporation" shall have the meaning set forth in the Recitals of this CVR Agreement.

"Surviving Entity" shall have the meaning set forth in the Recitals of this CVR Agreement.

"Taxes" means all taxes or similar duties, fees or charges or assessments thereof imposed by any Governmental Authority, in each case in the nature of a tax, including any interest, penalties and additions imposed with respect to such amount.

"Therapy Selection" means (i) determining whether, or the probability of whether an individual is likely to respond to a therapy or intervention, (ii) determining whether an individual would likely not respond to therapy or intervention, (iii) determining the manner in which a specific therapy is applied with respect to dose, frequency, means of administration, or co-administration with another therapy; (iv) determining where administration of a therapeutic treatments is contraindicated; and/or (v) identification of patients who may be eligible for adjuvant cancer therapy.

"Threshold Measuring Period" means each fiscal year of Parent during the Covered Revenues Term; provided that (i) if the Commencement Date does not fall on the first day of Parent's fiscal year, the First Threshold Measuring Period shall commence on the Commencement Date and end on the last day of Parent's fiscal year during which the Commencement Date falls and (ii) the Final Threshold Measuring Period shall end on the End Date.

"Total Equity Count" means, in each case as of immediately prior to the Effective Time, (a) the aggregate number of shares of Company Class A Common Stock issued and outstanding, including all Class A Restricted Stock Awards; (b) the aggregate number of shares of Company Class A Common Stock issuable upon conversion of all issued and outstanding shares of Company Class B Common Stock, including all Class B Restricted Stock Awards, and Company Preferred Stock in accordance with the Company's certificate of incorporation; and (c) except as otherwise included in the foregoing clause (b), the aggregate number of shares of Company Class A Common Stock issuable in respect of all outstanding

options and other direct or indirect rights to acquire shares of Company Class A Common Stock or securities ultimately convertible into or exchangeable for shares of Company Class A Common Stock, including all Company RSU Awards and Company Stock Options; provided that, for the avoidance of doubt, any equity securities which may be issuable by the Company pursuant to the terms of the contract disclosed at item 35 of Section 4.09(a) of the Company Disclosure Letter shall not be included in "Total Equity Count" unless such equity securities are issued and outstanding as of immediately prior to the Effective Time.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this CVR Agreement, until a successor Trustee shall have become such pursuant to the applicable provisions of this CVR Agreement, and thereafter "Trustee" shall mean such successor Trustee.

Section 1.2. Compliance and Opinions.

(a) Upon any application or request by Parent to the Trustee to take any action under any provision of this CVR Agreement, if requested by the Trustee, Parent shall furnish to the Trustee (i) an Officer's Certificate stating that, in the opinion of the signor, all conditions precedent, if any, provided for in this CVR Agreement relating to the proposed action have been complied with and (ii) an Opinion of Counsel stating, subject to customary exceptions, that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this CVR Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

(b) Every certificate or opinion with respect to compliance with a condition or covenant provided for in this CVR Agreement shall include: (i) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and (iv) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.3. Form of Documents Delivered to Trustee.

(a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion of an officer of Parent may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of Parent stating that the information with respect to such factual matters is in the possession of Parent.

(c) Any certificate, statement or opinion of an officer of Parent or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of Parent. Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent.

(d) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this CVR Agreement, they may, but need not, be consolidated and form one instrument.

Section 1.4. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this CVR Agreement to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to Parent. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this CVR Agreement and (subject to Section 3.1) conclusive in favor of the Trustee and Parent, if made in the manner provided in this Section 1.4. Parent may set a record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted under this CVR Agreement. If not previously set by Parent, (i) the record date for determining the Holders entitled to vote at a meeting of the Holders shall be the date preceding the date notice of such meeting is mailed to the Holders, or if notice is not given, on the day next preceding the day such meeting is held, and (ii) the record date for determining the Holders entitled to consent to any action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to Parent. If a record date is fixed, those Persons who were Holders of CVRs at such record date (or their duly designated proxies), and only those Persons, shall be entitled to take such action by vote or consent or, except with respect to clause (d) below, to revoke any vote or consent previously given, whether or not such Persons continue to be Holders after such record date. No such vote or consent shall be valid or effective for more than 120 days after such record date.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The ownership of CVRs shall be proved by the CVR Register. Neither Parent nor the Trustee nor any agent of Parent or the Trustee shall be affected by any notice to the contrary.

(d) At any time prior to (but not after) the evidencing to the Trustee, as provided in this Section 1.4, of the taking of any action by the Holders of the CVRs specified in this CVR Agreement in connection with such action, any Holder of a CVR the serial number of which is shown by the evidence to be included among the serial numbers of the CVRs the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Section 1.4, revoke such action so far as concerns such CVR. Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any CVR shall bind every future Holder of the same CVR or the Holder of every CVR issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or Parent in reliance thereon, whether or not notation of such action is made upon such CVR.

(e) The Holders, including any permitted transferee (in each case by their acceptance of the CVRs hereby), shall be deemed to have acknowledged the rights and privileges of the Holder Representative set forth in this CVR Agreement.

Section 1.5. Notices, etc., to Trustee and Parent. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this CVR Agreement to be made upon, given or furnished to, or filed with:

(a) the Trustee by any Holder or by Parent shall be sufficient for every purpose hereunder if made, given, furnished or filed, in writing, to or with the Trustee at its Corporate Trust Office; or

(b) Parent by the Trustee or by any Holder shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to Parent addressed to it at 5200 Illumina Way, San Diego, California 92122, or at any other address previously furnished in writing to the Trustee by Parent.

Section 1.6. Notice to Holders; Waiver.

(a) Where this CVR Agreement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the Holder's address as it appears in the CVR Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this CVR Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(b) In case by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to mail notice of any event as required by any provision of this CVR Agreement, then any method of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Section 1.7. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this CVR Agreement by any of the provisions of the Trust Indenture Act, such required provision shall control.

Section 1.8. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.9. Benefits of Agreement. Nothing in this CVR Agreement or in the CVRs, express or implied, shall give to any Person (other than the Parties hereto and their successors and permitted assigns and, solely in accordance with the express terms of this CVR Agreement and subject to Sections 1.4, 1.13, 2.2 and 7.6, the Holders) any benefit or any legal or equitable right, remedy or claim under this CVR Agreement or under any covenant or provision herein contained.

Section 1.10. Governing Law.[2] This CVR Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without giving effect to any choice or conflict of Law provisions or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. All litigation, suits, actions or proceedings (collectively, "Actions") arising out of or relating to this CVR Agreement shall be heard and

[2] Trustee to confirm Delaware law is acceptable.

determined exclusively in the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, any state or federal court within the State of Delaware and the appellate court(s) therefrom). Each of Parent, the Trustee, the Holder Representative and each of the Holders by their acceptance of the CVRs hereby (a) irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, any state or federal court within the State of Delaware and the appellate court(s) therefrom) for the purpose of any Action arising out of or relating to this CVR Agreement brought by any party hereto, (b) irrevocably waives, and agrees not to assert by way of motion, defense or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this CVR Agreement may not be enforced in or by the above named courts, and (c) agrees that such party will not bring any Action arising out of or relating to this CVR Agreement in any court other than the Court of Chancery of the State of Delaware (or if the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, any state or federal court within the State of Delaware and the appellate court(s) therefrom).

Section 1.11. Legal Holidays. In the event that a Payment Date shall not be a Business Day, then (notwithstanding any provision of this CVR Agreement or the CVRs to the contrary) payment on the CVRs need not be made on such date, but may be made, without the accrual of any interest thereon, on the next succeeding Business Day with the same force and effect as if made on such Payment Date.

Section 1.12. Separability Clause. In the event any provision in this CVR Agreement or in the CVRs shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.13. No Recourse Against Others. No current or former director, officer or employee, as such, of Parent or the Trustee or of their respective Affiliates shall have any liability for any obligations of Parent or the Trustee under the CVRs or this CVR Agreement or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a CVR, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the CVRs.

Section 1.14. Counterparts. This CVR Agreement shall be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this CVR Agreement.

Section 1.15. Acceptance of Trust. [•], the Trustee named herein, hereby accepts the trusts in this CVR Agreement declared and provided, upon the terms and conditions set forth herein.

Section 1.16. Termination. This CVR Agreement shall automatically terminate and be of no further force or effect and shall be deemed satisfied and discharged, and the Parties hereto shall have no liability hereunder (other than with respect to monies due and owing by Parent to the Trustee) (i) on the expiration of the final Review Request Period following the End Date or (ii) in the event that all of the CVR Certificates not previously cancelled shall have become due and payable pursuant to the terms hereof, in each case, provided that all disputes with respect to amounts payable to the Holders brought pursuant to the terms and conditions of this CVR Agreement have been resolved, and Parent has paid or caused to be paid or deposited with the Trustee all amounts payable to the Holders under this CVR Agreement (including any amounts determined in accordance with Section 6.5). Notwithstanding the satisfaction and discharge of this CVR Agreement, the obligations of Parent under Section 3.6(c) shall survive. For the avoidance of doubt, in no event will any Covered Revenues Payment become payable on account of Covered Revenues recognized after the End Date.

ARTICLE 2

CONTINGENT VALUE RIGHTS

Section 2.1. Forms Generally.

(a) The CVRs and the Trustee's certificate of authentication shall be in substantially the forms set forth in Annex A, attached hereto and incorporated herein by this reference, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this CVR Agreement and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may be required by Law or any rule or regulation pursuant thereto, all as may be determined by the officers executing such CVRs, as evidenced by their execution of the CVRs. Any portion of the text of any CVR may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the CVR.

(b) The definitive CVRs shall be typewritten, printed, lithographed or engraved on steel engraved borders or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the CVRs may be listed, all as determined by the officers executing such CVRs, as evidenced by their execution of such CVRs.

Section 2.2. Title and Terms.

(a) The CVRs represent the rights of Holders to receive contingent cash payments pursuant to this CVR Agreement. The aggregate number of CVRs in respect of which CVR Certificates may be authenticated and delivered under this CVR Agreement is limited to a number equal to [•][3]. The initial Holders shall be determined pursuant to the terms of the Merger Agreement and this CVR Agreement, and a list of the initial Holders shall be furnished to the Trustee by or on behalf of Parent in accordance with Section 4.1. From and after the Effective Time, no CVRs shall be issued except as provided in, and in accordance with the terms and conditions of, the Merger Agreement or as otherwise expressly permitted by this CVR Agreement.

(b) The CVRs shall be known and designated as the "Contingent Value Rights" of Parent.

(c) The CVRs may not be sold, assigned, transferred, pledged, encumbered or in any other manner transferred or disposed of, in whole or in part, other than through a Permitted Transfer in compliance with applicable United States federal and state securities Laws.

(d) On or prior to each Covered Revenues Payment Date, Parent shall pay to the Trustee, by wire transfer to the account designated by the Trustee, the Covered Revenues Payment due, if any, in respect of the Covered Revenues Measuring Period ended immediately preceding such Covered Revenues Payment Date, and, promptly following such payment, and in any event within five Business Days, the Trustee shall pay each Holder a Pro Rata Portion of such Covered Revenues Payment; provided that Parent may retain any Covered Revenues Payment due to Parent or any of its Affiliates with respect to any CVRs owned by Parent or such Affiliates. The final such Covered Revenues Measuring Period shall end on the End Date.

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[3] Insert number of CVRs issued at Closing pursuant to the terms of the Merger Agreement.

(e) The Holders of the CVRs, by acceptance thereof, agree that no joint venture, partnership or other fiduciary relationship is created hereby or by the CVRs.

(f) Other than in the case of interest on amounts due and payable after the occurrence of an Event of Default or with respect to any CVR Shortfall, no interest shall accrue on any amounts payable in respect of the CVRs.

(g) The rights of the Holders of CVRs are limited to those contractual rights expressed in this CVR Agreement and the CVR Certificate. A Holder of any CVR or CVR Certificate is not, and shall not, by virtue thereof, be, entitled to any rights of a holder of any other equity security or other ownership interest of Parent or in any constituent company to the Mergers or any of their respective Affiliates, either at Law or in equity. The CVRs shall not have any voting or dividend rights.

(h) Except as provided in this CVR Agreement (including Section 6.5), none of Parent or any of its Affiliates shall have any right to set-off any amounts owed or claimed to be owed by any Holder to any of them against such Holder's CVRs or any Covered Revenues Payment or other amount payable to such Holder in respect of such CVRs.

Section 2.3. Registrable Form. The CVRs shall be issuable only in registered form.

Section 2.4. Execution, Authentication, Delivery and Dating.

(a) The CVRs shall be executed on behalf of Parent by its chairman of the Board of Directors or its president or any vice president or its treasurer, but need not be attested. The signature of any of these officers on the CVRs may be manual or facsimile.

(b) CVRs bearing the manual or facsimile signatures of individuals who were, at the time of execution, the proper officers of Parent shall bind Parent, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such CVRs or did not hold such offices at the date of such CVRs.

(c) At any time and from time to time after the execution and delivery of this CVR Agreement, Parent may deliver CVRs executed by Parent to the Trustee for authentication, together with a Parent Order for the authentication and delivery of such CVRs; and the Trustee, in accordance with such Parent Order, shall authenticate and deliver such CVRs as provided in this CVR Agreement and not otherwise.

(d) Each CVR shall be dated the date of its authentication.

(e) No CVR shall be entitled to any benefit under this CVR Agreement or be valid or obligatory for any purpose unless there appears on such CVR a certificate of authentication substantially in the form provided for herein duly executed by the Trustee, by manual or facsimile signature of an authorized officer, and such certificate upon any CVR shall be conclusive evidence, and the only evidence, that such CVR has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this CVR Agreement.

Section 2.5. Temporary CVRs.

(a) Pending the preparation of definitive CVRs, Parent may execute, and upon Parent Order, the Trustee shall authenticate and deliver, temporary CVRs which are printed, lithographed, typewritten, mimeographed or otherwise produced, substantially of the tenor of the definitive CVRs in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such CVRs may determine with the concurrence of the Trustee. Temporary CVRs may contain such reference to any provisions of this CVR Agreement as may be appropriate. Every temporary CVR shall be executed by Parent and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive CVRs.

(b) If temporary CVRs are issued, Parent will cause definitive CVRs to be prepared without unreasonable delay. After the preparation of definitive CVRs, the temporary CVRs shall be exchangeable for definitive CVRs upon surrender of the temporary CVRs at the office or agency of Parent designated for such purpose pursuant to Section 6.2, without charge to the Holder. Upon surrender for cancellation of any one or more temporary CVRs, Parent shall execute and the Trustee shall authenticate and deliver in exchange therefor a like amount of definitive CVRs. Until so exchanged, the temporary CVRs shall in all respects be entitled to the same benefits under this CVR Agreement as definitive CVRs.

Section 2.6. Registration, Registration of Transfer and Exchange.

(a) Parent shall cause to be kept at the office of the Trustee a register (the "CVR Register") in which, subject to reasonable regulations as it may prescribe, Parent shall provide for the registration of the CVRs and any Permitted Transfers of CVRs. The Trustee is hereby initially appointed "CVR Registrar" for the purpose of registering the CVRs and any Permitted Transfers of CVRs as herein provided.

(b) Subject to the restrictions on transferability set forth in Section 2.2(c), every request made to transfer a CVR must be in writing and accompanied by a written instrument of transfer and other requested documentation in form reasonably satisfactory to the Trustee and Parent, duly executed by the Holder thereof, setting forth in reasonable detail the circumstances relating to the transfer. Upon receipt of such written notice and surrender for registration of transfer of the CVR Certificates, the Trustee shall, subject to its reasonable determination that the transfer instrument is in proper form, notify Parent that it has received such written notice. Upon receipt of such notice from the Trustee, Parent shall determine, in good faith, whether the transfer otherwise complies with the other terms and conditions of this CVR Agreement (including the provisions of Section 2.2(c)), and if it determines that it does so comply, Parent shall instruct the Trustee in writing to, and the Trustee shall, upon surrender for registration of transfer of such CVR Certificate at the Corporate Trust Office, authenticate and deliver, in the name of the designated transferee or transferees, one or more new CVR Certificates representing the same aggregate number of CVRs represented by the CVR Certificate so surrendered that are to be transferred and Parent shall execute and the Trustee shall authenticate and deliver, in the name of the transferor, one CVR Certificate representing the aggregate number of CVRs represented by such CVR Certificate that are not to be transferred. If Parent determines in good faith that the proposed transfer does not comply with the other terms and conditions of this CVR Agreement (including the provisions of Section 2.2(c)), Parent shall provide the Trustee with written notice of such determination, which notice shall include, in reasonable detail, the rationale for such determination, including which provisions of this CVR Agreement the proposed transfer does not comply.

(c) At the option of the Holder, CVR Certificates may be exchanged for other CVR Certificates that represent in the aggregate the same number of CVRs as the CVR Certificates surrendered at the Corporate Trust Office. Every CVR presented or surrendered for exchange shall (if so required by Parent or the Trustee) be duly endorsed, or be accompanied by a written instrument of exchange in form satisfactory to Parent and the Trustee. Whenever any CVR Certificates are so surrendered for exchange, Parent shall execute, and the Trustee shall authenticate and deliver, the CVR Certificates which the Holder making the exchange is entitled to receive.

(d) Parent and the Trustee may require payment of a sum sufficient to cover any stamp or other Tax or governmental charge that is imposed in connection with any such registration of transfer or exchange, other than pursuant to Sections 2.7 and 5.6, not involving a transfer. The Trustee shall have no duty or obligation to take any action under any section of this CVR Agreement that requires the payment of applicable Taxes or governmental charges unless and until the Trustee is satisfied that all such Taxes or governmental charges have been paid or otherwise not due and owing.

(e) All CVRs issued upon any registration of transfer or exchange of CVRs as provided for herein shall be the valid obligations of Parent, evidencing the same rights, and entitled to the same benefits under this CVR Agreement, as the CVRs surrendered upon such registration of transfer or exchange.

(f) A Holder may make a written request to the Trustee to change such Holder's address of record in the CVR Register. The written request must be duly executed by the Holder. Upon receipt of such written request, the Trustee is hereby authorized to record the change of address in the CVR Register.

Section 2.7. Mutilated, Destroyed, Lost and Stolen CVRs.

(a) If (i) any mutilated CVR is surrendered to the Trustee, or (ii) Parent and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any CVR, and there is delivered to Parent and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to Parent or the Trustee that such CVR has been acquired by a bona fide purchaser, Parent shall execute and, upon delivery of a Parent Order, the Trustee shall authenticate and deliver, in exchange for any such mutilated CVR or in lieu of any such destroyed, lost or stolen CVR, a new CVR Certificate of like tenor and amount of CVRs, bearing a number not contemporaneously Outstanding.

(b) In case any such mutilated, destroyed, lost or stolen CVR has become or is to become finally due and payable within 15 days, Parent in its discretion may, instead of issuing a new CVR Certificate, pay to the Holder of such CVR on the applicable Payment Date, as the case may be, all amounts due and payable with respect thereto.

(c) Every new CVR issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen CVR shall constitute an original additional contractual obligation of Parent, whether or not the destroyed, lost or stolen CVR shall be at any time enforceable by anyone, and shall be entitled to all benefits of this CVR Agreement equally and proportionately with any and all other CVRs duly issued hereunder.

(d) The provisions of this Section 2.7 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen CVRs

Section 2.8. Payments with Respect to CVRs. Payment of any amounts with respect to the CVRs shall be made in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts. Parent may, at its option, pay such amounts by wire transfer or check payable in such money.

Section 2.9. Persons Deemed Owners. Prior to the time of due presentment for registration of transfer, Parent, the Trustee and any agent of Parent or the Trustee may treat the Person in whose name any CVR is registered as the owner of such CVR for the purpose of receiving payment on such CVR and for all other purposes whatsoever, whether or not such CVR be overdue, and neither Parent, the Trustee nor any agent of Parent or the Trustee shall be affected by notice to the contrary.

Section 2.10. Cancellation. All CVRs surrendered for payment, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by it. Parent may at any time deliver to the Trustee for cancellation any CVRs previously authenticated and delivered hereunder which Parent may have acquired in any manner whatsoever, and all CVRs so delivered shall be promptly canceled by the Trustee. No CVRs shall be authenticated in lieu of or in exchange for any CVRs canceled as provided in this Section 2.10, except as expressly permitted by this CVR Agreement. All cancelled CVRs held by the Trustee shall be destroyed and a certificate of destruction shall be issued by the Trustee to Parent, unless otherwise directed by a Parent Order.

Section 2.11. Ability to Abandon CVR; Certain Acquisitions. A Holder may at any time, at such Holder's option, abandon all of such Holder's remaining rights in a CVR by transferring such CVR to Parent or any of its Affiliates without consideration therefor. Nothing in this CVR Agreement shall prohibit Parent or any of its Affiliates from offering to acquire or acquiring any CVRs from the Holders, in private transactions or otherwise, in its sole discretion.

Section 2.12. CUSIP Numbers. Parent in issuing the CVRs may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in any Call Notice as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the CVRs or as contained in any Call Notice and that reliance may be placed only on the other identification numbers printed on the CVRs, and such Call Notice shall not be affected by any defect in or omission of such numbers. Parent shall promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE 3

THE TRUSTEE

Section 3.1. Certain Duties and Responsibilities.

(a) With respect to the Holders, the Trustee, prior to the occurrence of an Event of Default with respect to the CVRs and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this CVR Agreement and no implied covenants shall be read into this CVR Agreement against the Trustee. In the event that an Event of Default with respect to the CVRs has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this CVR Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) In the absence of bad faith or willful misconduct on its part, prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee which conform to the requirements of this CVR Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this CVR Agreement.

(c) No provision of this CVR Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own bad faith or willful misconduct, except that (i) this subsection (c) shall not be construed to limit the effect of subsections (a) and (b) of this Section 3.1; (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and (iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders pursuant to Section 7.9 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this CVR Agreement.

(d) Whether or not therein expressly so provided, every provision of this CVR Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 3.1.

Section 3.2. Certain Rights of Trustee. Subject to the provisions of Section 3.1, including the duty of care that the Trustee is required to exercise upon the occurrence of an Event of Default:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties and the Trustee need not investigate any fact or matter stated in the document;

(b) any request or direction or order of Parent mentioned herein shall be sufficiently evidenced by a Parent Request or Parent Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution and the Trustee shall not be liable for any action it takes or omits to take in good faith reliance thereon;

(c) whenever in the administration of this CVR Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith or willful misconduct on its part, rely upon an Officer's Certificate and the Trustee shall not be liable for any action it takes or omits to take in good faith reliance thereon;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this CVR Agreement at the request or direction of any of the Holders pursuant to this CVR Agreement, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document, but the Trustee in its discretion may make such further inquiry or investigation into such facts or matters as it may see fit, and if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of Parent, personally or by agent or attorney, as reasonably necessary for such inquiry or investigation;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be liable for any action taken, suffered or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this CVR Agreement.

Section 3.3. Notice of Default. If a default occurs hereunder with respect to the CVRs, the Trustee shall give the Holders notice of any such default actually known to it as and to the extent applicable and provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 7.1(b) with respect to the CVRs, no notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section 3.3, the term "default" means any event that is, or after notice or lapse of time or both would become, an Event of Default with respect to the CVRs.

Section 3.4. Not Responsible for Recitals or Issuance of CVRs. The Trustee shall not be accountable for Parent's use of the CVRs or the proceeds from the CVRs. The recitals contained herein and in the CVRs, except the Trustee's certificates of authentication, shall be taken as the statements of Parent, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this CVR Agreement or of the CVRs.

Section 3.5. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by Law or as otherwise agreed by the Trustee in writing with Parent. The Trustee shall be under no liability for interest on any money received by it hereunder, except as otherwise agreed by the Trustee in writing with Parent.

Section 3.6. Compensation and Reimbursement. Parent agrees:

(a) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder in such amount as Parent and the Trustee shall agree from time to time (which compensation shall not be limited by any provision of Law in regard to the compensation of a Trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this CVR Agreement (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, bad faith or willful misconduct; and

(c) to indemnify the Trustee and each of its agents, officers, directors and employees for, and to hold it harmless against, any loss, liability or expense (including attorneys' fees and expenses) incurred without negligence, bad faith or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. Parent's payment obligations pursuant to this Section 3.6 shall survive the termination of this CVR Agreement. If the Trustee incurs expenses after the occurrence of an Event of Default specified in Sections 7.1(c) or 7.1(d) with respect to Parent, such expenses are intended to constitute administrative expenses under bankruptcy Laws.

Section 3.7. Disqualification; Conflicting Interests.

(a) If applicable, to the extent that the Trustee or Parent determines that the Trustee has a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall immediately notify Parent of such conflict and, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this CVR Agreement. Parent shall take prompt steps to have a successor appointed in the manner provided in this CVR Agreement.

(b) In the event the Trustee shall fail to comply with the foregoing subsection 3.7(a), the Trustee shall, within 10 days of the expiration of such 90-day period, transmit a notice of such failure to the Holders in the manner and to the extent provided in the Trust Indenture Act and this CVR Agreement.

(c) In the event the Trustee shall fail to comply with the foregoing subsection 3.7(a) after written request therefore by Parent or any Holder, any Holder of any CVR who has been a bona fide Holder for at least six months may on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of such Trustee and the appointment of a successor Trustee.

Section 3.8. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which satisfies the applicable requirements of Sections 310(a)(1) and (5) of the Trust Indenture Act and has a combined capital and surplus of at least $150,000,000. If such corporation publishes reports of condition at least annually, pursuant to Law or to the requirements of a supervising or examining authority, then for the purposes of this Section 3.8, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 3.8, it shall resign immediately in the manner and with the effect hereinafter specified in this Article 3.

Section 3.9. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article 3 shall become effective until the acceptance of appointment by the successor Trustee under Section 3.10.

(b) The Trustee, or any Trustee or Trustees hereafter appointed, may resign at any time by giving written notice thereof to Parent. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by an act of the Majority Holders, delivered to the Trustee and to Parent.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 3.7 after written request therefor by Parent or by any Holder who has been a bona fide Holder of a CVR for at least six months, or

(2) the Trustee shall cease to be eligible under Section 3.8 and shall fail to resign after written request therefor by Parent or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any case, (i) Parent, by a Board Resolution, may remove the Trustee, or (ii) the Holder of any CVR who has been a bona fide Holder of a CVR for at least six months may, on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, Parent, by a Board Resolution, shall promptly appoint a successor Trustee. If, within one year after any removal by Holders of a majority of the Outstanding CVRs, a successor Trustee shall be appointed by act of the Majority Holders, as applicable, delivered to Parent and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with Section 3.10, become the successor Trustee and supersede the successor Trustee appointed by Parent. If no successor Trustee shall have been so appointed by Parent or the Holders and accepted appointment within 60 days after the retiring Trustee tenders its resignation or is removed, the retiring Trustee may, or any Holder who has been a bona fide Holder for at least six months may on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) Parent shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of CVRs as their names and addresses appear in the CVR Register. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office. If Parent fails to send such notice within 10 days after acceptance of appointment by a successor Trustee, it shall not be a default hereunder, but the successor Trustee shall cause the notice to be mailed at the expense of Parent.

Section 3.10. Acceptance of Appointment of Successor.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to Parent and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, upon request of Parent or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, Parent shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article 3.

Section 3.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, by sale or otherwise, shall be the successor of the Trustee hereunder; provided such corporation shall be otherwise qualified and eligible under this Article 3, without the execution or filing of any paper or any further act on the part of any of the Parties hereto. In case any CVRs shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, sale or consolidation to such authenticating Trustee may adopt such authentication and deliver the CVRs so authenticated with the same effect as if such successor Trustee had itself authenticated such CVRs; and such certificate shall have the full force which it is anywhere in the CVRs or in this CVR Agreement provided that the certificate of the Trustee shall have the same; provided, further, that the right to adopt the certificate of authentication of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 3.12. Preferential Collection of Claims Against Parent. If and when the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of Parent (or any other obligor upon the CVRs), excluding any creditor relationship set forth in Section 311(b) of the Trust Indenture Act, if applicable, the Trustee shall be subject to the applicable provisions of the Trust Indenture Act regarding the collection of claims against Parent (or any such other obligor).

ARTICLE 4

HOLDERS' LISTS AND REPORTS BY THE TRUSTEE AND PARENT

Section 4.1. Parent to Furnish Trustee with Names and Addresses of Holders. Parent will furnish or cause to be furnished to the Trustee (a) promptly after the issuance of the CVRs, and semi-annually thereafter, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of a recent date, and (b) at such times as the Trustee may request in writing, within 30 days after receipt by Parent of any such request, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of a date not more than 15 days prior to the time such list is furnished; provided, however, that if and so long as the Trustee shall be the CVR Registrar, no such list need be furnished.

Section 4.2. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 4.1 and the names and addresses of Holders received by the Trustee in its capacity as CVR Registrar. The Trustee may destroy any list furnished to it as provided in Section 4.1 upon receipt of a new list so furnished.

(b) The rights of the Holders to communicate with other Holders with respect to their rights under this CVR Agreement and the corresponding rights and privileges of the Trustee shall be as provided by Section 312(b)(2) of the Trust Indenture Act, if applicable.

(c) Every Holder of CVRs, by receiving and holding the same, agrees with Parent and the Trustee that neither Parent nor the Trustee shall be deemed to be in violation of Law or held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders made pursuant to the Trust Indenture Act (if applicable) regardless of the source from which such information was derived.

Section 4.3. Reports by Trustee.

(a) Within 60 days after December 31 of each year, commencing with the December 31 following the date of this CVR Agreement, the Trustee shall transmit to all Holders such reports concerning the Trustee and its actions under this CVR Agreement as may be required pursuant to the Trust Indenture Act to the extent and in the manner provided pursuant thereto. The Trustee shall also comply with Section 313(b)(2) of the Trust Indenture Act, if applicable. The Trustee shall also transmit by mail all reports as required by Section 313(c) of the Trust Indenture Act, if applicable.

(b) A copy of each such report shall, at the time of such transmission to the Holders, be filed by the Trustee with each stock exchange, if any, upon which the CVRs are listed, with the SEC and also with Parent. Parent will promptly notify the Trustee when the CVRs are listed on any stock exchange.

Section 4.4. Reports by Parent.

(a) Parent shall: (i) file with the Trustee, (A) within 15 days after Parent is required to file the same with the SEC, copies of the annual reports filed on Form 10-K and quarterly reports filed on Form 10-Q and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which Parent is required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act (such annual and quarterly reports and required information, documents and other reports, together the "Exchange Act Documents"), and (B) if Parent is not required to file Exchange Act Documents under Section 13 or 15(d) of the Exchange Act, within 45 days after each calendar quarter of Parent (other than the last quarter of each calendar year), quarterly financial information and, within 90 days after each calendar year of Parent, annual financial information that would be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations (provided that Parent also delivers with, or includes within, the annual and quarterly reports referred to in (A) and (B) the amount of Covered Revenues for the annual or quarterly period to date (as applicable)); (ii) file with the Trustee such additional information, documents and reports with respect to compliance by Parent with the conditions and covenants of this CVR Agreement as may be required from time to time by the rules and regulations of the SEC; and (iii) make available to the Holders on Parent's website as of an even date with the filing of such materials with the Trustee, the information, documents and reports required to be filed by Parent pursuant to subsections (i) and (ii) of this Section 4.4(a). If Parent has timely electronically filed with the SEC's EDGAR system (or any successor system) the reports described above, Parent shall be deemed to have satisfied the requirements of this Section 4.4(a).

(b) Parent shall file with the Trustee, within 60 days following the end of any Covered Revenues Measuring Period, a Covered Revenues Statement with respect to such Covered Revenues Measuring Period. For the avoidance of doubt, the Covered Revenues Statements shall be treated as Confidential Information pursuant to Section 6.8, and no public filing of such Covered Revenues Statements shall be required pursuant to this Section 4.4.

ARTICLE 5

AMENDMENTS

Section 5.1. Amendments Without Consent of Holders. Without the consent of any Holders, Parent and the Trustee, at any time and from time to time, may enter into one or more amendments hereto or to the CVRs, for any of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Trustee, as security for the CVRs, any property or assets;

(b) to evidence the succession of another Person to Parent, and the assumption by any such successor of the covenants of Parent herein and in the CVRs;

(c) to add to the covenants of Parent such further covenants, restrictions, conditions or provisions as the Board of Directors and the Trustee shall consider to be for the protection of the Holders, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this CVR Agreement as herein set forth; provided, that in respect of any such additional covenant, restriction, condition or provision, such amendment may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the Majority Holders to waive such an Event of Default;

(d) to cure any ambiguity, or to correct or supplement any provision herein or in the CVRs which may be defective or inconsistent with any other provision herein; provided that such provisions shall not materially reduce the benefits of this CVR Agreement or the CVRs to the Holders;

(e) to make any amendments or changes necessary to comply or maintain compliance with the Trust Indenture Act, if applicable;

(f) to make any other provisions with respect to matters or questions arising under this CVR Agreement; provided, that such provisions shall not adversely affect the interests of the Holders; or

(g) to make any change that does not adversely affect the interests of the Holders.

Promptly following any amendment of this CVR Agreement or the CVRs in accordance with this Section 5.1, the Trustee shall notify the Holders of the CVRs of such amendment; provided that any failure so to notify the Holders shall not, in itself, affect the validity of such amendment.

Section 5.2. Amendments with Consent of Holders. With the consent of the Majority Holders, by Act of said Holders delivered to Parent and the Trustee (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the CVRs), Parent (when authorized by a Board Resolution) and the Trustee may enter into one or more amendments hereto or to the CVRs for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this CVR Agreement or to the CVRs or of modifying in any manner the rights of the Holders under this CVR Agreement or to the CVRs; provided, however, that no such amendment shall, without the consent of the Holder of each Outstanding CVR affected thereby:

(a) modify in a manner adverse to the Holders any provision contained herein with respect to the termination of this CVR Agreement or the CVRs or the time for payment and amount of any Covered Revenues Payment, or otherwise extend the time for payment of the CVRs or reduce the amounts payable in respect of the CVRs or modify any other payment term or payment date. Notwithstanding the foregoing, each Holder of a CVR, by acceptance thereof, including any permitted transferee, consents to the optional redemption provisions set forth in Article 9 hereof;

(b) reduce the number of CVRs, the consent of whose Holders is required for any such amendment; or

(c) modify any of the provisions of this Section 5.2, except to increase any such percentage or to provide that certain other provisions of this CVR Agreement cannot be modified or waived without the prior consent of the Holder of each CVR affected thereby.

It shall not be necessary for any Act of Holders under this Section 5.2 to approve the particular form of any proposed amendment, but it shall be sufficient if such Act shall approve the substance thereof.

Section 5.3. Execution of Amendments. In executing any amendment permitted by this Article 5, the Trustee (subject to Section 3.1) shall be fully protected in relying upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this CVR Agreement. The Trustee shall execute any amendment authorized pursuant to this Article 5 if the amendment does not adversely affect the Trustee's own rights, duties or immunities under this CVR Agreement or otherwise. Otherwise, the Trustee may, but need not, execute such amendment.

Section 5.4. Effect of Amendments; Notice to Holders.

(a) Upon the execution of any amendment under this Article 5, this CVR Agreement and the CVRs shall be modified in accordance therewith, and such amendment shall form a part of this CVR Agreement and the CVRs for all purposes, and every Holder of CVRs shall be bound thereby.

(b) Promptly after the execution by Parent and the Trustee of any amendment pursuant to the provisions of this Article 5, Parent shall mail a notice thereof by first class mail to the Holders of CVRs at their addresses as they shall appear on the CVR Register, setting forth in general terms the substance of such amendment. Any failure of Parent to mail such notice, or any defect therein, shall not, in itself, however, in any way impair or affect the validity of any such amendment.

Section 5.5. Conformity with Trust Indenture Act. Every amendment executed pursuant to this Article 5 shall conform to the applicable requirements of the Trust Indenture Act, if any.

Section 5.6. Reference in CVRs to Amendments. If an amendment changes the terms of the CVRs, the Trustee may require the Holders of the CVRs to deliver it to the Trustee. CVRs authenticated and delivered after the execution of any amendment pursuant to this Article 5 may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment. If Parent shall so determine, new CVRs so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such amendment may be prepared and executed by Parent and authenticated and delivered by the Trustee in exchange for Outstanding CVRs. Failure to make the appropriate notation or to issue a new CVR shall not affect the validity of such amendment.

ARTICLE 6

COVENANTS

Section 6.1. Payment of Amounts, if any, to Holders. Parent will duly and punctually pay or cause to be paid the amounts, if any, owed with respect to the CVRs in accordance with the terms of the CVRs and this CVR Agreement. Such amounts shall be considered paid on or prior to the applicable Payment Date if on such date, the Trustee or the Paying Agent holds in accordance with this CVR Agreement money sufficient to pay all such amounts then due. Each of the Surviving Entity, Parent (or any of its Affiliates), the Trustee and the Paying Agent shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this CVR Agreement or the Merger Agreement such amount as it is required to deduct and withhold with respect to the making of such payment under the Code, the rules or regulations promulgated thereunder, any provision of applicable state, local or foreign Tax Law or any other Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for purposes of this CVR Agreement and the Merger Agreement as having been paid to the Person in respect of which such deduction and withholding was made. The consent of the Holders shall not be required for any such withholding.

Section 6.2. Maintenance of Office or Agency.

(a) As long as any of the CVRs remain Outstanding, Parent will maintain in the Borough of Manhattan, the City of New York, an office or agency (i) where CVRs may be presented or surrendered for payment, (ii) where CVRs may be surrendered for registration of transfer or exchange and (iii) where notices and demands to or upon Parent in respect of the CVRs and this CVR Agreement may be served. Parent hereby initially designates the Corporate Trust Office as such office or agency of Parent, unless Parent shall hereafter designate and maintain some other office or agency for one or more of such purposes. Parent or any of its Subsidiaries may act as Paying Agent, registrar or transfer agent; provided that such Person shall take appropriate actions to avoid the commingling of funds. Parent will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time Parent shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and Parent hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) Parent may from time to time designate one or more other offices or agencies (in or outside of the City of New York) where the CVRs may be presented or surrendered for any or all such purposes, and may from time to time rescind such designation; provided, however, that no such designation or rescission shall in any manner relieve Parent of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. Parent will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such office or agency.

Section 6.3. Money for Covered Revenues Payments to Be Held in Trust.

(a) If Parent shall at any time act as the Paying Agent, it will, on or before the Payment Date, as the case may be, segregate and hold in trust for the benefit of the Holders all sums held by such Paying Agent for payment on the CVRs until such sums shall be paid to the Holders as herein provided, and will promptly notify the Trustee of any failure of Parent to make payment on the CVRs.

(b) Whenever Parent shall have one or more Paying Agents for the CVRs, it will, on or before a Payment Date, deposit with a Paying Agent a sum in same day funds sufficient to pay the amount, if any, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such amount.

(c) Parent will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 6.3, that (i) such Paying Agent will hold all sums held by it for the payment of any amount payable on CVRs in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will notify the Trustee of the sums so held, and (ii) that it will give the Trustee notice of any failure by Parent (or by any other obligor on the CVRs) to make any payment on the CVRs when the same shall be due and payable.

(d) Any money deposited with the Trustee or any Paying Agent, or then held by Parent, in trust for the payment on any CVR and remaining unclaimed for one year after the Payment Date shall be paid to Parent on Parent Request, or (if then held by Parent) shall be discharged from such trust, and the Holder of such CVR shall thereafter, as an unsecured general creditor, look only to Parent for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money shall thereupon cease.

Section 6.4. Books and Records. Parent shall keep, and shall cause its Subsidiaries to keep, true, complete and accurate records in sufficient detail to enable the Holders and their consultants or professional advisors to determine the amounts payable hereunder.

Section 6.5. Audits.

(a) Upon the written request of the Holder Representative or the Majority Holders, as the case may be (the "Requesting Party"), provided to Parent within 120 days following the date on which Parent delivers a Covered Revenues Statement with respect to a Covered Revenues Measuring Period ending upon the last day of any Threshold Measuring Period pursuant to Section 4.4(b) (the "Review Request Period"), Parent shall permit, and shall cause its Subsidiaries to permit, an independent certified public accounting firm of nationally recognized standing selected by the Requesting Party and Parent (failing agreement on which each shall designate an independent public accounting firm of its own selection, which firms shall in turn appoint an independent public accounting firm for such purpose) (the "Independent Accountant") to have access during normal business hours to such of the records of Parent as may be reasonably necessary to verify the accuracy of any Covered Revenues Statements delivered with respect to the Threshold Measuring Period most recently ended and the figures underlying the calculations set forth therein for any period within such Threshold Measuring Period, and subject to customary confidentiality provisions (it being understood that such review shall not include any matter addressed in Section 6.5(b) below). Parent

shall pay, or cause to be paid, the fees charged by the Independent Accountant; provided, that, in the event that the Independent Accountant determines that the Covered Revenues included in the Covered Revenues Statements is either at least 95.5% of the Covered Revenues that should have been included in the Covered Revenues Statement or within $10,000,000 of the Covered Revenues that should have been included in the Covered Revenues Statement, the Holders shall pay, or cause to be paid, the fees charged by such Independent Accountant, which amount Parent may deduct from any future Covered Revenues Payments payable to Holders pursuant to this CVR Agreement. The Independent Accountant, acting as an expert and not as an arbitrator, shall be charged to come to a final determination as promptly as practicable (and in any event within 30 days) with respect to those specific items in the applicable Covered Revenues Statement that the Requesting Party and Parent disagree on and submit to it for resolution, and the scope of the disputes to be resolved by the Independent Accountant shall be limited to such specific items. If issues are submitted to the Independent Accountant for resolution, Parent shall, and shall cause its Subsidiaries to, furnish to the Independent Accountant such access, work papers and other documents and information related to those disputed issues as the Independent Accountant may request and as are available to Parent and subject to customary confidentiality provisions. The Independent Accountant shall disclose to the Requesting Party the amounts that the Independent Accountant believes to be due and payable by Parent and details concerning any discrepancy from the amount paid and the amount due, and shall disclose no other information revealed in such audit. The Independent Accountant shall provide Parent with a copy of all disclosures made to the Requesting Party.

(b) During the Review Request Period, the Requesting Party may also provide notice in writing to Parent challenging Parent's determination that a given activity does not generate Covered Revenue recognized in any Covered Revenues Measuring Period for which any Covered Revenues Statement has been delivered with respect to the Threshold Measuring Period most recently ended, which notice shall (i) identify in reasonable detail why the Requesting Party believes such activity generated Covered Revenue recognized in such Covered Revenues Measuring Period, including identifying the activity and the clause of "Covered Revenue" at issue (the "Specified Dispute"), including with respect to challenges regarding Intellectual Property, identifying in reasonable detail the item(s) of Intellectual Property at issue and alleged infringing items (it being understood that such Specified Dispute shall not include any matter addressed in Section 6.5(a) above), and (ii) propose a relevant subject matter expert of nationally recognized standing to be appointed to resolve the Specified Dispute pursuant to the terms of this Section 6.5(b). Within 10 Business Days of the receipt of such notice, Parent shall either accept the appointment of such expert or shall propose in writing to the Requesting Party a different independent relevant subject matter expert of nationally recognized standing. For the next 15 Business Days thereafter, Parent and the Requesting Party shall discuss the selection of such expert and failing agreement, the experts proposed by Parent and the Requesting Party shall in turn appoint an independent relevant subject matter expert to resolve such dispute pursuant to the terms of this Section 6.5 (the "Subject Matter Expert"), which expert shall be selected no later than the end of such 15-Business Day period. Within one month after the appointment of the Subject Matter Expert, each of Parent and the Requesting Party shall submit in writing to the Subject Matter Expert its arguments regarding the Specified Dispute. The Subject Matter Expert, acting as an expert and not as an arbitrator, shall be charged to come to a final determination with respect to the Specified Dispute as promptly as practicable (and in any event within one month) by adopting the position of either Parent or the Requesting Party. The Subject Matter Expert shall not be permitted to make any determination other than adopting the position of either Parent or the Requesting Party, and the scope of the disputes to be resolved by the Subject Matter Expert shall be limited to the Specified Dispute. Parent shall permit, and shall cause its Subsidiaries to permit, the Subject Matter Expert to have access during normal business hours to such of the records of Parent as may be reasonably necessary to resolve the Specified Dispute, subject to customary confidentiality provisions. Parent shall pay, or cause to be paid, the fees charged by the Subject Matter Expert; provided, that, in the event that the Subject Matter Expert determines that the Covered Revenues included in the Covered Revenues Statements is either at least 95.5% of the Covered Revenues that should have been included in the Covered Revenues Statement or within $10 million of the

Covered Revenues that should have been included in the Covered Revenues Statement, the Holders shall pay, or cause to be paid, the fees charged by such Subject Matter Expert, which amount Parent may deduct from any future Covered Revenues Payments payable to Holders pursuant to this CVR Agreement. Parent shall, and shall cause its Subsidiaries to, furnish to the Subject Matter Expert such reasonable access, work papers and other documents and information related to disputed issues as the Subject Matter Expert may request and as are available to Parent, and subject to customary confidentiality provisions. The Subject Matter Expert shall disclose to the Requesting Party only the amounts that the Subject Matter Expert believes to be due and payable by Parent, details concerning any discrepancy from the amount paid and the amount due, and shall disclose no other information revealed in such audit. The Subject Matter Expert shall provide Parent with a copy of all disclosures made to the Requesting Party.

(c) Notwithstanding anything to the contrary, only one, and not both, of the Holder Representative or the Majority Holders may provide notice requesting an audit pursuant to Sections 6.5(a) or 6.5(b) during each Review Request Period.

(d) All other items in the Covered Revenues Statement that the Requesting Party and Parent do not submit, prior to the end of the Review Request Period, to the Independent Accountant or to the Subject Matter Expert for resolution shall be deemed to be agreed by the Requesting Party and Parent and neither the Independent Accountant nor the Subject Matter Expert shall be charged with calculating or validating those agreed upon items.

(e) If the Independent Accountant or Subject Matter Expert concludes that any Covered Revenues Payment amount should have been greater than the Covered Revenues Payment set forth in an applicable Covered Revenues Statement (the difference being the "CVR Shortfall"), Parent shall pay the CVR Shortfall within 60 days of the date the Requesting Party deliver to Parent the Independent Accountant's or Subject Matter Expert's written report (the "Shortfall Report"); provided that the CVR Shortfall amount shall bear interest at the Shortfall Interest Rate beginning from 30 days after the date the Requesting Party delivers to Parent the Shortfall Report until payment is made to the Trustee. The decision of such Independent Accountant and Subject Matter Expert shall be final, conclusive and binding on Parent and the Holders, shall be non-appealable and shall not be subject to further review.

(f) If, upon the expiration of the Review Request Period, neither the Holder Representative nor the Majority Holders have requested a review of the applicable Covered Revenues Statement in accordance with this Section 6.5, the calculation of the Covered Revenues Payment payable with respect to all Covered Revenues Measuring Periods within the applicable Threshold Measuring Period shall be conclusive and binding on each Holder, and Parent shall be released from any liability or accountability with respect to payments in respect of such Covered Revenues Measuring Periods in excess of such Covered Revenues Payment.

(g) Each Person seeking to receive information from Parent in connection with a review pursuant to this Section 6.5 shall enter into, and shall cause its accounting firm to enter into, a reasonable and mutually satisfactory confidentiality agreement with Parent or any Subsidiary obligating such party to retain all such financial information disclosed to such party in confidence pursuant to such confidentiality agreement and not use such information for any purpose other than the completion of such review.

(h) Parent shall use, and shall cause its Affiliates to use, its (and their) commercially reasonable efforts to include a provision in any license or distribution agreement with any third party with respect to any Covered Product or Service that would allow any Independent Accountant appointed pursuant to this Section 6.5 such access to the records of the other party to such license or distribution agreement as may be reasonably necessary to perform its duties pursuant to this Section 6.5 provided, that this provision shall not apply if the underlying license agreement with Parent or Affiliates would not customarily include audit

rights. The parties hereto agree that, if Parent or its Affiliates have exercised audit rights under any collaboration, license, sublicense or distribution agreement, or any agreement referred to in the final proviso of the definition of "Covered Revenues Payment", prior to the Requesting Party's request for an audit under this Section 6.5 and under such collaboration, license, sublicense, distribution or other agreement Parent and its Affiliates cannot request another audit, the results of Parent's prior audit of the counterparty shall be used for purposes of the audit requested by the Requesting Party under this Section 6.5 and that Parent shall not have any further obligation to provide access to the Independent Accountant or Subject Matter Expert with respect to such counterparty until such time as Parent may again exercise its rights of audit under the collaboration, license, sublicense, distribution or other agreement with such counterparty.

(i) Each of the Requesting Party and Parent shall bear its own costs and expenses in connection with the reviews and audits provided for in this Section 6.5, except that the fees and expenses of the Independent Accountant and/or the Subject Matter Expert will be borne as provided in Section 6.5(a) and Section 6.5(b), respectively.

Section 6.6. Certain Covenants and Acknowledgements.

(a) During the Covered Revenues Term, Parent shall operate its business and its Subsidiaries' businesses in good faith and shall not take any action, and shall cause its Subsidiaries not to take any action, for the primary purpose of avoiding or reducing the amount of Covered Revenues Payments payable to the Holders.

(b) So long as any of the CVRs remain Outstanding, Parent shall not enter into any binding agreement, arrangement or understanding, which would, or would reasonably be expected to, delay or prevent Parent's ability to timely make any Covered Revenues Payment that becomes due under this CVR Agreement.

(c) Parent shall use, and shall cause its Subsidiaries to use, Diligent Efforts to obtain regulatory approval and clearance for the Existing Products; provided, however, that such obligation to use Diligent Efforts shall terminate upon the earlier of (i) the End Date and (ii) such time as the data generated in an appropriate clinical trial does not support further development of such Product. Parent shall use, and shall cause its Subsidiaries to use, Diligent Efforts to Sell and commercialize Products of Parent and its Subsidiaries that are included in the definition of Covered Products and Services, in each case in the Field utilizing any Methylation-based Technology; provided, however, that such obligation to use Diligent Efforts shall terminate upon the End Date.

Without limiting the provisions of this Section 6.6, each of the Trustee and Holder Representative (by execution of this CVR Agreement) and the Holders (by their acceptance of the CVRs hereby) shall be deemed to have acknowledged that (i) Parent may make decisions regarding the operation of the businesses of Parent and its Subsidiaries, including the investment and allocation of resources, on the basis of the strategic objectives of Parent and its Affiliates taking into account any relevant factors (including technical, commercial, legal, scientific and/or medical factors), and that such decisions may adversely affect the amount of Covered Revenues Payments payable to the Holders, and (ii) it is Parent's present intention to operate the Company business as a stand-alone division within Parent and Parent may in its discretion develop, package, distribute and sell products and services separately, in each case of (i) and (ii), so long as such actions taken or not taken do not conflict with or breach the provisions of this CVR Agreement, including this Section 6.6.

Section 6.7. Notice of Default. Parent shall file with the Trustee written notice of the occurrence of any Event of Default or other default under this CVR Agreement within five Business Days of its becoming aware of any such default or Event of Default.

Section 6.8. Confidentiality. The Trustee, the Holder Representative and the Holders hereby agree that any confidential or non-public information (including Covered Revenues Statements) they receive from or on behalf of Parent or any Affiliate of Parent, which receipt arises out of the transactions contemplated by this CVR Agreement (the "Confidential Information"), shall: (a) not be used for any purpose other than for purposes permitted under this CVR Agreement; (b) not be used directly or indirectly in any way that is for competitive purposes; and (c) not be disclosed by, and be kept confidential by, the Trustee, the Holder Representative and the Holders and its directors, officers, members, managers, employees, affiliates, and agents (collectively, "Representatives"); provided, however, that any such Confidential Information may be disclosed only to their Representatives (including the Independent Accountant) who (i) need to know such Confidential Information and (ii) are bound in writing to a non-disclosure agreement no less restrictive than this Section 6.8. It is understood that such Representatives shall be informed by the Trustee, the Holder Representative or the applicable Holder of the confidential nature of such Confidential Information, and that the Trustee, the Holder Representative or such Holder, as applicable, shall be responsible for any disclosure or use made by its Representatives in breach of obligations under this CVR Agreement to the same extent as if such disclosure or use had been made directly by the Trustee or such Holder, as applicable. Each of the Trustee, the Holder Representative and the Holders will promptly notify Parent of any breach of this CVR Agreement of which they become aware, and will use reasonable efforts to assist and cooperate with Parent in minimizing the consequences of such breach. "Confidential Information" shall not include any information that is (A) publicly available other than because of disclosure by the Trustee, the Holder Representative or the Holders or any of their respective Representatives or (B) is lawfully disclosed to the Trustee, the Holder Representative or Holders by sources (other than Parent or its Affiliates) rightfully in possession of the Confidential Information. If the Trustee, the Holder Representative, the Holders or their respective Representatives are legally required or requested to disclose any Confidential Information, they will in advance of such disclosure, unless otherwise prohibited by Law, promptly notify Parent of such request or requirement so that Parent may seek to avoid or minimize the required disclosure and/or obtain an appropriate protective order or other appropriate relief to ensure that any Confidential Information so disclosed is maintained in confidence to the maximum extent possible by the Person receiving the disclosure, or, in Parent's discretion, to waive compliance with the provisions of this CVR Agreement. In any such case, the Trustee, the Holder Representative and the Holders agree to cooperate and use reasonable efforts to avoid or minimize the required disclosure and/or obtain such protective order or other relief. If, in the absence of a protective order or the receipt of a waiver hereunder, the Trustee, the Holder Representative, Holders or their respective Representatives are legally obligated to disclose any Confidential Information, they will disclose only so much thereof to the party compelling disclosure as they reasonably believe in good faith, on the basis of advice of counsel, is required by Law. The Trustee, the Holder Representative and Holders shall give Parent prior written notice of the specific Confidential Information that they believe they are required to disclose under such circumstances. All Confidential Information disclosed by or on behalf of Parent or any of its Affiliates shall be, and shall remain, the property of Parent or such Affiliate.

Section 6.9. Non-Use of Name. None of the Trustee, the Holder Representative or the Holders shall use the name, trademark, trade name, or logo of Parent, its Affiliates, or their respective employees in any publicity or news release relating to this CVR Agreement or its subject matter, without the prior express written permission of Parent.

ARTICLE 7

REMEDIES OF THE TRUSTEE AND HOLDER

ON EVENT OF DEFAULT

Section 7.1. Event of Default Defined; Waiver of Default. "Event of Default" with respect to the CVRs, means each one of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of Law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of all or any part of any Covered Revenues Payment after a period of 10 Business Days after such Covered Revenues Payment shall become due and payable on a Payment Date or otherwise; or

(b) material default in the performance, or breach in any material respect, of any covenant or warranty of Parent in respect of the CVRs (other than a covenant or warranty in respect of the CVRs, a default in whose performance or whose breach is elsewhere in this Section 7.1 specifically dealt with), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to Parent by the Trustee or to Parent and the Trustee by the Majority Holders, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(c) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of Parent in an involuntary case under any applicable bankruptcy, insolvency or other similar Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, Trustee or sequestrator (or similar official) of Parent or for any substantial part of its property or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(d) Parent shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar Law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such Law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, Trustee or sequestrator (or similar official) of Parent or for any substantial part of its property, or make any general assignment for the benefit of creditors.

Except where authorization and/or appearance of each of the Holders is required by applicable Law, if an Event of Default described above occurs and is continuing, then, and in each and every such case, either the Trustee or the Trustee upon the written request of the Majority Holders by notice in writing to Parent (and to the Trustee if given by the Majority Holders), shall bring suit to protect the rights of the Holders, including to obtain payment for any amounts then due and payable, which amounts shall bear interest at the Default Interest Rate until payment is made to the Trustee.

The foregoing provisions, however, are subject to the condition that if, at any time after the Trustee shall have begun such suit, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, Parent shall pay or shall deposit with the Trustee a sum sufficient to pay all amounts which shall have become due (with interest upon such overdue amount at the Default Interest Rate to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred and all advances made, by the Trustee, and if any and all Events of Default under this CVR Agreement shall have been cured, waived or otherwise remedied as provided herein, then and in every such case the Majority Holders, by written notice to Parent and to the Trustee, may waive all defaults with respect to the CVRs, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereof.

Section 7.2. Collection by the Trustee; the Trustee May Prove Payment Obligations. Parent covenants that in the case default shall be made in the payment of all or any part of the CVRs when the same shall have become due and payable, whether at a Payment Date or otherwise, then upon demand of the Trustee, Parent will pay to the Trustee for the benefit of the Holders the whole amount that then shall

have become due and payable on all CVRs (with interest from the date due and payable to the date of such payment upon the overdue amount at the Default Interest Rate); and in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee and each predecessor Trustee, their respective agents, attorneys and counsel, and any expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of its negligence, bad faith or willful misconduct.

The Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this CVR Agreement or in aid of the exercise of any power granted herein, or to enforce any other remedy.

In case Parent shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as Trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at Law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Parent or other obligor upon such CVRs and collect in the manner provided by Law out of the property of Parent or other obligor upon such CVRs, wherever situated, the moneys adjudged or decreed to be payable.

In any judicial proceedings relative to Parent or other obligor upon the CVRs, irrespective of whether any amount is then due and payable with respect to the CVRs, the Trustee is authorized:

(a) to file and prove a claim or claims for the whole amount owing and unpaid in respect of the CVRs, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence, bad faith or willful misconduct) and of the Holders allowed in any judicial proceedings relative to Parent or other obligor upon the CVRs, or to their respective property;

(b) unless prohibited by, and only to the extent required by, applicable Law, to vote on behalf of the Holders in any election of a Trustee or a standby Trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or a Person performing similar functions in comparable proceedings; and

(c) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Holders and of the Trustee on their behalf; and any Trustee, receiver, or liquidator, custodian or other similar official is hereby authorized by each of the Holders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the Holders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of its negligence, bad faith or willful misconduct, and all other amounts due to the Trustee or any predecessor Trustee pursuant to Section 3.6. To the extent that such payment of reasonable compensation, expenses, disbursements, advances and other amounts out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, moneys, securities and other property which the Holders may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the CVRs, or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding except, as aforesaid, to vote for the election of a Trustee in bankruptcy or similar person.

All rights of action and of asserting claims under this CVR Agreement, or under any of the CVRs, may be enforced by the Trustee without the possession of any of the CVRs or the production thereof and any trial or other proceedings instituted by the Trustee shall be brought in its own name as Trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this CVR Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders, and it shall not be necessary to make any Holders of such CVRs parties to any such proceedings (unless required by applicable Law).

Section 7.3. Application of Proceeds. Any monies collected by the Trustee pursuant to this Article 7 in respect of any CVRs shall be applied in the following order at the date or dates fixed by the Trustee upon presentation of the several CVRs in respect of which monies have been collected and stamping (or otherwise noting) thereon the payment in exchange for the presented CVRs if only partially paid or upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses in respect of which monies have been collected, including reasonable compensation to the Trustee and Holder Representative and each predecessor Trustee and predecessor Holder Representative, as applicable, and their respective agents and attorneys and of all expenses and liabilities incurred, and all advances made, by the Trustee and Holder Representative and each predecessor Trustee and predecessor Holder Representative, as applicable, except as a result of their respective negligence, bad faith or willful misconduct, and all other amounts due to the Trustee and Holder Representative or any predecessor Trustee or predecessor Holder Representative pursuant to Section 3.5;

SECOND: To the payment of the whole amount then owing and unpaid upon all the CVRs, with interest at the Default Interest Rate on all such amounts, and in case such monies shall be insufficient to pay in full the whole amount so due and unpaid upon the CVRs, then to the payment of such amounts without preference or priority of any security over any other CVR, ratably to the aggregate of such amounts due and payable; and

THIRD: To the payment of the remainder, if any, to Parent or any other Person lawfully entitled thereto.

Section 7.4. Suits for Enforcement. In case an Event of Default has occurred, has not been waived and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this CVR Agreement by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights (unless authorization and/or appearance of each of the Holders is required by applicable Law), either at Law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this CVR Agreement or in aid of the exercise of any power granted in this CVR Agreement or to enforce any other legal or equitable right vested in the Trustee by this CVR Agreement or by Law.

Section 7.5. Restoration of Rights on Abandonment of Proceedings. In case the Trustee or any Holder shall have proceeded to enforce any right under this CVR Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case Parent and the Trustee and the Holders shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of Parent, the Trustee and the Holders shall continue as though no such proceedings had been taken.

Section 7.6. Limitations on Suits by Holders. Subject to the right of the Holder Representative and the Majority Holders under Section 6.5, no Holder of any CVR shall have any right by virtue or by availing itself of any provision of this CVR Agreement to institute any Action at law or in equity or in bankruptcy or otherwise upon or under or with respect to this CVR Agreement, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder, unless (a) such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided; (b) the Majority Holders shall have made written request upon the Trustee to institute such action or proceedings in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby; and (c) the Trustee for 15 days after its receipt of the latter of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 7.9. For the protection and enforcement of the provisions of this Section 7.6, each and every Holder and the Trustee shall be entitled to such relief as can be given either at Law or in equity.

Section 7.7. Unconditional Right of Holders to Institute Certain Suits. Notwithstanding any other provision in this CVR Agreement and any provision of any CVR, the right of any Holder of any CVR to receive payment of the amounts payable in respect of such CVR on or after the respective due dates expressed in such CVR, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 7.8. Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default.

(a) Except as provided in Section 7.6, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by Law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at Law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(b) No delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 7.6, every power and remedy given by this CVR Agreement or by Law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

Section 7.9. Control by Holders.

(a) The Majority Holders shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred on the Trustee with respect to the CVRs by this CVR Agreement; provided that such direction shall not be otherwise than in accordance with Law and the provisions of this CVR Agreement; and provided, further, that (subject to the provisions of Section 3.1) the Trustee shall have the right to decline to follow any such

direction if (i) the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors, the executive committee, (ii) a committee of directors or Responsible Officers of the Trustee shall determine that the action or proceedings so directed would involve the Trustee in personal liability or (iii) the Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction would be unduly prejudicial to the interests of Holders not joining in the giving of said direction.

(b) Nothing in this CVR Agreement shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Holders.

Section 7.10. Waiver of Past Defaults.

(a) In the case of a default or an Event of Default specified in clause (b), (c) or (d) of Section 7.1, the Majority Holders may waive any such default or Event of Default, and its consequences except a default in respect of a covenant or provisions hereof which cannot be modified or amended without the consent of the Holder of each CVR affected. In the case of any such waiver, Parent, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(b) Upon any such waiver, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of this CVR Agreement; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 7.11. The Trustee to Give Notice of Default, But May Withhold in Certain Circumstances. The Trustee shall transmit to the Holders, as the names and addresses of such Holders appear on the CVR Register (as provided under Section 313(c) of the Trust Indenture Act, if applicable), notice by mail of all defaults which have occurred and are known to the Trustee, such notice to be transmitted within 90 days after the occurrence thereof, unless such defaults shall have been cured before the giving of such notice (the term "default" for the purposes of this Section 7.11 being hereby defined to mean any event or condition which is, or with notice or lapse of time or both would become, an Event of Default); provided that, except in the case of default in the payment of the amounts payable in respect of any of the CVRs, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or Trustees and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders.

Section 7.12. Right of Court to Require Filing of Undertaking to Pay Costs. All Parties to this CVR Agreement agree, and each Holder of any CVR by his or her acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this CVR Agreement or in any suit against the Trustee for any action taken, suffered or omitted by it as the Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 7.12 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder or group of Holders holding in the aggregate more than 10% of the CVRs Outstanding or to any suit instituted by any Holder for the enforcement of the payment of any CVR on or after the due date expressed in such CVR.

ARTICLE 8

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 8.1. Parent May Consolidate, etc., on Certain Terms.

(a) Parent shall not merge or consolidate with or into any other Person, or sell or convey all of its assets to any Person (other than a wholly owned Subsidiary of Parent), unless (i) Parent shall be the continuing Person, or the successor Person or the Person which acquires by sale or conveyance all the assets of Parent (including the shares of the Company), Parent shall be a Person organized under the Laws of the United States of America or any State thereof and shall expressly assume by an instrument supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the CVRs, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this CVR Agreement to be performed or observed by Parent and (ii) Parent, or such successor Person, as the case may be, shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

(b) Except as otherwise provided in Section 8.1(a) or in a Minority Transaction, Parent and its Subsidiaries shall not consummate a Disposition of their respective rights in and to Applicable Products to any third party (including the sale of substantially all, but not all, the assets of Parent), except in a bona fide transaction and unless Parent obtains the agreement of the transferee to (i) (x) at all times after any such Disposition, include such Applicable Products (or Services or other assets and rights included in such Disposition, if applicable) in the calculation of Covered Revenues, in accordance with the terms hereunder (with the transferee substituted for Parent as necessary) as if such transferee was Parent and (y) include in the contract for such Disposition appropriate provisions for such treatment and a requirement that the transferee comply with the covenants in this Section 8.1(b) to the same extent as Parent, and (ii) adjust the dollar amounts set forth in the definition of "Covered Revenues Payment" as agreed upon by Parent and the Holder Representative as a result of such transaction to apportion such thresholds between the portion of the business retained by Parent and its Subsidiaries and the portion of the business attributable to the Applicable Products (and Services and such other assets and rights, if applicable) acquired by the transferee (which apportionment shall be based on the relative percentage of projected Covered Revenues transferred and the percentage of projected Covered Revenues retained for the period from the closing of the transaction to the End Date) (any transaction in which the transferee agrees to such inclusions, a "Specified Asset Sale"). For purposes of clarification, this Section 8.1(b) will not apply to (A) Sales of Products or Services made by Parent or its wholly owned Subsidiaries or (B) ordinary course licensing arrangements between Parent and its Subsidiaries, on the one hand, and third party licensees, on the other hand, in each case of clauses (A) and (B) in the ordinary course of business and which are taken into account in the calculation of Net Sales in accordance with the terms of this CVR Agreement. If any transaction covered by this Section 8.1(b) also involves the Disposition of assets or other rights other than Applicable Products, any commercial arrangement between Parent or any of its Affiliates, on the one hand, and the acquirer or any Affiliate of the acquirer on the other hand, or any other consideration paid or deemed paid by Parent to the transferee in such Disposition, then the Consideration allocated to the Applicable Products, assets or other rights included in Covered Revenues shall be calculated based on their actual value in proportion to the aggregate value of such Applicable Products, assets or other rights taking into account the value of all components of such transaction (the "Appropriate Allocation"). If a Product or Service that was a Bundled Product or Service ceases to be a Bundled Product or Service, then effective as of the date on which such Product or Service ceases to be a Bundled Product or Service, it will not be an Applicable Product for purposes of this Section 8.1(b) for so long as it is not a Bundled Product or Service and does not and would not generate Covered Revenues on a standalone basis.

(c) Except as otherwise provided in Section 8.1(a), Section 8.1(b), this Section 8.1(c) or in a Minority Transaction, Parent and its Subsidiaries shall not consummate a Disposition of their respective assets or rights in and to the business of Parent and its Subsidiaries that generate Covered Revenues to any third party without the prior written consent of the Majority Holders or the Holder Representative, such consent not to be unreasonably withheld, conditioned or delayed. Section 8.1(b) and this Section 8.1(c) shall not apply with respect to the Disposition of assets that are ancillary to and are not required for the generation of Covered Revenues (e.g., real property); provided, however, Covered Products and Services, Data described in the definition of "Sale of Data", Samples described in clause (d) of the definition of "Covered Revenues", and any assets in the Field utilizing Existing IP (and, in each case, any rights therein) and/or any assets that are integral thereto, shall not be deemed or considered ancillary for this purpose and shall be covered by Section 8.1(b) and the first sentence of this Section 8.1(c).

(d) In the event Parent and Holder Representative are unable to agree on any matters that are the subject of Section 8.1(b) (including (i) whether a given transaction is a "Minority Transaction", (ii) whether a particular transaction is subject to Section 8.1(b), (iii) whether the proceeds of any particular transaction constitute Covered Revenues (including any Appropriate Allocation, as applicable) or (iv) the applicable adjustments described in Section 8.1(b)(ii)), within 30 days of notice from one party to the other, either Parent or Holder Representative may provide written notice to the other of its (x) election to have such disagreement resolved by a Subject Matter Expert and (y) its proposal of the applicable Subject Matter Expert. Within 10 Business Days of the receipt of such notice, the receiving party shall either accept the proposal of such Subject Matter Expert or shall propose in writing to the other party a Subject Matter Expert. For the next 15 Business Days thereafter, Parent and the Holder Representative shall discuss the selection of such expert and failing agreement, the experts proposed by Parent and the Holder Representative shall in turn appoint an independent relevant Subject Matter Expert to resolve such dispute, which expert shall be selected no later than the end of such 15-Business Day period. Within one month after the appointment of the Subject Matter Expert, each of Parent and the Holder Representative shall submit in writing to the Subject Matter Expert its arguments for such disputed matter(s). The Subject Matter Expert, acting as an expert and not as an arbitrator, shall be charged to come to a final determination with respect to the proposed adjustment as promptly as practicable (and in any event within one month) by adopting the position of either Parent or the Holder Representative. The Subject Matter Expert shall not be permitted to make any determination other than adopting the position of either Parent or the Holder Representative, and the scope of the disputes to be resolved by the Subject Matter Expert shall be limited to the disputed matter(s). Parent shall permit, and shall cause its Subsidiaries to permit, the Subject Matter Expert to have access during normal business hours to such of the records of Parent as may be reasonably necessary to resolve the disputed matter(s). The person whose position was not adopted by the Subject Matter Expert shall pay, or cause to be paid, the fees charged by the Subject Matter Expert. Parent shall, and shall cause its Subsidiaries to, furnish to the Subject Matter Expert such access, work papers and other documents and information related to the adjustment dispute as the Subject Matter Expert may request and as are available to Parent.

Section 8.2. Successor Person Substituted.

(a) In case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor Person in accordance with the terms of this CVR Agreement, Parent shall be discharged from all obligations and covenants under this CVR Agreement solely with respect to the business and assets transferred in such bona fide consolidation, merger, sale or conveyance, but, for the avoidance of doubt, Parent will remain bound by all obligations and covenants with respect to any business or assets retained by Parent or its Subsidiaries that generate Covered Revenues, and such successor Person shall succeed to and be substituted for Parent with the same effect as if it had been named herein (it being understood, for the avoidance of doubt, that the calculations of Covered Revenues and Net Sales shall not include any revenue or Sales of any Affiliates of the successor Person other than the revenue and Sales of the business and assets of Parent and its Subsidiaries). Such successor Person may cause to be signed, and

may issue either in its own name or in the name of Parent prior to such succession any or all of the CVRs issuable hereunder which theretofore shall not have been signed by Parent and delivered to the Trustee, and, upon the order of such successor corporation instead of Parent and subject to all the terms, conditions and limitations in this CVR Agreement prescribed, the Trustee shall authenticate and shall deliver any CVRs which previously shall have been signed and delivered to the Trustee for authentication, and any CVRs which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the CVRs so issued shall in all respects have the same legal rank and benefit under this CVR Agreement as the CVRs theretofore or thereafter issued in accordance with the terms of this CVR Agreement as though all of such CVRs had been issued at the date of the execution hereof.

(b) In case of any such consolidation, merger, sale or conveyance, such changes in phraseology and form (but not in substance) may be made in the CVRs thereafter to be issued as may be appropriate. The successor entity to such consolidation, merger, sale or conveyance may satisfy the obligations of Section 4.4(a)(i)(A) and (B) of this CVR Agreement by providing copies of such successor entity's Exchange Act Documents in the case of Section 4.4(a)(i)(A) or such successor entity's financial information in the case of Section 4.4(a)(i)(B).

(c) In the event of any such sale, transfer or conveyance (other than a conveyance by way of lease) Parent or any Person which shall theretofore have become such in the manner described in this Article 8 shall be discharged from all obligations and covenants under this CVR Agreement and the CVRs and may be liquidated and dissolved.

Section 8.3. Opinion of Counsel to the Trustee. The Trustee, subject to the provisions of Sections 3.1 and 3.2, shall receive an Officer's Certificate and Opinion of Counsel, prepared in accordance with Sections 1.3 and 1.4, as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this CVR Agreement, and if a supplemental agreement is required in connection with such transaction, such supplemental agreement complies with this Article 8 and that there has been compliance with all conditions precedent herein provided for or relating to such transaction.

Section 8.4. Successors. All covenants, provisions and agreements in this CVR Agreement by or for the benefit of Parent, the Trustee, the Holder Representative or the Holders shall bind and inure to the benefit of their respective permitted successors, assigns, heirs and personal representatives, whether so expressed or not. Parent may assign this CVR Agreement without the prior written consent of the other Parties to this CVR Agreement to one or more of its direct or indirect Subsidiaries; provided, however, that in the event of any such assignment Parent shall remain subject to its obligations and covenants hereunder, including, but not limited to, its obligation to make any Covered Revenues Payments.

ARTICLE 9

REDEMPTION OF SECURITIES

Section 9.1. Notice to Trustee. If Parent elects to redeem CVRs pursuant to the optional redemption provisions of Section 9.5 hereof, it shall furnish to the Trustee, at least 45 days (unless a shorter period shall be agreed to by the Trustee) but not more than 60 days before a redemption date (but in any event prior to the notice provided pursuant to Section 9.2 hereof), an Officer's Certificate setting forth (i) the clause of this CVR Agreement pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the amount of CVRs to be redeemed and (iv) the Redemption Price.

Section 9.2. Notice of Redemption. At least 30 days but not more than 60 days before a redemption date, Parent shall mail or cause to be mailed, by first-class mail, a notice of redemption to each Holder whose CVRs are to be redeemed at its registered address. The notice (the "Call Notice") shall identify the amount of CVRs to be redeemed and shall state:

(a) the redemption date;

(b) the Redemption Price;

(c) the name and address of the paying agent;

(d) that CVRs called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(e) that, unless Parent defaults in making such redemption payment, all right title and interest in and to the CVRs and any Covered Revenues Payment or any other amounts due under this CVR Agreement, if any, on CVRs called for redemption ceases to accrue on and after the redemption date;

(f) the clause of this CVR Agreement pursuant to which the CVRs called for redemption are being redeemed; and

(g) that no representation is made as to the correctness or accuracy of the CUSIP and ISIN number, if any, listed in such notice or printed on the CVRs.

At Parent's request, the Trustee shall give the notice of redemption in Parent's name and at its expense; provided, however, that Parent shall have delivered to the Trustee at least 45 days (unless a shorter period shall be agreed to by the Trustee) but not more than 60 days prior to the redemption date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 9.3. Effect of Notice of Redemption. Once notice of redemption is mailed in accordance with Section 9.2 hereof, CVRs called for redemption shall become irrevocably due and payable on the redemption date at the Redemption Price. A notice of redemption shall be deemed to be given when mailed, whether or not the Holder receives the notice. In any event, failure to give such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of the CVRs held by Holders to whom such notice was properly given.

Section 9.4. Deposit of Redemption Price. On or one Business Day prior to the redemption date, Parent shall deposit with the Trustee or with the Paying Agent (if different from the Trustee) money sufficient to pay the Redemption Price of all CVRs to be redeemed on that date. The Trustee or the paying agent shall promptly return to Parent any money deposited with the Trustee or the paying agent by Parent in excess of the amounts necessary to pay the Redemption Price of all CVRs to be redeemed.

If Parent complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, as applicable, all right title and interest of a Holder to any Covered Revenues Payment, if any, shall cease to accrue on the CVRs called for redemption or subject to purchase. If any CVR called for redemption or subject to purchase shall not be so paid upon surrender for redemption or purchase because of the failure of Parent to comply with the preceding paragraph, interest shall be paid on the unpaid redemption price from the redemption date or purchase date, as applicable, until such redemption price is paid at the Default Interest Rate.

Section 9.5. Optional Redemption by Parent. Parent may, at any time on and after the Redemption Eligibility Date, redeem all (but not less than all) of the outstanding CVRs at the Redemption Price.

ARTICLE 10

HOLDER REPRESENTATIVE

Section 10.1. Authority and Rights of the Holder Representative; Limitations on Liability.

(a) The Holder Representative shall have such powers and authority as are necessary to carry out the functions, on behalf of the Holders, assigned to it under this CVR Agreement; provided, however, that the Holder Representative shall have no obligation to act, except as expressly provided herein. Without limiting the generality of the foregoing, each Holder agrees that the Holder Representative has full power, authority and discretion, on behalf of each Holder and his, her or its successors and assigns, to (a) interpret the terms and provisions of this CVR Agreement and the documents to be executed and delivered by the Holders in connection herewith, (b) execute and deliver and receive deliveries of all agreements, certificates, statements, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given by it under this CVR Agreement, (c) receive service of process in connection with any claims under this CVR Agreement or any document or agreement contemplated to be executed or delivered in connection with this CVR Agreement, (d) agree to, negotiate and enter into settlements and compromises of, and assume the defense of, claims, and demand arbitration and comply with Orders and awards of arbitrators with respect to such claims, and take all actions necessary or appropriate in the judgement of the Holder Representative for the accomplishment of the foregoing (e) give and receive notices and communications as provided under this CVR Agreement and (f) take all actions necessary or appropriate in the judgment of the Holder Representative on behalf of the Holders in carrying out the provisions of this CVR Agreement applicable to the Holders. All actions taken by the Holder Representative under this CVR Agreement shall be binding upon the Holders and their successors as if expressly confirmed and ratified in writing by each of them. The Holder Representative shall, in its capacity as such, have no liability to any Holder with respect to actions taken or omitted to be taken in their capacity as the Holder Representative, except that the Holder Representative will be liable for its willful misconduct or actual fraud, as finally determined by a court of competent jurisdiction from which no further appeal may be taken. The Holder Representative shall at all times be entitled to rely on any directions received from the Majority Holders; provided, however, that the Holder Representative shall not be required to follow any such direction, and shall be under no obligation to take any action in its capacity as the Holder Representative, unless the Holder Representative has been provided with other funds, security or indemnities which, in the sole determination of the Holder Representative, are sufficient to protect the Holder Representative against the costs, expenses and liabilities which may be incurred by the Holder Representative in responding to such direction or taking such action. At no cost to Parent, the Company or the Trustee, the Holder Representative shall be entitled to engage such counsel, experts and other agents and consultants as it shall deem necessary in connection with exercising its powers and performing its function hereunder and the Holders (including any permitted transferees) agree by their acceptance of the CVRs that the Holder Representative shall be entitled to (in the absence of bad faith on the part of the Holder Representative) conclusively rely on the opinions and advice of such Persons. The Holder Representative shall be entitled to reimbursement for all reasonable expenses incurred or reasonably estimated to be incurred, disbursements and advances (including fees and disbursements of their counsel, experts and other agents and consultants) incurred by the Holder Representative in such capacity, and in the event of an Event of Default, and upon notice to the Trustee, such reimbursement shall be paid to the Holder Representative in accordance with Section 7.3 (it being understood that none of Parent, the Company or their respective Affiliates shall be responsible for such reimbursement). The Holder Representative shall be entitled to indemnification from the Holders against any loss, liability or expenses arising out of actions taken or omitted to be taken in its capacity as the Holder Representative (except for

those arising out of the Holder Representative's gross negligence or willful misconduct), including the costs and expenses of investigation and defense of claims. Parent and the Company shall be able to rely conclusively (without liability) on any instructions given and actions taken by the Holder Representative as the instruction and decision of each Holder in all matters applicable to the Holder referred to herein. No Holder shall have any cause of action against Parent, the Company or the Trustee for any action taken by Parent, the Company or the Trustee in reliance upon the written instructions or decisions of the Holder Representative, or otherwise on account of payments or distributions made by or on behalf of Parent or the Trustee in accordance with the instructions of the Holder Representative. Each Holder by accepting the CVR, including any permitted transferee, acknowledges and agrees to the terms and conditions of this Section 10.1.

(b) Notwithstanding anything to the contrary herein, any action that may be taken by the Holder Representative (including the making of any consents or other agreements) under this CVR Agreement may instead by taken by the Majority Holders and in such case Parent shall be entitled to conclusively rely on the agreement or consent of the Majority Holders.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this CVR Agreement to be duly executed, all as of the day and year first above written.

ILLUMINA, INC.

By: _____
Name:
Title:

[•],
as the Trustee

By: _____
Name:
Title:

[•],
as the Holder Representative

By: _____
Name:
Title:

ANNEX A

THIS CVR MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR IN ANY OTHER MANNER TRANSFERRED OR DISPOSED OF, IN WHOLE OR IN PART, OTHER THAN THROUGH A "PERMITTED TRANSFER" (AS DEFINED IN THE CVR AGREEMENT REFERRED TO HEREIN) IN COMPLIANCE WITH THE TERMS OF THE CVR CERTIFICATE AND APPLICABLE UNITED STATES FEDERAL AND STATE SECURITIES LAWS.

ILLUMINA, INC.

No. Certificate for Contingent Value Rights

This certifies that _____, or registered assigns (the "Holder"), is the registered holder of the number of Contingent Value Rights ("CVRs") set forth above. Each CVR entitles the Holder, subject to the provisions contained herein and in the CVR Agreement referred to on the reverse hereof, to payments from Illumina, Inc., a Delaware corporation ("Parent"), in an amounts and in the forms determined pursuant to the provisions set forth on the reverse hereof and as more fully described in the CVR Agreement referred to on the reverse hereof. Such payments shall be made on a Payment Date, as defined in the CVR Agreement referred to on the reverse hereof.

Payment of any amounts pursuant to this CVR Certificate shall be made only to the registered Holder (as defined in the CVR Agreement) of this CVR Certificate. Such payment shall be made in the Borough of Manhattan, The City of New York, or at any other office or agency maintained by Parent for such purpose, in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts; provided, however, Parent may pay such amounts by wire transfer or check payable in such money. [TRUSTEE] has been initially appointed as Paying Agent at its office or agency in the Borough of Manhattan, The City of New York.

Reference is hereby made to the further provisions of this CVR Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof by manual signature, this CVR Certificate shall not be entitled to any benefit under the CVR Agreement, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, Parent has caused this instrument to be duly executed.

Dated: [•]

By: _____

Name:

Title:

Attest: _____

Authorized Signature

[Form of Reverse of CVR Certificate]

1. This CVR Certificate is issued under and in accordance with the Contingent Value Rights Agreement, dated as of [•] (the "CVR Agreement"), among Parent and [•], a national banking association, as trustee (the "Trustee," which term includes any successor Trustee under the CVR Agreement), and [•], a [•], as Holder Representative (the "Holder Representative"), and is subject to the terms and provisions contained in the CVR Agreement, to all of which terms and provisions the Holder of this CVR Certificate consents by acceptance hereof. The CVR Agreement is hereby incorporated herein by reference and made a part hereof. Reference is hereby made to the CVR Agreement for a full statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of Parent, the Trustee and the Holders of the CVRs. All capitalized terms used in this CVR Certificate without definition shall have the respective meanings ascribed to them in the CVR Agreement. Copies of the CVR Agreement can be obtained by contacting the Trustee.

2. On each Covered Revenues Payment Date, Parent shall pay to the Holder hereof, for each CVR represented hereby, a Pro Rata Portion of the Covered Revenues Payment, if any, with respect to the Covered Revenues Measuring Period ended immediately prior to such Covered Revenues Payment Date.

3. In the event of any conflict between this CVR Certificate and the CVR Agreement, the CVR Agreement shall govern and prevail.

4. Each Covered Revenues Payment, if any, and interest thereon, if any, shall be payable by Parent in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts; provided, however, Parent may pay such amounts by its check or wire transfer payable in such money. [TRUSTEE] has been initially appointed as Paying Agent at its office or agency in the Borough of Manhattan, The City of New York.

5. Except where authorization and/or appearance of each of the Holders is required by applicable Law, if an Event of Default described above occurs and is continuing, then, and in each and every such case, either the Trustee or the Trustee upon the written request of the Majority Holders by notice in writing to Parent (and to the Trustee if given by the Majority Holders), shall bring suit to protect the rights of the Holders, including to obtain payment for any amounts then due and payable, which amounts shall bear interest at the Default Interest Rate until payment is made to the Trustee.

6. The CVRs may not be sold, assigned, transferred, pledged, encumbered or in any other manner transferred or disposed of, in whole or in part, other than through a Permitted Transfer in compliance with the terms of the CVR Agreement and applicable United States federal and state securities Laws.

7. As provided in the CVR Agreement and subject to certain limitations therein set forth, every request made to transfer a CVR must be in writing and accompanied by a written instrument of transfer and other requested documentation in form reasonably satisfactory to the Trustee and Parent, duly executed by the Holder thereof, and setting forth in reasonable detail the circumstances relating to the transfer. Upon receipt of such written notice and surrender for registration of transfer of the CVR Certificates, the Trustee shall, subject to its reasonable determination that the transfer instrument is in proper form, notify Parent that it has received such written notice. Upon receipt of such notice from the Trustee, Parent shall determine whether the transfer otherwise complies with the other terms and conditions of the CVR Agreement (including the provisions of Section 2.2(c) of the CVR Agreement), and if it determines that it does so comply, Parent shall instruct the Trustee in writing to, and the Trustee shall, upon surrender for registration of transfer of such CVR Certificate at the Corporate Trust Office, authenticate and deliver,

in the name of the designated transferee or transferees, one or more new CVR Certificates representing the same aggregate number of CVRs represented by the CVR Certificate so surrendered that are to be transferred and Parent shall execute and the Trustee shall authenticate and deliver, in the name of the transferor, one new CVR Certificate representing the aggregate number of CVRs represented by such CVR Certificate that are not to be transferred.

8. At the option of the Holder, CVR Certificates may be exchanged for other CVR Certificates that represent in the aggregate the same number of CVRs as the CVR Certificates surrendered at the Corporate Trust Office. Every CVR presented or surrendered for exchange shall (if so required by Parent or the Trustee) be duly endorsed, or be accompanied by a written instrument of exchange in form satisfactory to Parent and the Trustee. Whenever any CVR Certificates are so surrendered for exchange, Parent shall execute, and the Trustee shall authenticate and deliver, the CVR Certificates which the Holder making the exchange is entitled to receive.

9. Parent and the Trustee may require payment of a sum sufficient to cover any stamp or other Tax or charge that is imposed in connection with any such registration of transfer or exchange as provided for in Sections 2.6(b) and 2.6(c) of the CVR Agreement and described in clauses (7) and (8) above. The Trustee shall have no duty or obligation to take any action under any section of the CVR Agreement that requires the payment of applicable Taxes or charges unless and until the Trustee is satisfied that all such Taxes or charges have been paid.

10. All CVRs issued upon any registration of transfer or exchange of CVRs as provided for in the CVR Agreement shall be the valid obligations of Parent, evidencing the same rights, and entitled to the same benefits under the CVR Agreement, as the CVRs surrendered upon such registration of transfer or exchange.

11. Neither Parent nor the Trustee has any duty or obligation to the holder of this CVR Certificate, except as expressly set forth herein or in the CVR Agreement.

12. Redemption.

(a) Notice to Trustee. If Parent elects to redeem CVRs pursuant to the optional redemption provisions of Section 9.5 of the CVR Agreement, it shall furnish to the Trustee, at least forty five (45) days (unless a shorter period shall be agreed to by the Trustee) but not more than sixty (60) days before a redemption date (but in any event prior to the notice provided pursuant to Section 9.2 of the CVR Agreement), an Officer's Certificate setting forth (i) the clause of the CVR Agreement pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the amount of CVRs to be redeemed and (iv) the redemption price.

(b) Notice of Redemption. At least thirty (30) days but not more than sixty (60) days before a redemption date, Parent shall mail or cause to be mailed, by first-class mail, a notice of redemption to each Holder whose CVRs are to be redeemed at its registered address. The notice shall identify the amount of CVRs to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price;

(iii) the name and address of the paying agent;

(iv) that CVRs called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(v) that, unless Parent defaults in making such redemption payment, all right title and interest in and to the CVRs and any Covered Revenues Payment or any other amounts due under this CVR Agreement, if any, on CVRs called for redemption ceases to accrue on and after the redemption date;

(vi) the clause of this CVR Agreement pursuant to which the CVRs called for redemption are being redeemed; and

(vii) that no representation is made as to the correctness or accuracy of the CUSIP and ISIN number, if any, listed in such notice or printed on the CVRs.

At Parent's request, the Trustee shall give the notice of redemption in Parent's name and at its expense; provided, however, that Parent shall have delivered to the Trustee at least forty five (45) days (unless a shorter period shall be agreed to by the Trustee) but not more than sixty (60) days prior to the redemption date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

(c) Effect of Notice of Redemption. Once notice of redemption is mailed in accordance with Section 9.2 of the CVR Agreement, CVRs called for redemption shall become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption shall be deemed to be given when mailed, whether or not the Holder receives the notice. In any event, failure to give such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of the CVRs held by Holders to whom such notice was properly given.

(d) Deposit of Redemption Price. On or one (1) Business Day prior to the redemption date, Parent shall deposit with the Trustee or with the Paying Agent (if different from the Trustee) money sufficient to pay the redemption price of all CVRs to be redeemed on that date. The Trustee or the paying agent shall promptly return to Parent any money deposited with the Trustee or the paying agent by Parent in excess of the amounts necessary to pay the redemption price of all CVRs to be redeemed.

If Parent complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, as applicable, all right title and interest of a Holder to any Covered Revenues Payment, if any, shall cease to accrue on the CVRs called for redemption or subject to purchase. If any CVR called for redemption or subject to purchase shall not be so paid upon surrender for redemption or purchase because of the failure of Parent to comply with the preceding paragraph, interest shall be paid on the unpaid redemption price from the redemption date or purchase date, as applicable, until such redemption price is paid at the Default Interest Rate.

(e) Optional Redemption by Parent. Parent may, at any time on and after the Redemption Eligibility Date, redeem all (but not less than all) of the outstanding CVRs at a cash redemption price equal to the Redemption Price.

13. The Holders, including any permitted transferee, (by their acceptance of this CVR hereby) shall be deemed to have acknowledged the rights and privileges of the Holder Representative set forth in the CVR Agreement.

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the CVR Certificates referred to in the within-mentioned CVR Agreement.

[•],
as Trustee

Dated:

By: _____
Authorized Signatory

EXHIBIT D

Conditions for Reporting Intended Tax Treatment

1. Each of Parent and the Company has provided to Tax Counsel representations and warranties that the parties agree are customarily provided in connection with an opinion that a transaction is more likely than not to qualify as a "reorganization" within the meaning of Section 368(a)(1)(A) of the Code.

2. The Share Consideration Percentage is equal to or greater than 40%.

For purposes of this Exhibit D:

"Share Consideration Percentage" means the fraction, expressed as a percentage, the numerator of which is the Total Share Consideration and the denominator of which is the Total Consideration.

"Total Share Consideration" means the Parent-owned Stock Consideration Value *plus* the Shareholder-owned Stock Consideration Value.

"Total Consideration" means (i) the Total Share Consideration, *plus* (ii) the number of CVRs issued pursuant to Section 2.04(a) in respect of Shareholder-owned Company Stock times the CVR Value, *plus* (iii) the aggregate Cash Consideration issued pursuant to Section 2.04(a) in respect of Shareholder-Owned Company Stock, *plus* (iv) the value of Alternative Consideration (other than the Parent Common Stock, if any, included in the Alternative Consideration) issued pursuant to Section 2.04(a) in respect of Shareholder-owned Company Stock, *plus* (v) the number of Parent-owned New Stock *multiplied by* the Deemed Company Stock Value, *plus* (vi) the number of Appraisal Shares *multiplied by* the Deemed Company Stock Value, *plus* (vii) the aggregate amount of the Continuation Payments made pursuant to Section 9.04.

"Outstanding Company Stock" means the Company Stock issued and outstanding immediately prior to the Effective Time (other than any shares of Company Stock to be canceled or converted pursuant to Section 2.04(c)).[1]

"Parent-owned Company Stock" means the Company Stock owned by Parent immediately prior to the Effective Time.

"Parent-owned New Stock" means 11,746,280 shares of Company Series D Preferred Stock purchased by Parent from the Company on April 17, 2020, and owned by Parent immediately prior to the Effective Time.

"Parent-owned Old Stock" means the Parent-owned Company Stock other than the Parent-owned New Stock.

[1] This term is intended to exclude any shares of Company Stock owned or deemed to be owned or received by any person by reason of holding any Company Equity Award.

"Shareholder-owned Company Stock" means the Outstanding Company Stock other than the Parent-owned Company Stock.

"Parent-owned Stock Consideration Value" means the number of shares of Parent-owned Old Stock *multiplied by* the Deemed Company Stock Value.

"Shareholder-owned Stock Consideration Value" means (i) the aggregate number of shares of Parent Common Stock issued pursuant to Section 2.04(a) (including shares of Parent Stock, if any, issued as Alternative Consideration) in respect of Shareholder-owned Company Stock, without regard to Section 3.02(e), *multiplied by* (ii) the Parent Stock Price.

"Deemed Company Stock Value" means the value of the Cash & Stock Consideration (valuing Parent Common Stock at the Parent Stock Price), without regard to Section 3.02(e).

"CVR Value" means the fair market value of a CVR as of the Closing Date, as determined by Parent for purposes of Parent's financial statements.

"Parent Stock Price" means the average of the volume weighted averages of the trading prices of Parent Common Stock on the NASDAQ (as reported by Bloomberg L.P. or, if not reported therein, in another authoritative source mutually selected by the parties) on the Closing Date (rounded to four decimal places).

"Tax Counsel" means Cravath, Swaine & Moore LLP or any other nationally recognized law firm or accounting firm retained by Parent.

EXHIBIT E

[GRAIL LETTERHEAD]

[•], 2020

NOTICE OF EXERCISE OF THE DRAG-ALONG RIGHT PURSUANT TO SECTION 2 OF THE AMENDED AND RESTATED VOTING AGREEMENT

Notice is hereby given to stockholders of GRAIL, Inc., a Delaware corporation (the "Company") that at a meeting held on September 20, 2020, the Board of Directors of the Company (the "Board"), including both Preferred Directors (as defined in the certificate of incorporation of the Company), approved and declared advisable the entry by the Company into an Agreement and Plan of Merger (the "Merger Agreement") with Illumina, Inc. ("Illumina"), a Delaware corporation, SDG Ops, Inc. ("First Merger Sub"), a Delaware corporation and a wholly owned subsidiary of Illumina, and SDG Ops, LLC ("Second Merger Sub"), a Delaware limited liability company and wholly owned subsidiary of Illumina, pursuant to which, subject to the satisfaction or waiver of certain conditions, First Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Corporation") and as a wholly owned subsidiary of Illumina (the "First Merger"), and immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation will merge with and into Second Merger Sub, with Second Merger Sub continuing as the surviving entity and as a wholly owned subsidiary of Illumina (the "Second Merger" and, together with the First Merger, the "Mergers"). All of the members of the Board who were present at the meeting voted in favor of the Merger Agreement.

In connection with such approval, the Board approved the transactions contemplated by the Merger Agreement (the "Transactions"), including the Mergers, as a "Sale of the Company" pursuant to Section 2.2 of the Amended and Restated Voting Agreement dated as of November 27, 2019 (as amended, the "Voting Agreement"), by and among the Company and certain stockholders of the Company party thereto, and specified that Section 2 of the Voting Agreement shall apply to the Transactions, including the Mergers.

Following the execution and delivery of the Merger Agreement by the Company, certain stockholders of the Company (such holders, the "Selling Investors"), collectively owning a majority of the shares of Class A Common Stock of the Company then issuable or previously issued upon conversion of the shares of Preferred Stock (as defined in the Company's certificate of incorporation), approved in writing (a) the Merger Agreement and the Transactions, including the Mergers, for purposes of Section 2.2(ii) of the Voting Agreement, (b) the Transactions, including the Mergers, as a "Sale of the Company" pursuant to Section 2.2 of the Voting Agreement and the application of Section 2 of the Voting Agreement to the Transactions, including the Mergers, and (c) the appointment of Illumina as the Selling Investors' designee to hold and have the sole power to exercise the proxy and power of attorney contemplated by Section 3.2 of the Voting Agreement in connection with the Transactions, including the Mergers.

This letter constitutes notice in accordance with Section 6.7 of the Voting Agreement that, as of [•], 2020, the conditions specified in Section 2 of the Voting Agreement have been satisfied and Section 2 applies to the Transactions, including the Mergers. All parties to the Voting Agreement are obligated thereunder to, among other things, (i) vote all shares of capital stock of the Company held by such party in favor of, and to adopt, the Transactions, including the Mergers, and in opposition to any and all other proposals that could delay or impair the ability of the Company to consummate the Transactions, including the Mergers, (ii) execute and deliver all related documentation and take such other action in support of the Transactions, including the Mergers, as shall reasonably be requested by the Company or the Selling Investors to carry out the terms and provision of Section 2 of the Voting Agreement and (iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable law in connection with the Transactions, including the Mergers.

Please be advised that the Company intends to request stockholders' adoption of the Merger Agreement and approval of the Transactions, including the Mergers, by consent. A Consent Solicitation Statement containing further details will be provided to stockholders at a later date.

Sincerely,
[•]

[Copies (which shall not constitute notice) to:
McDonald Hopkins LLC,
300 N. LaSalle St., Ste. 1400,
Chicago, IL 60654
Attn: Jordan H. Koss
jkoss@mcdonaldhopkins.com

Proskauer Rose LLP,
One International Place,
Boston, MA 02110
Attn: Ori Solomon
osolomon@proskauer.com

Ropes & Gray LLP,
1900 University Avenue,
East Palo Alto, CA 94303
Attn: Jason Freedman
jason.freedman@ropesgray.com][1]

[1] To be included for all Investors listed on Schedule A to the Voting Agreement.

SUPPORT AGREEMENT

SUPPORT AGREEMENT (hereinafter referred to as this "Agreement"), dated as of [•], among Illumina, Inc., a Delaware corporation ("Parent") and the undersigned stockholder (the "Stockholder") of GRAIL, Inc., a Delaware corporation (the "Company").

WHEREAS, the Company, Parent, SDG Ops, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("First Merger Sub"), and SDG Ops, LLC, a Delaware limited liability company and wholly owned subsidiary of Parent ("Second Merger Sub"), have entered into an Agreement and Plan of Merger dated as of September 20, 2020 (as it may be amended from time to time, the "Merger Agreement"), which provides for, among other things, the merger of First Merger Sub with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Corporation"), and immediately following the First Merger and as part of the same overall transaction as the First Merger, the Surviving Corporation will merge with and into Second Merger Sub, with Second Merger Sub being the surviving company of the Second Merger (the "Second Merger" and, together with the First Merger, the "Mergers"), and pursuant to which all shares of Company Stock issued and outstanding immediately prior to the Effective Time (other than as provided in Section 2.04(c) of the Merger Agreement and Appraisal Shares) will be converted into the right to receive the Merger Consideration;

WHEREAS, the Stockholder Beneficially Owns and is entitled to vote (or direct the voting of) the number of shares of Company Stock set forth on Schedule 1(b) attached hereto; and

WHEREAS, Parent desires that the Stockholder agree, and the Stockholder is willing to agree, on the terms and subject to the conditions set forth herein, (i) to not Transfer (as defined below) the Covered Shares (as defined below), and (ii) to vote or consent with respect to all of the Covered Shares in a manner so as to facilitate the consummation of the Mergers and the other Transactions.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Certain Definitions. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Merger Agreement. For all purposes of and under this Agreement, the following terms shall have the following respective meanings:

(a) "Beneficially Own" means, with respect to any securities, (i) having "beneficial ownership" of such securities for purposes of Rule 13d-3 or 13d-5 under the Exchange Act (or any successor statute or regulation) or (ii) having the right to become the Beneficial Owner of such securities (whether such right is exercisable immediately or only after the passage of time or the occurrence of conditions) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise.

(b) "Covered Shares" means (i) all shares of Company Stock set forth opposite the Stockholder's name on Schedule 1(b) attached hereto and (ii) all shares of Company Stock that the Stockholder comes to Beneficially Own during the period from the date of this Agreement through the Expiration Date, together with any voting securities or instruments of the Company, or other securities or interests exercisable for or convertible into shares of Company Stock or voting securities or instruments of the Company, that the Stockholder comes to Beneficially Own during the period from the date of this Agreement through the Expiration Date (including by way of bonus issue, share dividend or distribution, subdivision, reclassification, recapitalization, consolidation, exchange, readjustment or other similar transaction or other change in the capital structure of the Company).

(c) "Expiration Date" means the earlier to occur of (i) the Effective Time and (ii) the termination of the Merger Agreement in accordance with its terms.

(d) "Transfer" means that the Stockholder sells, pledges, Encumbers, exchanges, assigns, grants an option with respect to, transfers, tenders or otherwise disposes of its Beneficial Ownership of Covered Shares.

2. Agreement Not to Transfer or Encumber. The Stockholder hereby agrees that, from the date hereof until the Expiration Date, it shall not Transfer any Covered Shares, cause the conversion of any Covered Shares or deposit any Covered Shares into a voting trust or enter into any tender, voting or other agreement or arrangement with any Person with respect to any Covered Shares or grant a proxy or power of attorney with respect thereto (other than pursuant to this Agreement) or give instructions with respect to the voting of the Covered Shares in any manner that is inconsistent with this Agreement or otherwise take any other action with respect to the Covered Shares that would in any way restrict, limit or interfere with the performance by the Stockholder of its obligations hereunder or the transactions contemplated hereby, including the execution and delivery of the Written Consent approving the adoption of the Merger Agreement and approving the Transactions; provided, however, that the Stockholder may Transfer all or any portion of the Shares to one or more of its controlled Affiliates or a family member that, prior to such Transfer, executes and delivers to the Parent a written agreement, in form and substance reasonably acceptable to Parent, to assume all of the Stockholder's obligations hereunder and to be bound by the terms of this Agreement to the same extent as the Stockholder is bound hereunder and to make each of the representations and warranties hereunder in respect of the Covered Shares transferred as the Stockholder shall have made hereunder. Notwithstanding the foregoing, following the receipt of the Company Stockholder Approvals, a Stockholder may cause the conversion of any shares of Company Class B Common Stock into shares of Company Class A Common Stock in accordance with the Company's certificate of incorporation.

3. Agreement to Consent and Approve.

(a) The Stockholder hereby agrees to refrain from modifying or amending in any manner, or waiving compliance of, the Voting Agreement.

(b) The Stockholder hereby irrevocably and unconditionally agrees, promptly after the Registration Statement (which shall include the Consent Solicitation Statement) is declared effective by the SEC (and in any event within five Business Days after notification thereof to the Stockholder), to execute and deliver, or cause to be executed and delivered, a written consent substantially in the form attached hereto as Exhibit A (the "Written Consent") approving the adoption of the Merger Agreement and approving the Transactions, including the Mergers, with respect to all of the Stockholder's Covered Shares. The Stockholder's execution and delivery of the Written Consent shall be carried out in accordance with the DGCL and the organizational documents of the Company, so as to ensure that it is duly counted for purposes of recording the results of such consent.

(c) The Stockholder hereby irrevocably and unconditionally agrees that, from the date hereof until the Expiration Date, it shall vote or cause to be voted (including by written consent) all of the Stockholder's Covered Shares (i) in favor of (A) the adoption of the Merger Agreement and the approval of the Transactions and (B) any amendment to the Company's certificate of incorporation or Investor Agreements to the extent contemplated in Section 9.04 of the Merger Agreement and otherwise as is reasonably necessary to permit to, or assist the Company in, complying with its obligations under Section 9.04 of the Merger Agreement and (ii) against (A) any Competing Proposal; (B) any amendment of the organizational documents of the Company which would prevent or materially delay the consummation of the Transactions, including the Mergers; or (C) any other action, agreement or transaction involving the Company that would reasonably be expected to prevent or materially delay the consummation of the Transactions, including the Mergers.

(d) The Stockholder agrees that, from the date hereof until the Expiration Date, in the event that a meeting of the stockholders of the Company is held regarding the Merger Agreement, the Transactions or any of the matters referred to in Section 3(c), it shall, or shall cause the holder of record of any of the Covered Shares of the Stockholder, as applicable, on any applicable record date to, be present in person or represented by proxy at such meeting or otherwise cause all of the Stockholder's Covered Shares to be counted as present thereat for purposes of establishing a quorum, and shall vote all of the Stockholder's Covered Shares at such meeting in accordance with Section 3(c).

(e) Except for the delivery of the Written Consent expressly contemplated by this Agreement, prior to the Expiration Date, the Stockholder shall not call, seek to call or request the call of any meeting of stockholders of the Company with respect to any matter relating to the Mergers or any other Transaction, or take any action by consent relating to the Mergers or any other Transaction, other than as expressly contemplated by Section 3(c), whether pursuant to the DGCL, the organizational documents of the Company or otherwise.

(f) Notwithstanding anything to the contrary herein, in no event shall this Section 3 require or be construed so as to require the Stockholder to vote or cause to be voted (including by written consent) its Covered Shares in favor of or against any stockholder vote to approve "parachute payments" (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder) solicited in connection with the Transaction.

(g) Notwithstanding anything to the contrary herein, in the event that a vote or consent of the stockholders of the Company is required in order to effect an amendment to the Merger Agreement that reduces the amount or changes the form of consideration payable in respect of each share of Company Capital Stock in the Mergers or otherwise amends the Merger Agreement in a manner adverse to the Stockholder (any such amendment, an "Adverse Amendment"), the provisions of this Section 3 shall not apply with respect to the Stockholder's vote or consent with respect to such Adverse Amendment (and the Stockholder shall not be required to vote or consent to such Adverse Amendment); provided, however, that the term "Adverse Amendments" shall not include the amendments contemplated in Section 3(c)(i)(B).

4. Voided Acts. Any (i) Transfer (or purported Transfer) in breach of this Agreement or (ii) attempt by the Stockholder to vote, or express consent or dissent with respect to (or otherwise to utilizing the voting power of), its Covered Shares in contravention of this Agreement shall be null and void *ab initio*.

5. Agreement Not to Solicit. The Stockholder agrees that it shall not, and shall cause each of the Stockholder's controlled Affiliates not to, and shall instruct the Stockholder's and the Stockholder's controlled Affiliates' Representatives not to, directly or indirectly, (a) solicit, initiate seek, or take any other action to facilitate or encourage the making, submission or announcement of any proposal that constitutes, or would be reasonably be expected to lead to, any Competing Proposal, (b) enter into, maintain, continue or participate in any discussions or negotiations with any Person or entity in furtherance of, or furnish to any Person any information or otherwise cooperate in any way with respect to, any Competing Proposal, (c) agree to, approve, endorse, recommend or consummate any Competing Proposal, (d) enter into, or propose to enter into, any Competing Transaction Agreement, or (e) resolve, propose or agree, or authorize or permit any Representative to do any of the foregoing. The Stockholder shall, shall cause its controlled Affiliates and use its reasonable best efforts to cause its Representatives to, immediately cease and cause to be terminated any discussions and negotiations with any Person conducted heretofore with respect to any Competing Proposal or proposal that would reasonably be expected to lead to a Competing Proposal.

6. Commencement or Participation in Actions. The Stockholder hereby agrees not to commence or join in, and to take all reasonable actions necessary to opt out of (if applicable), any Action against the Company and/or its directors and officers (for the avoidance of doubt, participating in the defense of such Action or any Action to enforce the Drag-Along is not prohibited by this Section 6) with respect to, any litigation (a) challenging the validity of, or seeking to enjoin the operation of, any provision of this Agreement or the Merger Agreement or the exercise of the Drag-Along in connection with the Transactions or (b) alleging a breach of any fiduciary duty of the Company Board or its members or any stockholder of the Company in connection with the Merger Agreement, the Transactions or the transactions contemplated hereby.

7. Appraisal Rights or Rights of Dissent. The Stockholder hereby waives, and agrees not to exercise or assert, any appraisal or dissenters' rights it may have or could potentially have or acquire in connection with the Mergers under Section 262 of the DGCL and otherwise, whether or not the Stockholder has previously made a written demand upon the Company and otherwise complied with the appraisal rights provisions of the DGCL.

8. Confidentiality. The Stockholder agrees that, for a period of two years following the Expiration Date, it shall not, and shall cause its Affiliates, directors, officers, employees and agents not to, divulge or convey to any third party any of the Company's confidential information, other than: (i) any of the Company's confidential information that is or becomes generally available to the public other than as a result of an act or omission by the Stockholder or its Affiliate, director, officer, employee or agent, (ii) any information that has been independently developed or conceived by the Stockholder or its Affiliates, director, officer, employee or agent, as applicable; or (iii) is or has been made known or disclosed to the Stockholder by a third party without a breach of any obligation of confidentiality such third party may have to the Company. Notwithstanding the foregoing, the Stockholder shall be permitted to make any such disclosure (a) to its directors, officers, employees and agents, as applicable, who reasonably need to know such information and who agree to keep such information confidential and are made aware of the Stockholder's obligations of confidentiality under this Agreement and (b) to the extent requested by a Governmental Authority or required by Law or legal process (in which case the Stockholder will, to the extent reasonably practicable and legally permissible, provide Parent with advance notice of such required or requested disclosure, shall use commercially reasonable efforts to resist such disclosure, and, at the request of Parent, shall cooperate with Parent to, at Parent's sole cost and expense, limit or prevent such disclosure).

9. [Directors and Officers. The Stockholder is entering into this Agreement solely in its capacity as a Beneficial Owner of Covered Shares, and in this regard, the Stockholder shall not be deemed to make any agreement or understanding in this Agreement in the Stockholder's capacity as a director or officer of the Company, including with respect to Section 7.02 of the Merger Agreement. The parties acknowledge and agree that nothing in this Agreement shall (i) restrict in any respect any actions taken by the Stockholder or its designee who is a director or officer of the Company in his or her capacity as a director or officer of the Company or (ii) be construed to prohibit, limit or restrict the Stockholder or its designee from exercising its fiduciary duties as a director or officer of the Company.][1]

10. Irrevocable Proxy.

(a) The Stockholder hereby irrevocably grants to, and appoints, Parent, and any individual designated in writing by Parent, and each of them individually, as the Stockholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of the Stockholder, to vote the Stockholder's Covered Shares, or execute a written consent or grant approval in respect of such Covered Shares, in a manner consistent with this Agreement from the date hereof until the Expiration Date, provided, however, for the avoidance of doubt, that such proxy and voting and related rights are limited to those matters set forth in clauses (b)-(d) of Section 3, and the Stockholder shall retain at all times the right to vote the Stockholder's Covered Shares (or to direct how such Covered Shares shall be voted) in the Stockholder's sole discretion and without any other limitation on any matters not connected with the Transactions. The Stockholder understands and acknowledges that Parent has entered into the Merger Agreement in reliance upon the Stockholder's execution and delivery of this Agreement. The Stockholder hereby affirms that the irrevocable proxy set forth in this Section 10(a) is given to secure the performance of the duties of the Stockholder under this Agreement. The Stockholder hereby further affirms that the irrevocable proxy is coupled with an interest sufficient in law and such irrevocable proxy is executed and intended to be irrevocable in accordance with applicable Law and Section 2.09 of the Company's bylaws until, and shall not be terminated by operation of Law or upon the occurrence of any other event other than, the termination of this Agreement pursuant to Section 16. The Stockholder shall, upon written request by Parent, as promptly as practicable, execute and deliver to Parent a separate written instrument or proxy that embodies the terms of this irrevocable proxy set forth in this Section 10(a). The Stockholder agrees not to grant any proxy that conflicts with or is inconsistent with the proxy granted to Parent in this Agreement.

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[1] To be included if applicable to the Stockholder.

(b) The Stockholder hereby revokes (or agrees to cause to be revoked) any proxies that conflict with or are inconsistent with the proxy granted to Parent in this Agreement that the Stockholder has heretofore granted with respect to the Covered Shares Beneficially Owned by the Stockholder, other than any such proxy granted to Parent pursuant to the Voting Agreement.

11. Representations and Warranties of Parent. Parent hereby represents and warrants as follows:

(a) Organization and Qualification. Parent is a legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation.

(b) Authority; Binding Agreement. (i) Parent has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby, and (ii) the execution and delivery by Parent of this Agreement and the performance of Parent's obligations and the consummation of the transactions contemplated hereby by Parent have been duly authorized by all necessary action, and no other actions on the part of Parent (or its board of directors or stockholders) are necessary to authorize or adopt this Agreement or to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Parent, and, assuming this Agreement constitutes a valid and binding obligation of the Stockholder, constitutes a valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(c) No Conflicts. None of the execution and delivery by Parent of this Agreement, the performance by Parent of its obligations hereunder or the consummation by Parent of the transactions contemplated hereby does or would reasonably be expected to conflict with or result in a violation or breach of (i) Parent's certificate of incorporation or bylaws, (ii) any other contract to which Parent is a party or by which Parent may be bound, except for violations, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to in any material respect impair or adversely affect the ability of Parent to perform its obligations under this Agreement, or (iii) any Law applicable to Parent.

12. Representations and Warranties of the Stockholder. The Stockholder hereby represents and warrants as follows:

(a) [Organization and Qualification. The Stockholder is a legal entity duly formed or organized (as applicable), validly existing and in good standing under the Laws of the jurisdiction in which it is formed or organized, as applicable.][2]

(b) Authority; Binding Agreement. [The Stockholder has full legal capacity, right and authority to execute and deliver this Agreement and to perform his or her obligations hereunder and consummate the transactions contemplated hereby.][3] [(i) the Stockholder has all requisite power and authority to execute and deliver this Agreement, to perform the Stockholder's obligations hereunder and to consummate the transactions contemplated hereby and (ii) the execution and delivery by the Stockholder of this Agreement and the performance of the Stockholder's obligations and the consummation of the transactions contemplated hereby by the Stockholder have been duly authorized by all necessary action, and no other actions on the part of the Stockholder [(or its governing body, board of directors, members, partners, stockholders or trustees, as applicable)] are necessary to authorize or adopt this Agreement or to consummate the transactions contemplated by this Agreement.][4] This Agreement has been duly executed and delivered by the Stockholder, and, assuming this Agreement constitutes a valid and binding obligation of Parent, constitutes a valid and binding obligation of the Stockholder, enforceable against the Stockholder in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(c) No Conflicts. None of the execution and delivery by the Stockholder of this Agreement, the performance by the Stockholder of its obligations hereunder or the consummation by the Stockholder of the transactions contemplated hereby does or would reasonably be expected to conflict with or result in a violation or breach of, or in default under, [(i) the Stockholder's articles or certificate of formation, incorporation or organization, operating agreement, bylaws or comparable organizational documents, as applicable, each in its currently effective form as amended from time to time,][5] (ii) any [other] contract to which the Stockholder is a party or by which the Stockholder may be bound, including any voting agreement or voting trust, or (iii) any Law applicable to the Stockholder, except, in each case, for violations, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to (x) in any material respect impair or adversely affect the ability of the Stockholder to perform its obligations under this Agreement on a timely basis or (y) prevent or materially delay the consummation of the Transactions. The execution, delivery and performance by the Stockholder of this Agreement, and the consummation by the Stockholder of the transactions contemplated hereby, require no consent or action by or in respect of, or filing with, any Governmental Authority.

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2 To be included if the Stockholder is not an individual.
3 To be included if the Stockholder is an individual.
4 To be included if the Stockholder is not an individual.
5 To be included if the Stockholder is not an individual.

(d) Ownership of Shares. The Stockholder (i) is the lawful record and Beneficial Owner of the shares of Company Stock set forth opposite the Stockholder's name on Schedule 1(b) attached hereto and has, and at all times prior to the Expiration Date will have, the sole power to vote (or cause to be voted), transfer, or demand or waive any appraisal rights with respect to, such shares of Company Stock, all of which are free and clear of, and not subject to, any Encumbrances (other than those (A) created by this Agreement, (B) applicable to the Stockholder's Covered Shares that may exist pursuant to securities Laws or (C) any proxies which do not relate to the Mergers, the Transactions or Competing Proposals) and (ii) as of the date hereof, does not Beneficially Own or have the right to vote (or cause the voting of) any shares of any class of Company Stock or other securities of the Company or any interest therein or any voting rights with respect to any securities of the Company other than the shares of Company Stock set forth opposite the Stockholder's name on Schedule 1(b) attached hereto.

13. Disclosure and Communications.

(a) The Stockholder hereby consents to and authorizes the publication and disclosure of its identity and ownership, this Agreement and the nature of the Stockholder's commitments, arrangements and understandings pursuant to this Agreement and such other information pertinent to such disclosure, including the filing of this Agreement, by Parent and the Company in the Registration Statement, Consent Solicitation Statement or other disclosure document required by applicable Law to be filed with the SEC or other Governmental Authority in connection with this Agreement, the Merger Agreement or the Transactions, and agrees to reasonably cooperate with Parent in connection with such filings.

(b) The Stockholder shall not issue or make any press release or public announcement related to this Agreement, the Merger Agreement or the Transactions, or any other announcement or communication to the employees, customers or suppliers of the Company or any of its Subsidiaries, in each case without the approval of Parent, unless required by applicable Law; provided, that, the Stockholder may make public statements that do not contain any information relating to the Transactions that has not been previously announced or made public in accordance with this Agreement or the Merger Agreement so long as no such public statement (i) disparages the Transactions, (ii) encourages other holders of capital stock of the Company to vote against, or withhold their vote or consent on, the Transactions, including the adoption of the Merger Agreement, or (iii) encourages other holders of capital stock of the Company to exercise appraisal rights.

14. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Parent any direct or indirect ownership or incidence of ownership of or with respect to any Covered Shares. All ownership and economic benefits of and relating to the Covered Shares shall remain vested in and belong to the Stockholder, and, except as otherwise provided herein, Parent shall not have any authority to direct the Stockholder in the voting or disposition of any Covered Shares. For the avoidance of doubt, the Stockholder shall be entitled to any dividends or other distributions declared by the Company Board with respect to the Stockholder's Covered Shares having a record date prior to the Effective Time.

15. Stop Transfer Instructions. The Stockholder shall not request that the Company register the Transfer (book-entry or otherwise) of any certificated or uncertificated interest representing any of its Covered Shares, unless such Transfer is made in compliance with this Agreement. The Stockholder hereby authorizes Parent to direct the Company to impose stop orders to prevent the Transfer of any Covered Shares on the books of the Company in violation of this Agreement.

16. Termination. This Agreement, and all rights and obligations of the parties hereunder, shall terminate and shall have no further force or effect upon the termination of the Merger Agreement in accordance with its terms; provided, however, that (i) this Section 16 and Sections 1, 13 and 20 shall survive any termination of the Agreement and (ii) Sections 2, 3, 4, 5, 10 and 15 shall terminate and shall have no further force or effect as of the Expiration Date. Notwithstanding the foregoing, nothing set forth in this Section 9 or elsewhere in this Agreement shall relieve either party hereto from liability, or otherwise limit the liability of the Stockholder, for any breach of this Agreement prior to such termination.

17. Transaction Documents. The Stockholder acknowledges that the Merger Agreement and the other Transaction Documents may be amended in accordance with the terms and conditions set forth in the Merger Agreement and the other Transaction Documents.

18. Waiver. The Stockholder hereby waives any and all notice, information and consent requirements, as well as any right of first refusal, right of first offer, right of first negotiation, right restricting share transfers, redemption right, co-sale right, registration right, preemptive right and other similar rights, that may be applicable to, or triggered by, the Transactions, including the Mergers, the Merger Agreement, the other Transaction Documents and any of the transactions contemplated thereby that are contained in the Company's organizational documents or any contractual obligation between the Company and the Stockholder, or under applicable Law.

19. Release by the Stockholder.

(a) Effective as of the Effective Time, the Stockholder, on behalf of itself and each of its past, present and future controlled Affiliates, parent(s) and subsidiary companies, representatives, and assigns, as applicable (collectively, the "Stockholder Releasing Parties"), hereby absolutely, unconditionally and irrevocably releases, acquits and forever discharges the Company and each of its respective past, present and future Affiliates, parent(s) and subsidiary companies, joint ventures, predecessors, successors and assigns, and their respective past, present and future controlled representatives, investors, equityholders, insurers and indemnitees, firms, corporations, limited liability companies, partnerships, trusts, associations, organizations, stockholders, members, managers, directors, officers, employees, partners, trustees, principals, consultants, contractors, family members, heirs, executors, administrators, predecessors, successors and assigns (collectively the "Stockholder Released Parties"), of and from any and all manner of action or inaction, cause or causes of action, Actions, Encumbrances, contractual obligations, promises, liabilities or damages (whether for compensatory, special, incidental or punitive damages, equitable relief or otherwise) of any kind or nature whatsoever, past, present or future, at law, in equity or otherwise (including with respect to conduct which is negligent, grossly negligent, willful, intentional, with or without malice, or a breach of any duty, applicable Law or rule), whether known or unknown, whether fixed or contingent, whether concealed or hidden, whether disclosed or undisclosed, whether liquidated or unliquidated, whether foreseeable or unforeseeable, whether anticipated or unanticipated, whether suspected or unsuspected ("Claims"), which such Stockholder Releasing Parties, or any of them, ever have had or ever in the future may have against the Stockholder Released Parties, or any of them, in each case, to the extent arising solely as a result of the ownership or purported ownership of any of Company Stock, Company Equity Awards or other security or interest of the Company and which, in each case, are based on acts, events or omissions occurring prior to or contemporaneously with the Effective Time, at law or in equity, whether known or unknown, matured or unmatured, absolute or contingent, relating to or arising from the Transactions (the "Stockholder Released Claims"); provided, however, that the foregoing release shall not release, impair or diminish, and the term "Stockholder Released Claims" shall not include, in any respect [(i)] the Stockholder's right pursuant to the Transaction Documents, including the right to receive its respective portion of the Merger Consideration; [(ii) any Claims for indemnification, insurance benefits, reimbursement or advancement of expenses in such Stockholder Releasing Party's capacity as a director, officer or employee of the Company under the Company's organizational documents or any indemnification agreement in effect as of the date hereof (or any fiduciary insurance policy maintained by the Company or the Surviving Corporation for the benefit of the Stockholder, or any indemnification agreements with the Stockholder or its board designee) with respect to any act, omission, event or transaction occurring prior to or contemporaneously with the Effective Time; or (iii) the Stockholder's in his or her capacity as an employee of the Company.][6]

[6] To include if applicable.

(b) The Stockholder represents and acknowledges that it has read this release and the Merger Agreement and other Transaction Documents and understands their terms and has been given sufficient opportunity to review this release and the Transaction Documents and to ask questions of the Company's Representatives. The Stockholder further represents that, in signing this release, it does not rely, and has not relied, on any representation or statement made by any Representative of the Company or any other Person with respect to the subject matter, basis or effect of this release or otherwise, except such express representations and warranties set forth in the Merger Agreement or this Agreement.

(c) Without limiting the generality of Section 19(a), with respect to the Stockholder Released Claims, the Stockholder acknowledges that it is familiar with Section 1542 of the Civil Code of the State of California ("Section 1542") and hereby expressly waives all rights under Section 1542 and any similar applicable Law or common law principle in any applicable jurisdiction prohibiting or restricting the waiver of unknown Claims. Section 1542 reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

(d) Notwithstanding the provisions of Section 1542 or any similar applicable Law or common law principle in any applicable jurisdiction, the Stockholder expressly acknowledges that the foregoing release is intended to include in its effect all Claims within the scope of such release that a Stockholder Releasing Party does not know or suspect to exist in his, her or its favor against any of the Stockholder Released Parties (including, without limitation, unknown and contingent Claims), and that the foregoing release expressly contemplates the extinguishment of all such Claims (except to the extent expressly set forth in this Section 19).

20. Miscellaneous and General.

(a) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented or otherwise modified except upon the execution and delivery of a written agreement executed by each of Parent and the Stockholder. Any agreement on the part of any party to any waiver or any extension of time for performance shall be valid only if set forth in an instrument in writing signed on behalf of such party. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise herein provided, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable Law or equity, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

(b) Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (including by facsimile or by attachment to electronic mail in portable document format (PDF)), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

(c) Governing Law; WAIVER OF JURY TRIAL.

(i) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice or conflict of law provisions or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. All Actions arising out of or relating to this Agreement or the transactions contemplated hereby shall be heard and determined exclusively in the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware, and, in each case, the appellate court(s) therefrom). The parties hereto hereby (a) irrevocably submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and any state appellate court therefrom within the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware and, in each case, the appellate court(s) therefrom) for the purpose of any Action arising out of or relating to this Agreement or the transactions contemplated hereby brought by any party hereto, (b) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated hereby may not be enforced in or by the above named courts, and (c) agree that such party will not bring any Action arising out of or relating to this Agreement or the transactions contemplated hereby in any court other than the Court of Chancery of the State of Delaware (or in the event, but only in the event, that the Court of Chancery of the State of Delaware does not have subject matter jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the action or proceeding is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware). Service of process, summons, notice or document to any party's address and in the manner set forth in Section 20(d) shall be effective service of process for any such action.

(ii) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS IN THIS SECTION 20(C)(II).

(d) Notices. Notices, requests, instructions or other documents to be given under this Agreement shall be in writing and shall be deemed given, (i) on the date sent by e-mail of a PDF document if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, (ii) when delivered, if delivered personally to the intended recipient, and (iii) one Business Day later, if sent by overnight delivery via a national courier service (providing proof of delivery), and in each case, addressed to a party at the following address for such party:

if to Parent:

Illumina, Inc.
5200 Illumina Way
San Diego, California 92122
Attention: Charles E. Dadswell, Senior Vice President and General Counsel
Telephone: 858-202-4500
Facsimile: 858-202-4545
Email: CDadswell@illumina.com
legalnotices@illumina.com

with copies to (which shall not constitute notice):

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Faiza J. Saeed, Esq.
Ting S. Chen, Esq.
Email: fsaeed@cravath.com
tchen@cravath.com

if to the Stockholder, to the address listed on Schedule 1(b) with copies (which shall not constitute notice) to the Company (in accordance with Section 11.02 of the Merger Agreement) and to its counsel:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Attention: Alex W. Voxman, Esq.
Andrew Clark, Esq.
Email: alex.voxman@lw.com
andrew.clark@lw.com

Notice may be given to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above.

(e) Entire Agreement. This Agreement (including any Schedules hereto) and the Merger Agreement constitute the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties both written and oral, among the parties hereto, with respect to the subject matter hereof.

(f) Parties in Interest; No Third Party Beneficiaries. Subject to Section 20(i), and without relieving any party of any obligation hereunder, this Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns. This Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder.

(g) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (i) a suitable and equitable provision negotiated in good faith by the parties hereto shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not, subject to clause (i) above, be affected by such invalidity or unenforceability, except as a result of such substitution, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(h) Interpretation.

(i) The Section headings or captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section or Schedule, such reference shall be to a Section of or Schedule to this Agreement unless otherwise indicated. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word “or” when used in this Agreement is not exclusive. The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any statute defined or referred to herein means such statute as from time to time amended, modified or supplemented, including by succession of comparable successor statutes. Any agreement or instrument defined or referred to herein includes all attachments thereto and instruments incorporated therein.

(ii) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(i) Assignment. This Agreement shall not be assignable by operation of law or otherwise without the prior written consent of each of the parties. Any purported assignment in contravention of the preceding sentence shall be null and void.

(j) Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense, whether or not the transactions contemplated by this Agreement or the Merger Agreement are consummated.

(k) Specific Performance. The parties hereto acknowledge and agree that irreparable damage would occur and that the parties would not have any adequate remedy at law if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that Parent shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof in any court referred to in Section 20(c), without proof of actual damages (and each party hereby waives any requirement for the security or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties further agree not to assert that a remedy of specific enforcement is an unenforceable, invalid, contrary to applicable Law or inequitable remedy for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy for any such breach or that Parent otherwise has an adequate remedy at law.

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

ILLUMINA, INC.

By: _____

Name:
Title:

[Parent Signature Page to Support Agreement]

IN WITNESS WHEREOF, the undersigned have executed and caused to be effective this Agreement as of the date first written above.

[Stockholder]

By: _____
Name:
Title:

[Stockholder Signature Page to Support Agreement]

Schedule 1(b)

Exhibit A

[Form of] Written Consent

Exhibit 10.5

EXECUTION VERSION

AMENDMENT TO AGREEMENT AND PLAN OF MERGER

This AMENDMENT, dated as of February 4, 2021 (this "Amendment") to the Agreement and Plan of Merger (the "Agreement"), dated as of September 20, 2020, among Illumina, Inc., a Delaware corporation ("Parent"), SDG Ops, Inc., a Delaware corporation and direct, wholly owned subsidiary of Parent ("First Merger Sub"), SDG Ops, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Parent ("Second Merger Sub") and GRAIL, Inc., a Delaware corporation (the "Company", and together with Parent, First Merger Sub and Second Merger Sub, the "Parties").

WHEREAS, subject to the terms and conditions set forth in this Amendment, and pursuant to Section 9.05 of the Agreement, the Parties desire to amend certain terms of the Agreement by entering into, and as set forth in, this Amendment.

NOW, THEREFORE, for and in consideration of the aforesaid premises and of the mutual representations, warranties and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereby agree as set forth below:

Section 1. Definitions. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Agreement unless otherwise indicated.

Section 2. Amendment to Agreement.

2.1 Section 1.01 of the Merger Agreement is hereby amended to add the following definitions in the proper lexicographical ordering:

(a) "Non-Stock Tax Deductions" means, with respect to any Cash-Out Award, the required withholding Taxes in connection with the CVR Consideration or the Cash & Stock Consideration, as applicable, payable with respect to such Cash-Out Award, excluding any Stock Tax Deductions.

(b) "Stock Tax Deductions" means, with respect to any Cash-Out Award, any required withholding Taxes in connection with the stock portion of the CVR Consideration or the Cash & Stock Consideration, as applicable, payable with respect to such Cash-Out Award.

2.2 Section 1.02 of the Merger Agreement is hereby amended to delete "Cash-Out Deductions" and to add "Exercise Price Deduction" with the appropriate cross-reference.

2.3 Section 3.04(i) of the Agreement is hereby amended and restated in its entirety as follows:

"Immediately prior to, and contingent on, the Effective Time, each Cash-Out Award shall be canceled and converted into the right to receive for each share of Company Stock subject to such Cash-Out Award as of immediately prior to such cancelation, in full satisfaction of the rights of the applicable holder with respect thereto, (i) in the case of a CVR Cash-Out Award, the CVR Consideration or (ii) in the case of an Alternative Cash-Out Award, the Cash & Stock Consideration, in each case, less (A) in the case of any Cash-Out Award that

is a Company Stock Option, the applicable exercise price for such share (the "Exercise Price Deduction") and (B) in the case of all Company Equity Awards, any required withholding Taxes (the net consideration payable hereunder in respect of a Cash-Out Award, the "Cash-Out Award Consideration"). Any Exercise Price Deduction and any Non-Stock Tax Deductions shall be satisfied by reducing the cash portion of the applicable consideration by the amount of such deductions, but not below zero. In the event such cash portion has a value that is less than the sum of the Exercise Price Deduction and the Non-Stock Deductions, such cash portion shall be reduced to zero and in addition Parent shall retain a portion of the stock portion of the applicable consideration that has a value equal to the amount by which the sum of the Exercise Price Deduction and the Non-Stock Tax Deductions exceeds such cash portion. Any Stock Tax Deductions shall be satisfied by Parent retaining a portion of the stock portion of the applicable consideration that has a value equal to the amount of the Stock Tax Deductions. The Cash-Out Award Consideration shall be paid as promptly as practicable following the Effective Time (and in no event later than five (5) Business Days thereafter) through Parent's, the Surviving Entity's or the applicable Subsidiary of the Surviving Entity's payroll. Notwithstanding the foregoing, to the extent that any Cash-Out Award Consideration relates to a Company RSU Award that is nonqualified deferred compensation subject to Section 409A of the Code, Parent, the Surviving Entity or the applicable Subsidiary shall pay such amounts at the earliest time, as applicable, that will not trigger a Tax or penalty under Section 409A of the Code, but no later than five (5) Business Days after such time."

Section 3. Representations and Warranties.

3.1 Each Party hereto hereby represents and warrants that: (i) it has all necessary corporate or limited liability company power and authority to execute and deliver this Amendment and to perform its obligations hereunder, (ii) the execution and delivery of this Amendment by such Party has been duly and validly authorized by all necessary corporate or limited liability company action, and no other corporate or limited liability company proceedings on the part of such Party are necessary to authorize this Amendment and (iii) this Amendment has been duly and validly executed and delivered by such Party and, assuming due authorization, execution and delivery by all other Parties, constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

3.2 Each Party hereto further represents and warrants that the execution and delivery of this Amendment by such Party does not, and the performance of this Amendment by such Party, will not, (i) conflict with or violate the certificate of incorporation, certificate of formation, bylaws, operating agreement or other equivalent organizational documents of such Party, (ii) conflict with or violate any Law applicable to such Party or by which any property or asset of either of them is bound, or (iii) violate, conflict with, require consent under, result in any breach of, result in loss of benefit under, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of an Encumbrance (other than a Permitted Encumbrance) on any property or asset of such Party pursuant to, any loan or credit agreement, note, bond, debenture, mortgage, indenture, deed of trust, contract, agreement, lease, Parent Permit, Company Permit or other instrument or obligation to which such Party is a party or by which such Party or any of their respective assets or properties is bound.

Section 4. General Provisions.

4.1 All of the provisions of this Amendment shall be effective as of the date of this Amendment. Except to the extent specifically amended hereby, all of the terms of the Agreement shall remain unchanged and in full force and effect, and, to the extent applicable, such terms shall apply to this Amendment as if it formed a part of the Agreement.

4.2 After giving effect to this Amendment, each reference in the Agreement to "this Agreement", "hereof", "hereunder" or words of like import referring to the Agreement shall refer to the Agreement as amended by this Amendment. All references in the Agreement to "the date hereof" or "the date of this Agreement" shall refer to September 20, 2020.

4.3 This Amendment and the Agreement, (including the exhibits and schedules thereto, including the Company Disclosure Letter), the other Transaction Documents and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and thereof.

4.4 The provisions of Article XI (General Provisions) of the Agreement shall, to the extent not already set forth in this Amendment, apply *mutatis mutandis* to this Amendment, and to the Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms as modified hereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

ILLUMINA, INC.,

By: /s/ Joydeep Goswami
Name: Joydeep Goswami
Title: Senior Vice President of Corporate Development and Strategic Planning

SDG OPS, INC.,

By: /s/ Scott M. Davies
Name: Scott M. Davies
Title: Vice President and Secretary

SDG OPS, LLC,

By: /s/ Scott M. Davies
Name: Scott M. Davies
Title: Vice President and Secretary

GRAIL, INC.,

By: /s/ Hans Bishop
Name: Hans Bishop
Title: CEO

Certain information has been excluded from this agreement (indicated by "[***]") because such information is both (a) not material and (b) is the type that the registrant customarily and actually treats as private or confidential.

AMENDED AND RESTATED SUPPLY AND COMMERCIALIZATION AGREEMENT

This Amended and Restated Supply and Commercialization Agreement (this "**Agreement**") effective as of February 28, 2017, (the "**Effective Date**") is entered into between Illumina, Inc., a Delaware corporation, having a place of business at 5200 Illumina Way, San Diego, CA 92122 ("**Illumina**") and GRAIL, Inc., a Delaware corporation, having a place of business at 200 Cardinal Way, 2nd Floor, Redwood City, CA 94063 ("**GRAIL**"). Illumina and GRAIL may each be referred to individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Illumina develops, manufactures, and sells products for, among other things, the analysis of nucleic acids;

B. GRAIL desires that Illumina supply GRAIL with products and grant GRAIL certain rights, and Illumina agrees to provide such products and grant such rights, on the terms set forth in this Agreement;

C. Illumina and GRAIL entered into that certain Supply and Commercialization Agreement effective as of January 7, 2016 (the "Original Agreement" and the "Original Effective Date"); and

D. Illumina and GRAIL desire to amend and restate the Original Agreement as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

The following capitalized terms will have the following meanings:

1.1 **"Advisors**" means, with respect to a Party, its and its Affiliates' attorneys, accountants, financial advisors, and other similar advisors.

1.2 **"Affiliate**" means, with respect to a Party or other party, any person or entity which at the time in question directly or indirectly controls, is controlled by, or is under common control with, such Party or other party. For the purposes of this definition, Section 1.4, and Section 1.38, "control" means the possession, directly or indirectly, of: (a) more than 50% of the voting interests of an entity; or (b) the power to direct or cause the direction of the management or policies of an entity, whether through the ownership of voting interests, by agreement with respect to the voting of voting interests, by other agreement conferring control over management or policy decisions, by virtue of the power to control the composition of the board of directors or managers, or otherwise. The terms "controlling" and "controlled" will have correlative meanings. Notwithstanding the foregoing, for purposes of this Agreement: (x) Helix Holdings I, LLC, and its subsidiaries, successors, and members are not Affiliates of Illumina; and (y) Illumina Innovation Fund I, L.P and its subsidiaries, successors, and partners are not Affiliates of Illumina.

1.3 **"Assignment and Assumption Agreement**" has the meaning set forth in Section 7.1.

1.4 **"Change in Control**" means the occurrence of any of the following:

(a) the sale, transfer, assignment, or other disposition of securities of GRAIL (or any Affiliate of GRAIL that controls GRAIL) representing a majority of the voting power of GRAIL's outstanding voting securities (or a majority of the voting power of the outstanding voting securities of any Affiliate of GRAIL that controls GRAIL) in any one transaction or a series of related transactions;

(b) any transaction or series of related transactions in which the holders of the outstanding securities of GRAIL (or any Affiliate of GRAIL that controls GRAIL) immediately before such transaction(s), do not, immediately after such transaction(s), retain control of GRAIL (or any Affiliate of GRAIL that controls GRAIL);

(c) any direct or indirect acquisition of GRAIL or any Affiliate of GRAIL that controls GRAIL by means of merger, consolidation, exchange or contribution of equity, or other form of reorganization in one transaction or a series of related transactions with or into another entity;

(d) the liquidation or dissolution of GRAIL or any Affiliate of GRAIL that controls GRAIL; or

(e) any direct or indirect sale, transfer, or other disposition of all or substantially all of the assets of GRAIL to which this Agreement relates.

1.5 **"Claims**" has the meaning set forth in Section 11.1.

1.6 **"Collaboration IP**" has the meaning set forth in Section 7.5(b).

1.7 **"Competitor of Illumina**" means any person or entity that develops, sells, or otherwise commercializes or has announced its intention to develop, sell, or otherwise commercialize nucleic acid sequencing instruments, or any Affiliate of any such person or entity.

1.8 **"Confidential Information**" means all information and know-how and any tangible embodiments thereof provided by or on behalf of the Disclosing Party to the Receiving Party in the course of performing under this Agreement (including under the Original Agreement prior to the Effective Date), which may include data, knowledge, practices, processes, ideas, research plans, formulations, or manufacturing techniques, marketing and business plans, financial information, personnel information, and other information relating to the Disclosing Party or to its present or future products, sales, suppliers,

customers, employees, investors or business; provided however that Confidential Information specifically excludes any information which:

(a) at the time of disclosure is generally available to the public;

(b) after disclosure becomes generally available to the public by publication or otherwise through no fault of the Receiving Party or its Representatives or Advisors;

(c) the Receiving Party can show was in its possession or in the possession of its Representatives prior to the time of disclosure by the Disclosing Party and which was not acquired, directly or indirectly, from the Disclosing Party or its Representatives, and which is held by the Receiving Party free of any obligation of confidence to any Third Party;

(d) the Receiving Party can show was received by it after the time of disclosure by the Disclosing Party from a Third Party who had a lawful right to disclose it to the Receiving Party and who did not require the Disclosing Party to hold it in confidence; or

(e) the Receiving Party can show was developed by or for the Receiving Party or its Representatives without any use of the Disclosing Party's Confidential Information or violation of this Agreement.

1.9 **"Development IP**" has the meaning set forth in Section 8.4(c).

1.10 **"Disclosing Party**" means a Party who discloses its Confidential Information to the other Party.

1.11 **"Exclusivity Period**" has the meaning set forth in Section 6.2.

1.12 **"Executives**" has the meaning set forth in Section 14.2.

1.13 **"Force Majeure**" has the meaning set forth in Section 14.9.

1.14 **"Forecast**" and "**Forecast Due Date**" have the meanings set forth in Section 3.4(a).

1.15 **"GAAP**" means generally accepted accounting principles in the United States at the time in question.

1.16 **"GRAIL Confidential Information**" means all Confidential Information disclosed by or on behalf of GRAIL to Illumina and its Affiliates. For clarity, GRAIL Confidential Information does not include any Illumina Intellectual Property Rights or Illumina Confidential Information that is included in, combined with, or disclosed with GRAIL Confidential Information.

1.17 **"GRAIL Intellectual Property Rights**" means all Intellectual Property Rights owned or controlled (including under license) by GRAIL or its Affiliate.

1.18 **"GRAIL In-Licenses**" has the meaning set forth in Section 8.3(a).

1.19 **"Illumina Confidential Information**" means all Confidential Information disclosed by or on behalf of Illumina or its Affiliates to GRAIL or its Affiliates. For clarity, Illumina Confidential Information does not include any GRAIL Intellectual Property Rights or GRAIL Confidential Information that is included in, combined with, or disclosed with Illumina Confidential Information.

1.20 **"Illumina Intellectual Property Rights**" means all Intellectual Property Rights owned or controlled (including under license) by Illumina or its Affiliate.

1.21 **"Illumina Know-How**" has the meaning set forth in Section 8.1(a).

1.22 **"Illumina Technology**" means any and all Technology owned or controlled (including under license) by Illumina or its Affiliate.

1.23 **"Improvements**" has the meaning set forth in Section 8.2(a).

1.24 **"Initial Term**" has the meaning set forth in Section 13.1.

1.25 **"Intellectual Property Rights**" means all rights in patent, copyrights, trade secrets, know-how, trademark, service mark, and trade dress rights, and other industrial or intellectual property rights under the laws of any jurisdiction, whether registered or not, and including all applications or rights to apply therefor and registrations thereto.

1.26 **"Joint Collaboration IP**" has the meaning set forth in Section 7.5(b).

1.27 **"K2 Development IP**" has the meaning set forth in Section 7.2(c).

1.28 **"Law**" means: (a) all statutes, statutory instruments, regulations, ordinances, or legislation to which a Party is subject; (b) common law and the law of equity as applicable to a Party; (c) binding court orders, judgments or decrees; (d) industry code of practice, guidance, policy, or standards, in each case to the extent enforceable by a governmental or regulatory authority as law; and (e) applicable policies, rules, or orders made or given by a governmental or regulatory authority.

1.29 **"List Price**" means, in each case on the date of determination, Illumina's prevailing list price for the Product or Service Contract in question in the jurisdiction where the Product is to be shipped.

1.30 **"Losses**" has the meaning set forth in Section 11.1.

1.31 **"Mediation Request**" has the meaning set forth in Section 14.2(c)

1.32 **"MSK Agreement**" means the Joint Development and Sponsored Research Agreement entered into by and between Illumina and Memorial Sloan Kettering Cancer Center dated as of September 4, 2015, together with any amendments thereto.

1.33 **"Notice**" has the meaning set forth in Section 14.8.

1.34 **"Net Sales**" for arm's-length Sales of any Oncology Service or Oncology Product means the gross amount invoiced or otherwise charged by GRAIL or its Operational Affiliate for the Sale of such Oncology Service or Oncology Product, less the following items to the extent actually taken or incurred and separately accounted for in the invoice with respect to such Sale and all in accordance with standard allocation procedures, allowance methodologies, and accounting methods consistently applied in accordance with GAAP (except as otherwise provided below):

(a) credits or allowances for returns, rejections, recalls, or billing corrections;

(b) separately itemized and invoiced freight, postage, shipping and insurance, handling, and other transportation costs, provided that such items are passed on to the purchaser (or other acquirer) at cost;

(c) sales, use, value added, and other similar taxes (excluding income taxes), tariffs, customs duties, surcharges, and other governmental charges levied on the production, sale, transportation, delivery, use, or performance of such Oncology Service or Oncology Product that are incurred at time of the transaction, are directly related to the transaction, and are actually paid to the governmental authority; and

(d) any reasonable and customary quantity, cash, or other trade discounts, rebates, or charge backs; provided that the aggregate deductions under this clause (d) and clause (a) above shall not exceed, in any calendar year, [***]% of the gross amount invoiced or otherwise received for the Sale of such Oncology Service or Oncology Product.

For clarity, no deductions may be made for sales commissions or collection costs. For purposes of calculating Net Sales, a Sale will be deemed to occur upon GRAIL invoicing or otherwise charging the customer or other recipient for the Oncology Product or Oncology Service in question. GRAIL's or its Operational Affiliate's Sale of Oncology Service or Oncology Product to an Affiliate will not be included in Net Sales (unless such Affiliate is an end-user of such Oncology Service or Oncology Product), and Net Sales for such Oncology Service or Oncology Product will be recognized upon sale, transfer, or other disposition to a Third Party.

If: (a) an Oncology Service or Oncology Product is Sold in a manner that is not an arm's-length transaction; or (b) an Oncology Service or Oncology Product is Sold in-kind or for non-cash consideration, Net Sales for such transaction will equal the average Net Sales for such Oncology Service or Oncology Product in the applicable country during the preceding calendar quarter. If there is not sufficient information available to determine such average Net Sales price, Illumina and GRAIL will negotiate in good faith an appropriate Net Sales value, taking into consideration the fair market value of such Oncology Service or Oncology Product and the Net Sales of similar Oncology Services or Oncology Products in similar countries.

If an Oncology Product is used by or on behalf GRAIL or its Operational Affiliate to perform an Oncology Service, Net Sales for such transaction will equal the greater of: (a) the average Net Sales for such Oncology Product in the applicable country during the preceding calendar quarter; or (b) the Net Sales from the Sale of such Oncology Service. If there is not sufficient information available to determine the average Net Sales price for such Oncology Product in the applicable country during the preceding calendar quarter, Illumina and GRAIL will negotiate in good faith an appropriate Net Sales value for purposes of this calculation, taking into consideration, among other relevant factors, the fair market value of such Oncology Product and the Net Sales of similar Oncology Products in countries similarly situated with respect to the market for such Oncology Product and similar Oncology Products. Any Dispute as to the Net Sales value of any Oncology Product or Oncology Service will be resolved pursuant to the expedited Dispute resolution proceedings of Section 14.2(c).

1.35 **"Oncology**" means: (i) the prevention, immunization, risk assessment, detection, screening, diagnosis, staging, treatment, therapy, palliative care, cure, surveillance, monitoring, or prognosis of, for, or concerning cancer or cancer patients; (ii) any other testing of, for, or concerning cancer or cancer patients; and (iii) any research or development of or concerning any of the foregoing, or otherwise concerning cancer or cancer patients.

1.36 **"Oncology Products**" means all products Sold in, for use in, or having applications in the field of Oncology. As used in this definition, "products" includes any tangible or intangible item, material, composition, or device, including kits, nucleotides, buffers, reagents, equipment, instruments, hardware, software, and any component of any of the foregoing.

1.37 **"Oncology Services**" means all Services Sold in, or for use in, or having applications in the field of Oncology. As used in this Agreement, "Service" includes any work or service of any kind performed by or on behalf of GRAIL or its Operational Affiliate, including genotyping services, sequencing services, screening services, diagnostic services, other testing services, interpretation services, maintenance services, software or data provided as a service, research services, development services, collaborative services, and clinical trial services.

1.38 **"Operational Affiliates**" means Affiliates of GRAIL under GRAIL's control (for so long as they remain Affiliates of GRAIL under GRAIL's control) materially engaged in operational aspects of GRAIL's business, which operational aspects include laboratory operations, marketing, and distribution; provided however that no such Affiliate will be an Operational Affiliate if any Competitor of Illumina, or any Affiliate of any Competitor of Illumina, has any ownership interest in such Affiliate or any right to otherwise receive proceeds, or access to Intellectual Property Rights, from the operations of such Affiliate.

1.39 **"Option**" has the meaning set forth in Section 8.3(b).

1.40 **"Option IP**" has the meaning set forth in Section 8.3(a).

1.41 **"Option Period**" has the meaning set forth in Section 8.3(b).

1.42 **"Original Agreement**" and "**Original Effective Date**" have the meanings set forth in the Recitals.

1.43 **"Other IP**" has the meaning set forth in Section 8.7(c).

1.44 **"Other Oncology Revenue**" means all revenue generated by, and all consideration received by, GRAIL or any of its Operational Affiliates from or in connection with any activities in or directed to the field of Oncology, or otherwise arising from or attributable to the field of Oncology, other than revenue generated, or consideration received, from or in connection with the Sale of Oncology Products and Oncology Services. For example, and without limitation, Other Oncology Revenue includes revenues generated from the licensing (or granting of similar rights) under GRAIL Intellectual Property Rights excluding GRAIL In-Licenses in the field of Oncology. If GRAIL or its Operational Affiliate receives non- cash consideration (including shares of equity or in- kind contribution of goods or services), or consideration in a transaction that is not at arm's length (including any transfer of Technology or Intellectual Property Rights to an Affiliate), from any activities in or directed to the field of Oncology, or otherwise arising from or attributable to the field of Oncology (other than the Sale of Oncology Products and Oncology Services) such consideration will be included in Other Oncology Revenue based on the fair market value of such consideration, as determined by the good faith negotiation of the Parties. Any Dispute as to the fair market value of such consideration will be resolved pursuant to the expedited Dispute resolution proceedings of Section 14.2(c). Notwithstanding the foregoing, Other Oncology Revenue does not include consideration received as reimbursement for costs incurred pursuant to a collaboration with a Third Party (including overhead and personnel costs), reimbursement for GRAIL's purchase of equipment or supplies, payments received in the form of grants for research from governmental entities or non- profit organizations, or Intellectual Property Rights received as part of a collaboration (though Royalty may be due resulting from the exploitation of such Intellectual Property Rights, as otherwise required by this Agreement), or payments received for purchase of GRAIL shares at fair market value (provided that any premium would not be excluded).

1.45 **"Product(s)**" means the Illumina products that are offered for sale under or purchased under this Agreement.

1.46 **"Purchase Order**" has the meaning set forth in Section 3.3.

1.47 **"Receiving Party**" means a Party who receives Confidential Information from the other Party.

1.48 **"Renewal Term**" has the meaning set forth in Section 13.1.

1.49 **"Representatives**" means, with respect to a Party, its Affiliates, and such Party's and its Affiliates' respective directors, officers, employees, and agents.

1.50 **"Royalty**" has the meaning set forth in Section 4.1.

1.51 **"Sale**" means the sale, distribution, lease, license, provision, performance, or other transfer, making available, or exploitation of the product or service in question. The terms "Sell" and "Sold" will have correlative meanings.

1.52 **"Service Contract**" means a separate written agreement that governs the provision of service and maintenance for Illumina instruments (for a separate fee) by Illumina or its Affiliate.

1.53 **"Technology**" means any and all: (a) formulae, algorithms, procedures, processes, methods, techniques, ideas, know-how, creations, inventions, discoveries, and improvements (in each case, whether or not patentable and whether or not reduced to practice); (b) technical, scientific, engineering, manufacturing, or clinical information; (c) specifications, designs, schematics, models, devices, apparatus, prototypes, schematics and development tools; (d) software (including all software implementations of algorithms, models and methodologies, whether in source code or object code) and other works of authorship; (e) compositions, structures, reagents, formulations, assay components, oligonucleotides, probes, and other chemical and biological materials; and (f) any other forms of technology; in each case of (a)-(f) (inclusive) whether or not embodied in any tangible form and including all tangible embodiments of any of the foregoing.

1.54 **"Term**" has the meaning set forth in Section 13.1/

1.55 **"Terms and Conditions**" means, with respect to each Product ordered in each Purchase Order, Illumina's then-current prevailing terms and conditions of sale with respect to such Product (including, with respect to software and software-as-a-service products, any end user license agreements, terms and conditions of use, and similar terms and conditions) in the jurisdiction where the Product is to be shipped.

1.56 **"Third Party**" means any party other than: (a) GRAIL or any of its Affiliates; or (b) Illumina or any of its Affiliates.

1.57 **"Third Party Royalties**" means non-refundable earned royalties that GRAIL or its Operational Affiliate is contractually obligated to pay to a Third Party upon the Sale of an Oncology Product or Oncology Service pursuant to a license agreement entered into at arm's length with such Third Party, under which GRAIL or its Operational Affiliate is granted a license to Sell such an Oncology Product or Oncology Service and, in the absence of such license agreement, the Sale of such an Oncology Product or Oncology Service would infringe upon an issued, unexpired, valid, patent owned or otherwise controlled by such Third Party and licensed to GRAIL or its Operational Affiliate in such license agreement.

2. AMENDMENT AND RESTATEMENT

GRAIL and Illumina hereby amend, restate, and replace the Original Agreement in its entirety with this Agreement, effective as of the Effective Date. For clarity, and without limiting the generality of the foregoing, this Agreement will govern and supersede the Original Agreement with respect to GRAIL's and its Operational Affiliates' rights to use Products purchased from Illumina and its Affiliates under the Original Agreement prior to the Effective Date.

3. PRODUCT SUPPLY TERMS

3.1 Rights to Purchase Products.

(a) During the Term, subject to, and contingent upon GRAIL's and its Operational Affiliates' continued compliance with, the terms and conditions of this Agreement and the applicable Terms and Conditions, GRAIL and its Operational Affiliates may purchase any Products that Illumina makes generally commercially available for purchase by other arm's length end-user customers at the time GRAIL or its Operational Affiliate issues a Purchase Order for such Products. For clarity, the foregoing excludes without limitation the following items, and GRAIL and its Operational Affiliates may not purchase any of the following items under this Agreement unless Illumina consents to such purchase in a separate written document specifically referencing this Section: custom products; products in development or beta testing; product components; products and product components that are sold to any Third Party for incorporation into, or bundling or sale with, one or more Third Party products; products sold in collaboration with one or more Third Parties, or as part of a partnership, joint venture, or similar relationship with one or more Third Parties; products for which Illumina is contractually prohibited from selling to GRAIL and its Operational Affiliates on the terms set forth in this Agreement (including pricing); and Third Party products sold or distributed by or for Illumina or any of its Affiliates. Illumina will provide GRAIL with quotes for any Products pursuant to the procedure set forth in **Exhibit A**. The price for each Product will be based on Illumina's then current List Price for such Product at the time of purchase by GRAIL or its Operational Affiliate, subject to the discount table set forth in **Exhibit A**. For the avoidance of doubt, List Prices may increase or decrease during the Term in Illumina's sole discretion in the usual course of Illumina's business.

(b) During the Term, GRAIL and its Operational Affiliates may (in its discretion) purchase Service Contracts for sequencing instrument Products purchased under this Agreement, to the extent that Illumina makes Service Contracts for such sequencing instrument Products generally commercially available for purchase by other arm's length end-user customers at the time GRAIL or its Operational Affiliate issues a Purchase Order for such Service Contracts. Each Service Contract will be on Illumina's then current standard Service Contract terms and conditions, and will be offered at the then current List Price for such Service Contract at the time of purchase, subject to the discount table set forth in **Exhibit A**. Each Service Contract will exclusively govern Illumina's maintenance and support obligations with respect to the applicable sequencing instrument product.

(c) The rights granted in this Section 3.1 are personal to GRAIL and its Operational Affiliates and may not be assigned, transferred, further granted, or otherwise conveyed except pursuant to Section 14.6. Any purported assignment, transfer, grant, or other conveyance of any of the rights granted in this Section 3.1 (or any portion of such rights), except pursuant to Section 14.6, is prohibited and will be null, void, and of no effect.

3.2 Incorporation of Terms and Conditions.

(a) Each purchase of Product by GRAIL or its Operational Affiliate under this Agreement is subject to the applicable Terms and Conditions for such Product. Subject to the provisions of this Section 3.2, the Terms and Conditions are incorporated into and made a part of this Agreement with respect to the supply of Products.

(b) To the extent any provision of the Terms and Conditions directly conflicts with a provision in this Agreement, the provision in this Agreement will control.

(c) This Agreement, including the Terms and Conditions as incorporated herein, exclusively governs the ordering, purchase, supply, and use of Products, and overrides any conflicting, amending, or additional terms or conditions contained in any Purchase Orders or similar documents, all of which are hereby rejected and are null and void. Illumina's failure to object to any such terms or conditions will not constitute a waiver by Illumina, nor constitute acceptance by Illumina of such terms or conditions. All of GRAIL's and its Operational Affiliates' purchases of Products from Illumina and its Affiliates must be made under, and will in all cases be governed by, this Agreement.

3.3 Purchase Orders. GRAIL and its Operational Affiliates will order all Product using written purchase orders ("**Purchase Orders**") that will state, at a minimum, the Illumina part number, the Illumina quote number (or other reference number provided by Illumina), the quantity ordered, price, requested delivery date, and address for delivery. All Purchase Orders will be sent to the attention of Illumina Customer Service (via email at [***] or fax at [***]) or to any other person or department designated by Illumina in writing. Acceptance of a Purchase Order occurs only when Illumina provides the purchasing entity a written acceptance, which Illumina shall promptly do in accordance with Section 3.4(e) below. Purchase Orders must be submitted in accordance with this Agreement. All Purchase Orders accepted by Illumina are non-cancelable by the purchasing entity and may not be modified without the prior written consent of Illumina.

3.4 Forecasts.

(a) GRAIL will, on a monthly basis on or before the first day of each calendar month (each, a "**Forecast Due Date**"), provide Illumina with a forecast representing GRAIL's good faith estimate of the type and amount of Products that GRAIL and its Operational Affiliates expect to purchase during the 12 calendar months following that Forecast Due Date, on a month- by- month basis ("**Forecast**"). The [***] of each Forecast is a binding commitment by GRAIL and its Operational Affiliates (on a joint and

several basis) to take receipt of and pay for, and on Illumina to sell (following Illumina's receipt and acceptance of a Purchase Order issued in compliance with this Agreement), that type and quantity of Product. All Forecasts issued under the Original Agreement will continue to apply under this Agreement. Each Forecast after the Effective Date will be accompanied by a Purchase Order for all Products set forth in the [***] of such Forecast (as all Products for the [***] will have already been covered by a prior Purchase Order).

(b) Illumina will use commercially reasonable efforts to accept the delivery dates requested in each Purchase Order in light of Product inventory, manufacturing capacity and build time, and commitments to other customers. Illumina will deliver the forecasted Products that are ordered pursuant to a Purchase Order accepted by Illumina on or before the agreed-upon delivery dates.

(c) GRAIL may only provide one Forecast per calendar month for the cumulative Product needs of GRAIL and all of its Operational Affiliates. If GRAIL and its Operational Affiliates cumulatively provide more than one Forecast in any given calendar month, Illumina may, in its discretion, reject all but the first Forecast.

(d) Illumina has no obligation to provide Product if GRAIL or an Operational Affiliate has not provided a Purchase Order covering such Product by the Forecast Due Date, and the failure to provide a Purchase Order will not relieve GRAIL and its Operational Affiliates of any of its obligations arising from Forecasts. Such failure may, among other things, result in a delay in delivery of Products to GRAIL or its Operational Affiliates.

(e) Illumina will accept Purchase Orders issued in compliance with this Agreement that contain forecasted types and quantities of Product (subject to the Parties reaching agreement on delivery dates as described in paragraph (b) above). Illumina has no obligation to accept Purchase Orders that contain un-forecasted types or quantities of Product. Illumina may, in its discretion, accept Purchase Orders for un-forecasted types or quantities of Product.

3.5 Unauthorized Use. Neither GRAIL nor its Operational Affiliates may use any Product or Illumina Intellectual Property Right conferred to GRAIL or its Operational Affiliate upon the purchase of any Product or otherwise provided to GRAIL by Illumina in any manner or for any purpose not expressly permitted by the applicable Terms and Conditions. Actual knowledge by Illumina or its Affiliates that GRAIL or its Operational Affiliate is using Illumina's or its Affiliates' Intellectual Property Rights or Products in any manner or for any purpose other than as expressly permitted by the applicable Terms and Conditions does not waive or otherwise limit any rights that Illumina or its Affiliates may have as a result of such use of Intellectual Property Rights or Products, including any rights or remedies available under this Agreement, at Law, or in equity. For clarity, any trade usage, course of performance, or course of dealing between Illumina and GRAIL, does not, and may not be construed to, expand the rights granted to GRAIL and its Operational Affiliates in this Agreement. This Agreement limits the exhaustion of patent rights that could otherwise result if the sale of Products to GRAIL and its Operational Affiliates was made without restriction.

3.6 Supply Remedies. In addition to all remedies under the Terms and Conditions, this Agreement, at Law, or in equity, in the event of any material breach of the restrictions on use of Products under this Agreement or the applicable Terms and Conditions, Illumina may notify GRAIL in writing of such breach and require GRAIL to cure such breach within 30 days of the date of such notice. If GRAIL fails to cure such breach within the applicable cure period, Illumina may do any, all, or any combination of the following in addition to all other remedies under the Terms and Conditions, this Agreement, at Law, or in equity: (a) cease further shipments of the Product with respect to which GRAIL or its Operational Affiliate breached the restrictions; (b) terminate any Service Contracts then in effect for the affected Product; or (c) terminate any remaining product warranty for the affected Product.

3.7 Operational Affiliates. For the avoidance of doubt, except with respect to Operational Affiliates to the extent expressly permitted by this Agreement, this Agreement is personal to GRAIL and the rights regarding purchase and use of Products do not extend to Affiliates of GRAIL. GRAIL will be responsible for any conduct by its Affiliate that constitutes a breach of this Agreement or that would be a breach of this Agreement by GRAIL had GRAIL engaged in such conduct itself. Such conduct will be deemed and is a breach of this Agreement by GRAIL. Without limiting the generality of the foregoing, all restrictions set forth in this Agreement with respect to GRAIL's purchase and use of Products and Illumina Intellectual Property Rights will apply to all Operational Affiliates, and the purchase or use of any Product or use of Illumina Intellectual Property Rights by any Operational Affiliate in violation of any such restriction will be deemed and is a breach of that restriction, and this Agreement, by GRAIL. GRAIL and its Operational Affiliates are jointly and severally liable under this Agreement. GRAIL represents and warrants that is has no Operational Affiliates as of the Effective Date. GRAIL will provide Illumina with written notice each time an entity becomes an Operational Affiliate or ceases to be an Operational Affiliate within 30 days of the occurrence of such event, and will provide Illumina with such information as Illumina may from time to time reasonably request in order to confirm such entity's status as an Operational Affiliate.

4. ROYALTY

4.1 Royalty. As partial consideration for the cumulative contributions of Illumina and its Affiliates to the success of GRAIL, including assistance in the formation of GRAIL and first-mover advantage enabled by Illumina's efforts, the rights granted and covenants made by Illumina in the Original Agreement, and the rights granted and covenants made by Illumina in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, GRAIL and its Operational Affiliates will pay to Illumina the following amounts (collectively, the "**Royalty**"):

(a) [***]% (subject to potential reduction pursuant to Sections 4.2 and 4.3 below) of Net Sales of all Oncology Products and Oncology Services; and

(b) [***]% (subject to potential reduction pursuant to Section 4.2 below) of all Other Oncology Revenue.

In the event of a Change in Control of GRAIL, the foregoing royalties shall not be payable by an entity acquiring Control of GRAIL in the Change in Control with respect to: (a) Net Sales of any Oncology Products or Oncology Services; or (b) Other Oncology Revenue; in each case that was already sold or generated, as applicable, by such entity before the Change in Control without any involvement, improvement, or modification by or on behalf of GRAIL or its Operational Affiliate and without the use of any Technology or Intellectual Property Rights of GRAIL or its Operational Affiliate, and is Sold after the Change in Control without any involvement, improvement, or modification by or on behalf of GRAIL or its Operational Affiliate and without the use of any Technology or Intellectual Property Rights of GRAIL or its Operational Affiliate.

4.2 Royalty Reductions.

(a) If, during any calendar year set forth below, GRAIL and its Operational Affiliates cumulatively pay Royalty to Illumina in amounts equal to the Royalty target amounts set forth below for such calendar year, the Royalty percentage payable pursuant to Sections 4.1(a) and 4.1(b) above for the remainder of such calendar year will be reduced to [***]%. At the end of such calendar year, the Royalty percentage will automatically (without any action required by either Party) revert to [***]% (subject to potential reduction in the next calendar year as set forth in the first sentence of this Section 4.2(a).

Year	Oncology Revenue Target (USD in Millions)	Royalty Target (USD in Millions)
2017	[***]	[***]
2018	[***]	[***]
2019	[***]	[***]
2020	[***]	[***]
2021	[***]	[***]
2022	[***]	[***]
2023	[***]	[***]
2024	[***]	[***]
2025	[***]	[***]
2026	[***]	[***]
2027	[***]	[***]

(b) Once GRAIL and its Operational Affiliates have cumulatively paid Royalty to Illumina totaling $[***], the Royalty percentage payable pursuant to Sections 4.1(a) and 4.1(b) above will thereafter be reduced to a minimum floor of [***]%, without any further reduction pursuant to Section 4.2(a) or 4.3 or otherwise.

4.3 Anti-Stacking.

(a) Unless the Royalty percentage has been reduced to the minimum floor of [***]% pursuant to Section 4.2(b) above, if GRAIL or its Operational Affiliate pays any Third Party Royalties to one or more Third Parties in any calendar quarter, then GRAIL or such Operational Affiliate may reduce the Royalty payable for such calendar quarter under Section 4.1(a) above by the amount of such payments; provided however, that in no event will the Royalty payable under Section 4.1(a) be less than [***]% of Net Sales of all Oncology Products and Oncology Services (on a cumulative basis). For clarity, Third Party Royalties may only be deducted from Royalty during the calendar quarter during which such Third Party Royalties are actually paid by GRAIL or its Operational Affiliate, and may not be carried forward or otherwise credited toward any future calendar quarter. GRAIL agrees not to (and will ensure that none of its Operational Affiliates) circumvent the foregoing restrictions in this Section 4.3(a) by taking any action (or omitting to take any action), including deferment of payment of any Third Party Royalties beyond the calendar quarter for which they are due.

(b) Within ten days of Illumina's request, GRAIL will provide Illumina with un-redacted copies of any license agreements pursuant to which Royalty has been reduced pursuant to Section 4.3(a) above, and copies of all patents and patent applications under which rights are granted to GRAIL or its Operational Affiliate pursuant to such license agreements. GRAIL will provide such additional information concerning such licenses as Illumina may reasonably request from time to time to confirm the amounts by which GRAIL and its Operational Affiliates have reduced, pursuant to Section 4.3(a), the Royalty payable under Section 4.1(a). GRAIL will be solely responsible for ensuring that it has the right to provide Illumina with all documents and information required by this Section.

4.4 Apportionment.

(a) To the extent any Oncology Product or Oncology Service Sold by GRAIL or its Operational Affiliate has applications outside the field of Oncology, and GRAIL reasonably demonstrates to Illumina that such Oncology Product or Oncology Service is being materially and appropriately used both within and outside the field of Oncology, GRAIL and Illumina will in good faith negotiate the potential apportionment of revenue attributable to such Oncology Product or Oncology Service between the field of

Oncology and such other field(s). In determining the appropriate apportionment (if any) of any such Oncology Product or Oncology Service, the Parties will consider, without limitation: (i) the likelihood that such Oncology Product or Oncology Service is used within and outside the field of Oncology; (ii) the estimated percentage of uses of such Oncology Product or Oncology Service within and outside of the field of Oncology; (iii) the revenue GRAIL and its Affiliates receive from Sale of similar products within and outside the field of Oncology; and (iv) the prices of similar products and services Sold by Third Parties within and outside the field of Oncology.

(b) To the extent that GRAIL reasonably demonstrates to Illumina that certain Other Oncology Revenue is derived in part from the field of Oncology and in part from one or more other field(s), GRAIL and Illumina will in good faith negotiate the potential apportionment of such revenue between the field of Oncology and such other field(s). Specifically, if GRAIL or its Operational Affiliate licenses (or grants similar rights or covenants) under GRAIL Intellectual Property Rights both within and outside of the field of Oncology, GRAIL and Illumina will in good faith negotiate the potential apportionment of revenue received from such arrangement, taking into consideration, without limitation: (i) the likelihood that such GRAIL Intellectual Property Rights are used within and outside the field of Oncology; (ii) the estimated value of uses of such GRAIL Intellectual Property Rights within and outside of the field of Oncology; (iii) the revenue GRAIL and its Affiliates receive from the grant of any licenses, rights, or covenants, or any other exploitation, of the same or similar GRAIL Intellectual Property Rights within and outside the field of Oncology; and (iv) the terms under which Third Parties grant any licenses, rights, or covenants with respect to similar Intellectual Property Rights within and outside the field of Oncology. Upon either Party's request, such allocations may be revised from time to time (no more than once per calendar year) pursuant to good faith negotiations between the Parties in light of the actual activities of the licensee(s) or other recipient(s) of such GRAIL Intellectual Property Rights.

(c) Any Dispute as to any potential apportionment under this Section 4.4 will be resolved pursuant to the expedited Dispute resolution proceedings of Section 14.2(c). Until such potential apportionment is resolved, either by written agreement of the Parties or by the expedited Dispute resolution proceedings of Section 14.2(c), GRAIL and its Operational Affiliates will pay Royalty on 100% of the Net Sales from the Sale of the applicable Oncology Product or Oncology Service, and Royalty on 100% of the applicable Other Oncology Revenue, without apportionment of any kind.

4.5 Royalty Reporting and Payment.

(a) GRAIL will submit a written report to Illumina within 60 days after the close of each calendar quarter during the Term and thereafter (for so long as Oncology Products or Oncology Services are Sold or Other Oncology Revenue is generated) showing on an entity-by-entity, product-by-product, service-by-service, and country-by-country basis: (i) the kind and number of Oncology Services and Oncology Products Sold (including a detailed explanation for any that were not Sold in an arm's-length transaction); (ii) the gross amount invoiced for such Oncology Services and Oncology Products on a product-by-product and service-by-service basis; (iii) the detailed calculation of Net Sales during the quarter on a product-by-product and service-by-service basis; (iv) a detailed calculation of Other Oncology Revenue; (v) the exchange rates used in determining each component of the Royalty; and (vi) the Royalty payable to Illumina, in each case for the subject calendar quarter. If GRAIL or its Operational Affiliate has reduced the Royalty payable by any Third Party Royalties, the report will describe in detail the payee, amount, and basis for such Third Party Royalties. All currency conversions will be made using GRAIL's standard financial reporting procedures which will be consistently applied in accordance with GAAP. GRAIL will provide such additional information concerning the calculation of the Royalty as Illumina may reasonably request from time to time to enable Illumina and its Affiliates to confirm the accuracy of such calculations. The reports for the first three quarters of each year will be unaudited, while the report for the fourth quarter will be audited by GRAIL's primary independent registered certified public accounting firm. Additionally, together with the report for the fourth quarter of each year, GRAIL will submit an audited annual year-end report, which will include the same level of detail as the quarterly reports. If any year-end report reveals that GRAIL underpaid Royalty in any prior quarter of such year, GRAIL will pay such amounts, together with interest thereon calculated pursuant to Section 4.5(b) below, concurrently with such report. If any year-end report reveals that GRAIL overpaid Royalty in any prior quarter of such year, GRAIL may credit such overpayment toward the Royalty owed for the fourth quarter. All such reports will be prepared consistently in accordance with GAAP, except to the extent otherwise expressly required by this Agreement. Together with each such report, GRAIL will include: (i) a letter from an authorized officer of GRAIL certifying that such report is accurate, complete, and has been prepared in accordance with GAAP (except to the extent otherwise expressly required by this Agreement); and (ii) a letter from GRAIL's primary independent registered certified public accounting firm certifying the such report is accurate, complete, and has been prepared in accordance with GAAP (except to the extent otherwise expressly required by this Agreement).

(b) Payment of the Royalty will be made concurrently with each such report. All payments of Royalty will be paid in the United States Dollars, by wire transfer pursuant to the following instructions, or in such other method as Illumina may reasonably designate. GRAIL and its Operational Affiliates may not deduct or withhold any wire transfer fees, bank charges, or any other fees or charges incurred in connection with making such payment. All payments of Royalty are exclusive of and are payable without withholding or deduction for taxes, GST, VAT, customs duties, tariffs, or other similar charges. If GRAIL or its Operational Affiliate fails to make any payment of Royalty before the date it is due, interest will accrue on such payment on a daily basis from the date such payment was originally due at a rate equal to [***]% per month compounded monthly, or the maximum amount allowed by Law, if lower, until paid. GRAIL's and its Operational Affiliates' obligations to pay interest on late payments may not be construed to limit or restrict any other right or remedy which may be available to Illumina.

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

4.6 Illumina Audit Rights. GRAIL will keep accurate and correct records of its and its Operational Affiliates' compliance with this Section 4. GRAIL will retain such records for at least three years following the end of the calendar year to which they pertain. All such records will be available no more than once per calendar year during normal business hours for inspection at the expense of Illumina by a qualified Third Party auditor selected by Illumina and reasonably acceptable to GRAIL for the sole purpose of verifying compliance with this Section 4. Such auditor may not disclose to Illumina any information other than information relating to GRAIL's and its Operational Affiliates' compliance with this Section 4. In the event that any such inspection shows an error that resulted in GRAIL underpaying Illumina, GRAIL will pay such amounts to Illumina plus interest pursuant to Section 4.4(b). If any such inspection shows an error that resulted in GRAIL overpaying Illumina, Illumina will refund such overpaid amounts to GRAIL. In the event that GRAIL underpaid Illumina by an amount that is (a) equal to or exceeding [***]% for any applicable annual period, and (b) more than $[***] in the aggregate, GRAIL will pay Illumina's reasonable costs for such audit. Any amount due under this Section will be paid within 30 days after receipt of an invoice describing the amount.

4.7 Additional Clarifications. For the avoidance of doubt: (a) GRAIL's Royalty obligations are in partial consideration for the cumulative contributions of Illumina and its Affiliates to the success of GRAIL, as described in Section 4.1 above, and are not tied solely to any specific grant of Intellectual Property Rights, GRAIL's use of Products, or any other individual factor; and (b) the obligations of GRAIL and its Operational Affiliates under this Section 4 will survive the termination or expiration of this Agreement.

5. COMPLIANCE

5.1 Research Use Only. Except to the extent otherwise expressly set forth in the Terms and Conditions for certain in vitro diagnostic Products, the Products are labeled "For Research Use Only," and GRAIL acknowledges that the Products have not been subjected to any conformity assessment or other regulatory review, or certified, approved, or cleared by any regulatory entity or conformity assessment body, whether foreign or domestic (including the FDA), or otherwise reviewed, cleared, or approved under any Law for any purpose, whether research, commercial, diagnostic, or otherwise.

5.2 Compliance with Laws. GRAIL and its Operational Affiliates will comply with all Laws when using, maintaining, and disposing of Products and otherwise performing their business activities. Without limiting the generality of the preceding sentence, GRAIL and its Operational Affiliates will obtain and maintain all approvals, licenses, consents, authorizations, clearances, and CE marking (including self-certification when applicable) from applicable governmental and regulatory authorities that are necessary for GRAIL and its Operational Affiliates to use, maintain, and dispose of Products and otherwise operate their business.

6. EXCLUSIVITY

6.1 Exclusivity. During the Exclusivity Period, except as provided in the following sentence, Illumina and its Affiliates will not purchase equity, warrants, options, convertible notes, or otherwise loan funds or invest in any Third Party that derives, or is reasonably expected to derive, a principal source of revenue from providing clinical testing services for Screening. "**Screening**" means cancer diagnostic screening of undiagnosed persons. Notwithstanding the foregoing: (a) Illumina will not be in breach of this Section 6.1 by virtue of having purchased equity, warrants, options, or convertible notes, directly or indirectly through an Affiliate, in any Third Party prior to the Effective Date; and (b) Illumina and its Affiliates may purchase equity, warrants, options, or convertible notes in any Third Party in which Illumina or its Affiliate holds equity as of the Effective Date, in amounts no greater than what would be necessary to maintain Illumina's or such Affiliate's ownership position (on as as- converted basis, if applicable) in such Third Party.

6.2 Exclusivity Period. The "**Exclusivity Period**" means the [***] period commencing on the Effective Date; provided, however, that such period will be an extended for up to [***] (to expire on the **[***]** of the Effective Date) if: (a) GRAIL and its Operational Affiliates have paid at least $[***] cumulatively to Illumina and its Affiliates for GRAIL's and its Operational Affiliates' purchase of Products from Illumina under this Agreement as of the **[***]** of the Effective Date; and (b) GRAIL and its Operational Affiliates have exclusively purchased and utilized Illumina sequencing instrument Products (including with respect to any sequencing services performed by, for, or on behalf of GRAIL or its Operational Affiliate) at all times prior to the [***] of the Effective Date, and continue to exclusively utilize Illumina sequencing instrument Products at all times prior to the [***] of the Effective Date. GRAIL will promptly provide Illumina with Notice if at any time GRAIL or its Operational Affiliate purchases, acquires, or otherwise utilizes any sequencing instrument other than an Illumina sequencing instrument Product (including with respect to any sequencing services performed by, for, or on behalf of GRAIL or its Operational Affiliate).

7. ASSIGNMENT OF MSK AGREEMENT, K2 ASSAY, DATA, AND COLLABORATIVE EFFORTS

7.1 Assignment of MSK Agreement. Concurrently with the execution of this Agreement, Illumina and GRAIL (together with Memorial Sloan Kettering Cancer Center) have executed the Assignment and Assumption Agreement attached as **Exhibit B** (the "**Assignment and Assumption Agreement**"), in order for Illumina to assign its rights and obligations under the MSK Agreement to GRAIL. A material breach of the Assignment and Assumption Agreement will constitute a breach of this Agreement, subject to the notice and cure provisions set forth herein.

7.2 K2 Assay.

(a) Under the Original Agreement, the Parties engaged in certain Joint Development Activities (as that term is defined in the Original Agreement) with respect to the development of an assay that Illumina intended to commercialize as a liquid biopsy assay. Illumina hereby releases GRAIL from any obligation to continue such Joint Development Activities. Within 30 days of the Effective Date, GRAIL will provide Illumina with a complete and accurate written disclosure of all results of the Joint Development Activities.

(b) In lieu of the Joint Development Activities, GRAIL will complete the development of a modified version of such assay (the "**K2 Assay**"), and deliver the K2 assay to Illumina, pursuant to and in accordance with the Development Plan attached as **Exhibit C** on the timelines set forth in such Development Plan. GRAIL's activities related to such development are referred to in this Agreement as the "**K2 Development Activities**."

(c) GRAIL will retain ownership of any Intellectual Property Rights it generates in the performance of the K2 Development Activities, and in any GRAIL Intellectual Property Rights incorporated into, embodied by, or used in the development of the K2 Assay (collectively, the "**K2 Development IP**"). GRAIL hereby grants and agrees to grant (immediately upon generation) to Illumina and its Affiliates an irrevocable, perpetual, worldwide, fully paid-up and royalty-free, non-exclusive, sub-licensable (except as set forth below), license, under all K2 Development IP to reproduce, display, publish, prepare derivative works of, distribute, make, have made, use (including to perform services), sell, offer to sell, import, and otherwise market, promote, commercialize and exploit products and services incorporating, embodying, or made or performed using, any K2 Development IP, or which would otherwise, in the absence of this license, infringe upon any K2 Development IP. GRAIL represents, warrants, and covenants that it has taken, and will continue to take, all actions necessary to cause each Representative who participates in generating any K2 Development IP to completely and irrevocably assign to GRAIL any and all rights that Representative has or may have in or to any K2 Development IP. During the Exclusivity Period, Illumina may not sub-license K2 Development IP to any Third Party in the field of Screening. For clarity, the Sale of a product or Service (including to a distributor or other reseller), and the grant of rights to purchasers and end-users of such product or Service (including the exhaustion of K2 Development IP upon such Sale), will not be considered a sub-license for the purposes of the foregoing restriction.

(d) GRAIL acknowledges and agrees that its breach of its obligations set forth in Section 7.2 will cause significant delays in Illumina's internal product development and validation efforts.

As such, if GRAIL fails to deliver the K2 Assay deliverables required by this Section 7.2 complete in all material respects on or before [***], and if Illumina provides Notice of such breach within 30 days of [***] and GRAIL fails to cure such breach within 30 days of Illumina providing Notice of such breach, Illumina will invoice GRAIL the amount of $[***], and GRAIL will pay such invoice within 30 days of receipt. Upon GRAIL's payment of such amount, GRAIL will be released from performing the remaining development obligations set forth in Section 7.2. The Parties acknowledge and agree that payment pursuant to this Section 7.2(d) constitutes compensation, and is the sole and complete remedy and cure, for the breach of Section 7.2(b) and the harm caused to Illumina, and not a penalty. The Parties acknowledge and agree that the harm caused to Illumina from such breach would be impossible or very difficult to accurately estimate as of the Effective Date, and that this amount is a reasonable estimate of the anticipated or actual harm that might arise from such a breach.

7.3 GRAIL to Provide Data.

(a) GRAIL will provide Illumina and its Affiliates with access to the following information and data collected or generated from GRAIL's or its Operational Affiliate's sequencing and analysis of fully-characterized (with phenotypic, demographic, and clinical information) plasma and tumor samples from 2,000 metastatic (e.g. Stage 3 or 4) cancer patients in the Circulating Cell-Free Genome Atlas Study (CCGA) (or any iteration, successor, or replacement of such study): [***]. GRAIL will provide such information and data on a rolling basis, within four (4) weeks of generating each set of merged plasma and tumor sequencing results]. The Parties will in good faith determine the mechanism for providing Illumina with prompt access to such information and data, with the goal of providing prompt and complete access in an efficient and practical manner. GRAIL anticipates that the first set of such data will be produced in the second [***], but GRAIL shall deliver data from at least [***] of these plasma samples and the corresponding available tumor data for these samples by [***]. GRAIL shall deliver data from the full 2,000 plasma samples and the corresponding available tumor data for these samples by the end of [***].

(b) GRAIL, on behalf of itself and its Operational Affiliates, hereby grants and agrees to grant (immediately upon generation) to Illumina and its Affiliates an irrevocable, worldwide, fully paid-up and royalty-free, non-exclusive, license, without right to sublicense, to reproduce, display, prepare derivative works of, and use such data obtained under clause (a) above solely for the purpose of internally validating the K2 Assay (and iterations and derivatives of the K2 Assay) and publication of the K2 Assay validation. Except as set forth in (c) below, the foregoing license shall terminate upon, and Illumina will only retain such data until, the date that is 6 months following the delivery of such data and information from the 2,000th patient, after which Illumina shall destroy such data and all copies thereof; provided that Illumina may: (i) retain one copy of such information and data solely for the purpose of supporting publications made by Illumina pursuant to this Section; and (ii) retain summaries, aggregations, or derivatives of such information and data prepared by or for Illumina.

(c) Illumina and its Affiliates may not resell, package, or otherwise share (other than disclosures authorized by Section 9.2) the information or data with any Third Party. Notwithstanding the foregoing restriction, Illumina and its Affiliates may publish summaries, aggregations, or derivatives of such information and data in publications intended to demonstrate validation of the K2 Assay and iterations and derivatives of the K2 Assay, and such publications may be made after the 6 month deadline specified in (b) above after providing the CCGA publication review committee a reasonable opportunity to review and comment, to the extent required by the governing documents of the CCGA as of the Effective Date.

(d) GRAIL will ensure that: (i) such information and data, and the samples from which they were collected or generated, will have been obtained under informed subject consent and with approval of all applicable Institutional Review Boards and other research oversight committees for use consistent with the rights granted to Illumina and its Affiliates in this Section 7.3; (ii) GRAIL has the right to provide the information and data to Illumina for use in accordance with this Section 7.3; and (iii) all information and data will have been de-identified and anonymized, and will not contain, or be transmitted with, personally identifiable subject information.

(e) GRAIL acknowledges and agrees that its breach of its obligations set forth in Section 7.3 will cause significant delays in Illumina's internal product development and validation efforts. As such, if GRAIL fails to deliver all information and data required by this Section 7.3 from at least [***] patients on or before [***], or all information and data required by this Section 7.3 from 2,000 patients on or before [***], and if Illumina provides Notice of such breach within 30 days of the applicable deadline, and GRAIL fails to cure such breach within 30 days of Illumina providing Notice of such breach, Illumina will invoice GRAIL the amount of $[***] per sample from which information and data was not delivered and GRAIL will pay such invoice within 30 days of receipt. Upon GRAIL's payment of such amount, GRAIL will be released from performing the remaining data transfer obligations set forth in Section 7.3. The Parties acknowledge and agree that such payment constitutes compensation, and is the sole and complete remedy and cure, for the breach of Section 7.3(a) and for the harm caused to Illumina, and not a penalty. The Parties acknowledge and agree that the harm caused to Illumina from such breach would be impossible or very difficult to accurately estimate as of the Effective Date, and that this amount is a reasonable estimate of the anticipated or actual harm that might arise from such a breach.

7.4 Plasma Samples.

(a) GRAIL will collaborate with Illumina in good faith, using its best efforts, to secure 1,000 fully-characterized (with phenotypic, demographic, and clinical information) plasma samples (up to two Streck tubes per sample) from metastatic (e.g. Stage 3 or 4) cancer patients. For clarity, these samples cannot be provided by the CCGA program. There are two options for sourcing: the samples may be sourced from a new GRAIL program ("**Option A**"), or from a Third Party ("**Option B**"). As a collaborator under Option A, GRAIL will provide support for clinical protocol development, sample and clinical operations, identification of clinical trial sites, IRB approval, biobanking, and subject enrollment. In this model, GRAIL would deliver a draft clinical study protocol and informed consent form (ICF) to support the 1,000 patient study deliverable within three (3) months of Illumina's request, with such request to occur no later than [***]. Alternatively under Option B, GRAIL may define a vendor-based program for sample acquisition to be implemented by Illumina. GRAIL and Illumina will equally share any incremental costs of acquiring such samples. Illumina will ultimately determine if the Parties proceed under Option A or Option B.

(b) If any of such samples come from Option A, Illumina may only use such samples internally for purposes of validating the K2 Assay (and iterations and derivatives of the K2 Assay), and Illumina and its Affiliates may not resell, package, or otherwise share (other than disclosures authorized by Section 9.2) the samples or data generated from such samples with any Third Party. Illumina will only retain data obtained from the samples until the date that is 6 months following the delivery of the samples for the [***] patient, after which Illumina shall destroy such data and all copies thereof; provided that Illumina may: (i) retain one copy of such information and data solely for the purpose of supporting publications made by Illumina pursuant to this Section; and (ii) retain summaries, aggregations, or derivatives of such information and data prepared by or for Illumina. Notwithstanding the foregoing restrictions, Illumina and its Affiliates may publish summaries, aggregations, or derivatives of such data in publications intended to demonstrate validation of the K2 Assay and iterations and derivatives of the K2 Assay, and such publications may be made after the 6 month deadline specified in (b) above.

(c) If any of such samples come from Option B, Illumina and its Affiliates may use such samples and data generated from such samples for any purpose (subject to restrictions imposed by such Third Parties), and Illumina will provide GRAIL with: [***]. The Parties will in good faith determine the mechanism for providing GRAIL with prompt access to such information and data, with the goal of providing prompt and complete access in an efficient and practical manner. Illumina, on behalf of itself and its Affiliates, hereby grants and agrees to grant (immediately upon generation) to GRAIL and its Operational Affiliates an irrevocable, worldwide, fully paid-up and royalty-free, non-exclusive, license, without right to sublicense, to reproduce, display, prepare derivative works of, and use such data

internally for the purpose of validating GRAIL's circulating tumor DNA cancer Screening assays, until the date that is 6 months following the delivery of the information and data for the [***] patient . GRAIL and its Operational Affiliates may not resell, package, or otherwise share (other than disclosures authorized by Section 9.2) the information or data with any Third Party. GRAIL will only retain data obtained from the samples until the date that is 6 months following the delivery of the information and data for the [***] patient, after which GRAIL shall destroy such data and all copies thereof; provided that GRAIL may: (i) retain one copy of such information and data solely for the purpose of supporting publications made by GRAIL pursuant to this Section; and (ii) retain summaries, aggregations, or derivatives of such information and data prepared by or for GRAIL. Notwithstanding the foregoing restrictions, GRAIL and its Operational Affiliates may publish summaries, aggregations, or derivatives of such information and data in publications intended to demonstrate validation of GRAIL's circulating tumor DNA cancer Screening assays, and such publications may be made after the 6 month deadline specified above.

(d) In sourcing such samples, the Parties will ensure that: (i) such samples will have been obtained under informed subject consent and with approval of all applicable Institutional Review Boards and other research oversight committees for use consistent with the rights granted in this Section 7.4 to Illumina and its Affiliates, and to the extent set forth in Section 7.4(c), GRAIL and its Operational Affiliates; (ii) Illumina has the right to provide the information and data described in Section 7.4(c), to the extent set forth in Section 7.4(c), to GRAIL for use in accordance with Section 7.4(c). Additionally, Illumina will ensure that any information and data transferred to GRAIL pursuant to Section 7.4(c) will have been de-identified and anonymized, and will not contain, or be transmitted with, personally identifiable subject information.

(e) GRAIL acknowledges and agrees that its failure to secure all samples required by this Section 7.4 will cause significant delays in Illumina's internal product development and validation efforts. As such, if GRAIL fails to secure 1,000 samples on or before [***], and if Illumina provides Notice of such breach within 30 days of [***] and GRAIL fails to secure such samples within 30 days of Illumina providing Notice of such failure, Illumina will invoice GRAIL the amount of $[***] per sample which was not delivered and GRAIL will pay such invoice within 30 days of receipt. Upon GRAIL's payment of such amount, GRAIL will be released from performing the remaining sample sourcing obligations set forth in Section 7.4. The Parties acknowledge and agree that such payment constitutes compensation, and is the sole and complete remedy and cure, for the breach of Section 7.4(a) and for the harm caused to Illumina, and not a penalty. The Parties acknowledge and agree that the harm caused to Illumina from such breach would be impossible or very difficult to accurately estimate as of the Effective Date, and that this amount is a reasonable estimate of the anticipated or actual harm that might arise from such a breach.

7.5 Library Prep Collaboration.

(a) The Parties will collaborate in good faith, using commercially reasonable efforts, to improve both Parties' ctDNA library preparation methods, until the earlier of: (i) 18 months after the Effective Date; or (ii) the date Illumina or GRAIL demonstrates [***], using such methods, and enables the other Party to reproducibly achieve [***]. The Parties intend that such collaboration will at a minimum involve the periodic transfer of know-how concerning such library preparation methods.

(b) **"Collaboration IP**" means Intellectual Property Rights generated by or on behalf of one or both Parties in the performance of the collaboration described in this Section 7.5. Any and all Collaboration IP generated: (i) solely by or on behalf of Illumina will be solely owned by Illumina; (ii) solely by or on behalf of GRAIL will be solely owned by GRAIL; and (iii) jointly by at least one person or entity acting for or on behalf of Illumina and at least one person or entity acting for or on behalf of GRAIL will be jointly owned by the Parties ("**Joint Collaboration IP**").

(c) Subject to the remainder of this Section 7.5, each Party has a joint and undivided interest in any and all Joint Collaboration IP, and each Party may use, license, and otherwise fully exploit Joint Collaboration IP in all fields of use throughout the world without the consent of, or any obligation to account to, the other Party; provided that, except with the prior written consent of the other Party, a Party may not license Joint Collaboration IP to any third party: (i) that has been identified as a potential infringer of Joint Collaboration IP in a written notice from the other Party; or (ii) against whom the other Party has in good faith initiated an enforcement action (which includes sending a cease and desist or demand letter) with respect to Joint Collaboration IP, provided that the other Party has delivered notice of such action to such Party. Any such purported license will be void and of no effect.

(d) All applications and registrations for Joint Collaboration IP will list both Parties as joint owners. The Parties may take such actions as they may mutually agree in good faith in writing from time to time, at their joint expense, to register, maintain, protect, and enforce Joint Collaboration IP, including filing and prosecuting patent applications for the Joint Collaboration IP, determining whether a particular item of Joint Collaboration IP should be protected by patent or as a joint trade secret, and taking any action in respect of any alleged or actual infringement of the Joint Collaboration IP. Neither Party will have any obligation to share in the expenses of patent prosecution activities unless otherwise agreed in writing; provided however, that a Party that does not pay its half of the expenses relating to patent prosecution activities for Joint Collaboration IP will not have the right to license (or otherwise grant a covenant not to sue or similar right under) such Joint Collaboration IP (but for clarity will have the ability to exhaust such Joint Collaboration IP upon the sale of products and services), and any such purported license (or covenant not to sue or similar right) which has been or is later granted will be void and of no effect. If a Party does not wish to take any such action, or does not respond to the other Party's written request regarding such action within a reasonable period of time after receiving such request (in light of the exigency of the situation), and the requesting Party confirms that the request was received, the other Party may unilaterally take such action at its expense. Notwithstanding the foregoing, each Party agrees that it may be joined in any action that requires the joinder or agreement of all co-owners. If a Party is required to join an action and pays its share of costs and expenses of such action, then it will be entitled to a portion of any proceeds of the action equivalent to the portion of the total costs and expenses it contributed. If a Party is required to join an action but does not pay its share of the costs and expenses of such action, including an action to enforce Joint Collaboration IP against a third party, the proceeds of such action (if any) will inure solely to the Party taking and paying for such action.

(e) Neither Party may take any action (or fail to take any action) that is likely to impair the validity or enforceability of Joint Collaboration IP without the prior written consent of the other Party. Without limiting the generality of the preceding sentence: (i) each Party will maintain information agreed by the Parties in writing to be joint trade secrets as both Parties' Confidential Information, provided however that this restriction will not prevent a Party from selling or otherwise transferring materials embodying a joint trade secret (without disclosing the trade secret) to any Third Party; and (ii) in disclosing a joint trade secret in accordance with the restrictions set forth in subsection (i), a Party may disclose the joint trade secret only pursuant to a written, enforceable, confidentiality agreement having restrictions against further disclosure at least as stringent as those set forth in this Agreement and providing that the recipient of the disclosure may use the joint trade secret only for the limited purpose described in the agreement.

(f) Each Party will reasonably cooperate with the other Party in registering, maintaining, protecting, and enforcing Joint Collaboration IP, and will take such actions and execute such documents as the other Party may reasonably request in connection therewith.

(g) Each Party hereby grants and agrees to grant (immediately upon generation) to the other Party and its Affiliates (in the case of Illumina as the licensee) or Operational Affiliates (in the case of GRAIL as the licensee) an irrevocable, perpetual, worldwide, fully paid-up and royalty-free, non-exclusive, non sub-licensable, license, under all of the granting Party's Collaboration IP, to practice such improved library preparation methods (and derivatives and iterations thereof) and otherwise market, promote, commercialize and exploit products and services incorporating, embodying, or made or performed using, any such Collaboration IP. Each Party represents, warrants, and covenants that it has taken, and will continue to take, all actions necessary to cause each Representative who participates in the collaboration contemplated by this Section to completely and irrevocably assign to such Party any and all rights that Representative has or may have in or to any Collaboration IP. For clarity, the Sale of a product or Service (including to a distributor or other reseller), and the grant of rights to purchasers and end-users of such product or Service (including the exhaustion of Collaboration IP upon such Sale), will not be considered a sub-license for the purposes of the foregoing restriction.

8. INTELLECTUAL PROPERTY

8.1 Illumina Know-How.

(a) Illumina has disclosed to GRAIL certain protocols, methods, algorithms, software and software code (including software and software code relating to informatics pipelines), know-how, and other Illumina Technology, including information concerning: (i) [***]; (ii) the Joint Development Activities (as defined in the Original Agreement) undertaken pursuant to the Original Agreement; and (iii) the collaboration with the Memorial Sloan Kettering Cancer Center under the MSK Agreement. All such information is referred to in this Agreement collectively as the "**Illumina Know-How**." All such information was disclosed by Illumina to GRAIL pursuant to the side letter agreement entered into between the Parties dated April 19, 2016, which side letter agreement was incorporated into the Original Agreement. For clarity, from and after the Effective Date, this Agreement amends, restates, and replaces such side letter agreement in its entirety.

(b) Subject to, and contingent upon GRAIL's and its Operational Affiliates' continued compliance with, the terms and conditions of this Agreement and the applicable Terms and Conditions, in addition to the rights under Illumina Intellectual Property Rights expressly granted pursuant to the applicable Terms and Conditions, GRAIL's purchase of Products under this Agreement confers upon GRAIL and its Operational Affiliates the personal, non-transferable, non-exclusive, right to use the Illumina Know-How (except as set forth in Section 8.6) (i) in the provision of Services, including without limitation, Oncology Services, and (ii) internally in connection with the use of such Products during the Term. Any purported assignment, transfer, grant, or other conveyance of any of the rights granted in this Section 8.1(b) (or any portion of such rights) is prohibited and will be null, void, and of no effect. GRAIL acknowledges and agrees that the foregoing limited right to use Illumina Know-How granted to GRAIL and its Operational Affiliate pursuant to this Section 8.1 does not include: (i) the right or license to practice under any patent of Illumina or any of its Affiliates, even if such patent concerns or relates to information otherwise included in Illumina Know-How; or (ii) the right or license to make, have made, use, sell, import, or otherwise exploit any products incorporating, embodying, or manufactured using, any Illumina Know-How.

(c) The Illumina Know-How constitutes proprietary and highly confidential Illumina Confidential Information (whether or not marked confidential), and Illumina's rights in Illumina Know-How constitute Illumina Intellectual Property Rights. Without limiting the foregoing, except as expressly authorized pursuant to Section 9.2 or if the information falls within a confidentiality exception pursuant to Section 1.8(a) - (e), GRAIL and its Operational Affiliates may not disclose Illumina Know-How to any Third Party (including any of GRAIL's and its Operational Affiliates' collaborators) without Illumina's prior written consent. GRAIL acknowledges and agrees that no Affiliate of GRAIL that is not an Operational Affiliate has a need to know any Illumina Know-How. GRAIL will promptly notify Illumina upon discovery of any unauthorized disclosure or use of Illumina Know-How, and GRAIL and its Operational Affiliates will cooperate with Illumina and take such actions as Illumina may reasonably request to mitigate the effects of any such disclosure or use.

(d) While Illumina has endeavored not to disclose any Third Party confidential information with the Illumina Know-How, in the event that Illumina notifies GRAIL that Third Party confidential information was inadvertently disclosed to GRAIL, GRAIL will promptly destroy all copies and embodiments of such information and provide written confirmation of such destruction to Illumina; provided that if the confidential information is used by GRAIL in performance of a Service, GRAIL may first seek to obtain the rights necessary to retain the confidential information for use in performance of such Service.

(e) TO THE FULLEST EXTENT PERMITTED BY LAW, THE ILLUMINA KNOW-HOW IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTY OF ANY KIND, AND ILLUMINA MAKES NO (AND DISCLAIMS ALL) WARRANTIES (EXPRESS, IMPLIED, OR STATUTORY) WITH RESPECT TO THE ILLUMINA KNOW-HOW, INCLUDING WARRANTIES OF MERCHANTABILITY, TITLE, AVAILABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT.

8.2 Improvements.

(a) **"Improvements**" means:

(i) all improvements, enhancements, modifications, or derivatives of or to any Illumina Technology (including the Illumina Know-How) that were generated by or on behalf of GRAIL during the period of time commencing on the Original Effective Date and ending on the Effective Date, and all Intellectual Property Rights embodied therein or related thereto, but excluding any of the foregoing that is also Development IP; or

(ii) all improvements, enhancements, modifications, or derivatives of or to: (i) any Product Sold to GRAIL or its Operational Affiliate under the Original Agreement or this Agreement, or any component or aspect of any such Product; (ii) any Illumina Know-How; or (iii) any other Illumina Technology disclosed or made available to GRAIL in furtherance of the Joint Development Activities (under the Original Agreement), the K2 Development Activities, the library preparation collaboration contemplated by Section 7.5, or otherwise under the Original Agreement or this Agreement; in each case that are generated by or on behalf of GRAIL or its Operational Affiliates after the Effective Date, and all Intellectual Property Rights embodied therein or related thereto.

(b) GRAIL, on behalf of itself and its Operational Affiliates, hereby grants and agrees to grant (immediately upon generation) to Illumina and its Affiliates an irrevocable, perpetual, worldwide, fully paid-up and royalty-free, non-exclusive, sub-licensable (except as set forth below), license, under all Improvements to reproduce, display, publish, prepare derivative works of, distribute, make, have made, use (including to perform services), sell, offer to sell, import, and otherwise market, promote, commercialize and exploit products and services incorporating, embodying, or made or performed using, any of the Improvements, or which would otherwise, in the absence of this license, infringe upon any of the Improvements. GRAIL represents, warrants, and covenants that it has taken, and will continue to take, all actions necessary to cause each Representative who participates in generating any Improvements to completely and irrevocably assign to GRAIL or its Operational Affiliate any and all rights that Representative has or may have in or to any Improvements. During the Exclusivity Period, Illumina may not sub-license Improvements to any Third Party in the field of Screening. For clarity, the Sale of a product or Service (including to a distributor or other reseller), and the grant of rights to purchasers and end-users of such product or Service (including the exhaustion of Improvements upon such Sale), will not be considered a sub-license for the purposes of the foregoing restriction.

(c) From time to time, upon Illumina's request (which request may be made no more than once per quarter), GRAIL will provide written disclosures of information concerning the following categories of Improvements to the extent reasonably necessary to enable Illumina to practice such Improvements: (i) Improvements to [***] and components thereof; and (ii) Improvements to ctDNA library preparation methods (to the extent not addressed in the collaboration described in Section 7.5). Similarly, upon Illumina's request (which request may be made no more than once per quarter), GRAIL will make the necessary personnel available (during normal business hours) for a reasonable level of face to face demonstration and explanation of such Improvements to the extent reasonably necessary to enable Illumina to practice such Improvements.

8.3 Illumina's Sub-License Option.

(a) **"Option IP**" means any Third Party Intellectual Property Rights licensed to GRAIL or any of its Operational Affiliates prior to the Effective Date pursuant to one or more license agreements (the "**GRAIL In-Licenses**"), including: (i) [***]; and (ii) [***]; but excluding any retail or open-source software licenses.

(b) GRAIL hereby grants to Illumina and its Affiliates an option to receive a non-exclusive sub-license under all rights GRAIL has or may have in any Option IP (the "**Option**"). Illumina may exercise its Option as to any or all Option IP by providing written notice of exercise to GRAIL within one year of the Effective Date (the "**Option Period**"). The Option may be exercised multiple times during the Option Period as to different Option IP.

(c) Any sub-license granted upon exercise of the Option will, subject to the terms of this Section 8.3, be on the most favorable terms permitted by the applicable GRAIL In-License. Without limiting the generality of the foregoing: (i) if the applicable GRAIL In-License requires that GRAIL's sub-licensees pay royalties, Illumina and its Affiliates will not be required to pay any royalty rate greater than that which GRAIL is required to pay upon sale of equivalent licensed products under the GRAIL In-License; and (ii) all terms of any such sub-license will be commercially reasonable, will be negotiated in good faith, and will be at least as favorable to Illumina as the corresponding terms set forth in the applicable GRAIL In-License are favorable to GRAIL. Unless otherwise requested by Illumina, any such sublicense will extend to all fields in which GRAIL has received rights, but excluding Screening during the Exclusivity Period, and will extend to all of Illumina's Affiliates. During the Option Period GRAIL may not amend any GRAIL In-License in any way that would alter the right for GRAIL to grant any sub-license or that would alter any of the rights or other terms that may be extended to Illumina and its Affiliates.

(d) Within ten days of Illumina's request, GRAIL will provide Illumina with un-redacted copies of the GRAIL In-Licenses, and copies of all patents and patent applications covered by such licenses. GRAIL will provide such additional information concerning the GRAIL In-Licenses and Option IP as Illumina may reasonably request from time to time to enable Illumina and its Affiliates to assess the value of the GRAIL In-Licenses and Option IP and receive the full benefit of the Option. GRAIL will be solely responsible for ensuring that it has the right to provide Illumina with all documents and information required by this Section.

(e) GRAIL may not grant any license, sub-license, or other right inconsistent with the Option or which would render the Option ineffective with respect to any Option IP, and any such purported license, sub-license, or other right will be void and of no effect. The Option encumbers the GRAIL In-Licenses and GRAIL's interests in the Option IP, and will be binding on any assignee or other successor in interest of all or any part of the GRAIL In-Licenses or GRAIL's interests in the Option IP, whether or not such successor or assignee has notice of the Option.

8.4 IP Generated by GRAIL under the Original Agreement.

(a) Within 30 days of the Effective Date, GRAIL will provide Illumina with a complete and accurate written disclosure of all Intellectual Property Rights generated by or on behalf of GRAIL prior to the Effective Date, including complete and un-redacted copies of: (i) all patent applications filed or prepared (in any state of completion) prior to the Effective Date; (ii) all invention disclosure documents; and (iii) summary of all trade secret assets constituting Improvements to Illumina Technology generated by or on behalf of GRAIL prior to the Effective Date. Subject to the limitations set forth in Section 1.8, such information is GRAIL Confidential Information (whether or not marked confidential).

(b) GRAIL represents and warrants that no Study IP or Aggregated Patient Data (as those terms are defined in the Original Agreement) was generated by or on behalf of GRAIL under the Original Agreement.

(c) "**Development IP**" means all Intellectual Property Rights that were generated by or on behalf of GRAIL in the performance of the Joint Development Activities under the Original Agreement. As provided in the Original Agreement, all Development IP will be owned solely by Illumina. GRAIL hereby, on its own behalf and on behalf of its Representatives, completely and irrevocably assigns and agrees to assign (immediately upon generation) to Illumina all right, title, and interest that GRAIL and

each of its Representatives has or may have in or to any Development IP. GRAIL represents, warrants, and covenants that it has taken, and will continue to take, all actions necessary to cause each Representative who participated in any Joint Development Activities to completely and irrevocably assign to GRAIL (for assignment to Illumina pursuant to this Section) any and all rights that Representative has or may have in or to any Development IP. GRAIL will assist Illumina in every reasonable way, both during and after the Term, to document, register, obtain, maintain, protect, and enforce the Development IP. Illumina will reimburse GRAIL for all reasonable costs actually incurred by GRAIL in connection with such activities performed at Illumina's request. All Development IP is Illumina Confidential Information. Subject to, and contingent upon GRAIL's and its Operational Affiliates' continued compliance with, the terms and conditions of this Agreement and the applicable Terms and Conditions, in addition to the rights under Illumina Intellectual Property Rights expressly granted pursuant to the applicable Terms and Conditions, GRAIL's purchase of Products under this Agreement confers upon GRAIL and its Operational Affiliates the personal, non-transferable, non-exclusive, right to use the Development IP internally in connection with the use of such Products during the Term. Any purported assignment, transfer, grant, or other conveyance of any of the rights granted in this Section 8.4(c) (or any portion of such rights) is prohibited and will be null, void, and of no effect.

8.5 License to Commercialize Results of Development Activities. Under the Original Agreement, the Parties engaged in certain Joint Development Activities. If Illumina so requests, GRAIL and its Affiliates will grant Illumina and its Affiliates a non-exclusive, royalty-bearing, license on commercially reasonable terms (which the Parties agree to negotiate in good faith), under any GRAIL Intellectual Property Rights, to reproduce, display, publish, prepare derivative works of, distribute, make, have made, use, sell, offer for sale, import, and otherwise commercialize and exploit the results of, and deliverables delivered pursuant to, the Joint Development Activities (including the assay that was being developed pursuant to such activities, commonly referred to by the Parties as the [***] assay) and the K2 Development Activities (including the K2 Assay) and related collaboration pursuant to Section 7.5, or any component of such results or deliverables, and any and all improvements, enhancements, modifications, derivatives, and iterations of or to any such results or deliverables or any component thereof.

8.6 [***]. Notwithstanding anything to the contrary in this Agreement or any Terms and Conditions: (a) neither GRAIL nor any of its Operational Affiliates will receive any rights under any Intellectual Property Rights owned by or licensed to [***] on or prior to the Effective Date, or any improvements, enhancements, modifications, or derivatives of or to such Intellectual Property Rights, or any Technology incorporating, embodying, or relating to such Intellectual Property Rights; and (b) neither GRAIL nor any of its Operational Affiliates may use, practice, or otherwise exploit any of such Technology or Intellectual Property Rights that was included in the Illumina Know-How, or was derived from GRAIL's access to such Illumina Know-How.

8.7 All Rights Reserved.

(a)No Illumina Intellectual Property Rights are assigned or otherwise transferred to GRAIL or its Affiliates under this Agreement. Except as expressly stated in Sections 7 and 8, no license, sublicense, or other right under any Illumina Intellectual Property Rights is granted, expressly, by implication, estoppel, or otherwise, under this Agreement. Except as expressly stated in this Section 8, no GRAIL Intellectual Property Rights are assigned or otherwise transferred to Illumina under this Agreement. Except as expressly stated in Sections 7 and 8, no license, sublicense, or other right under any GRAIL Intellectual Property Rights is granted, expressly, by implication, estoppel, or otherwise, under this Agreement.

(b) The rights under Illumina Intellectual Property Rights conferred to GRAIL and its Operational Affiliates under this Agreement are limited to those use rights expressly conferred in Sections 7 and 8 and the applicable Terms and Conditions upon purchase of each unit of Products under this Agreement, and GRAIL agrees that any use of Products or Illumina Intellectual Property Rights outside the scope of such rights is a prohibited and unauthorized use. Illumina, on behalf of itself and its Affiliates (and their respective successors and assigns), retains all (and does not waive any) rights to enforce

Illumina Intellectual Property Rights and bring suit or proceedings against any person or entity, including GRAIL (and its Affiliates, and their respective successors, and assigns), with respect to any or all prohibited or unauthorized uses of Product or Illumina Intellectual Property Rights. GRAIL agrees that actual knowledge by Illumina, Illumina's Affiliates, or their respective Representatives that GRAIL or its Affiliate is using Product or Illumina Intellectual Property Rights in any prohibited or unauthorized manner does not: (i) waive or otherwise limit any rights under this Agreement or at Law that Illumina, Illumina's Affiliates, or their respective successors and assigns, have to address the prohibited or unauthorized use; or (ii) grant GRAIL or its Affiliate a license or other right under any Illumina Intellectual Property Right, whether expressly by implication, estoppel, or otherwise. Illumina agrees that any use of the GRAIL Intellectual Property Rights except to the extent specifically authorized in this Agreement is a prohibited and unauthorized use. No implied rights under GRAIL Intellectual Property Rights are granted to Illumina pursuant to this Agreement. GRAIL, on behalf of itself and its Affiliates (and their respective successors and assigns), retains all (and does not waive any) rights to enforce GRAIL Intellectual Property Rights and bring suit or proceedings against any person or entity, including Illumina (and its Affiliates, and their respective successors, and assigns), with respect to any or all prohibited or unauthorized uses of GRAIL Intellectual Property Rights. Illumina agrees that actual knowledge by GRAIL, GRAIL's Affiliates, or their respective Representatives that Illumina or its Affiliate is using GRAIL Intellectual Property Rights in any prohibited or unauthorized manner does not: (A) waive or otherwise limit any rights under this Agreement or at Law that GRAIL, GRAIL's Affiliates, or their respective successors and assigns, have to address the prohibited or unauthorized use; or (B) grant Illumina or its Affiliate a license or other right under any GRAIL Intellectual Property Right, whether expressly by implication, estoppel, or otherwise.

(c) GRAIL and its Operational Affiliates are solely responsible for determining whether GRAIL and its Operational Affiliates have all Intellectual Property Rights that are necessary for GRAIL's and its Operational Affiliates' intended uses of the Product, including any rights from Third Parties or any additional rights from Illumina or Illumina's Affiliates that are not expressly granted in this Agreement or in the applicable Terms and Conditions upon the purchase of Product (collectively "**Other IP**"). Illumina makes no representation, warranty, or guarantee that GRAIL's or any of its Operational Affiliates' specific intended uses will not infringe Other IP, and expressly disclaims and excludes any such representation, warranty, or guarantee, and any statement or implication otherwise, to the maximum extent permitted by Law. GRAIL's and its Operational Affiliates' intended use of the Products may require that they obtain a license or other rights in, to, or under Other IP to use Products without infringement or misuse of such Other IP. It is GRAIL's and its Operational Affiliates' responsibility to ensure that they have or obtain rights to all Third Party Intellectual Property Rights that are required for GRAIL and its Operational Affiliates to use the Products without infringement or misuse of such Third Party Intellectual Property Rights. Notwithstanding anything in this Agreement to the contrary, GRAIL and its Operational Affiliates assume all risks associated with not obtaining any required rights to Other IP.

9. CONFIDENTIAL INFORMATION

9.1 Disclosure and Use Restriction.

(a) Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, the Receiving Party will keep confidential and may not publish or otherwise disclose or transfer the Disclosing Party's Confidential Information to any Third Party.

(b) The Receiving Party may disclose the Disclosing Party's Confidential Information only to its Advisors and Representatives who are bound by written confidentiality and non-use restrictions at least as restrictive as those set forth in this Agreement and who have a specific need to know in order for the Receiving Party to be able to perform its obligations and exercise its express rights under this Agreement, and only to the extent necessary for such purpose. Each Party will be responsible for any conduct by its respective Advisors and Representatives that constitutes a breach of this Section 9 or that would be a breach of this Section 9 by such Party had such Party engaged in such conduct itself. Such conduct will be deemed and is a breach of this Agreement by such Party.

(c) The Receiving Party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than a reasonable standard of care) to ensure that it and its Advisors and Representatives do not disclose or make any unauthorized use of the Disclosing Party's Confidential Information. The Receiving Party will promptly notify the Disclosing Party upon discovery of any unauthorized disclosure or use of the Disclosing Party's Confidential Information.

(d) The confidentiality and non-use obligations in this Agreement with respect to the Disclosing Party's Confidential Information will continue throughout the Term and for seven years thereafter; provided however that all of GRAIL's and its Operational Affiliates' obligations with respect to Illumina Know-How will continue indefinitely (subject to the limitations set forth in Section 1.8).

9.2 Authorized Disclosure. The Receiving Party may disclose the Disclosing Party's Confidential Information to the extent that such disclosure is:

(a) made in response to a valid order of a court of competent jurisdiction or other governmental authority; provided, however, that the Receiving Party will, to the extent permitted by Law, give written notice to the Disclosing Party within five business days of receipt of such order and give the Disclosing Party a reasonable opportunity to quash such order and to obtain a protective order requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or governmental or regulatory body or, if disclosed, be used only for the purposes for which the order was issued; and provided, further, that if a disclosure order is not quashed or a protective order is not obtained, the Confidential Information disclosed in response to such court or governmental order will be limited to that information which is legally required to be disclosed in response to such court or governmental order;

(b) otherwise required by Law; provided, that the Receiving Party: (i) promptly notifies the Disclosing Party of the specifics of such requirement (providing a copy of the Confidential Information to be disclosed) at least 30 days prior to the actual disclosure (or as soon as reasonably possible prior to the actual disclosure if such 30 day prior notice is impractical under the circumstances) or promptly after actual disclosure if prior disclosure is impractical under the circumstances; (ii) discloses only the minimal information necessary to satisfy such requirement; (iii) reasonably cooperates with the Disclosing Party to prevent or limit such disclosure; and (iv) provides the Disclosing Party with a copy of Confidential Information actually disclosed.

(c) made by the Receiving Party with the prior written consent of the Disclosing Party.

9.3 Authorized Use. The Receiving Party may use the Disclosing Party's Confidential Information solely to the extent necessary for the Receiving Party perform its obligations and exercise its express rights under this Agreement, and such use will be otherwise subject to all restrictions and limitations set forth in this Agreement.

9.4 Agreement; Publicity. The Parties agree that the existence and terms of this Agreement are both Parties' Confidential Information. Subject to Section 9.2 above, each Party must obtain the prior written consent of the other Party on all press releases or other public announcements relating to this Agreement, provided that a Party is not required to obtain prior written consent of the other Party for press releases or public disclosures that repeat information that has been previously publicly disclosed pursuant to this Section 9.4. Notwithstanding the foregoing, GRAIL and Illumina may each disclose the terms of this Agreement to its actual or prospective investors or acquirers who are bound by written confidentiality and non-use restrictions at least as restrictive as those set forth in this Agreement and who are permitted to use such Confidential Information solely for the purpose of evaluating whether or not to invest in or acquire GRAIL or Illumina. Each Party will be responsible for any conduct by any such actual or prospective investor or acquirer to whom such Party disclosed any terms of this Agreement that constitutes a breach of this Section 9 or that would be a breach of this Agreement by such Party had such

Party engaged in such conduct itself. Such conduct will be deemed and is a breach of this Agreement by such Party. GRAIL will notify Illumina at least three days prior to disclosing any terms of this Agreement to an actual or prospective investor if GRAIL has reason to believe that such investor or acquirer is a customer of Illumina or a Competitor of Illumina.

9.5 Post-Termination. Following expiration or termination of this Agreement for any reason, upon the request of the Disclosing Party, the Receiving Party will, at the Disclosing Party's option: (a) return all materials containing the Disclosing Party's Confidential Information to the Disclosing Party; or (b) destroy all materials containing the Disclosing Party's Confidential Information and certify such destruction in writing to the Disclosing Party; provided that the Receiving Party will be authorized to retain one copy in its Legal Department for the purpose of determining any continuing obligation. Notwithstanding the foregoing, the Receiving Party will not be required to destroy or delete electronic copies (including emails) that have become embedded in its electronic storage systems through routine backup processes. Any Confidential Information so retained will continue to be held pursuant to all of the confidentiality, non-use, and other terms of this Agreement. Additionally, the Parties understand and agree that due to the nature of the relationship between the Parties, it may be impractical for the Parties to return or destroy each and every item of Confidential Information.

Accordingly, a Party will not be in breach of this Section 9.5 if it uses commercially reasonable efforts to return or destroy the other Party's Confidential Information.

10. REPRESENTATIONS AND WARRANTIES

10.1 General Warranties. Each Party represents and warrants that:

(a) Such Party is duly organized, validly existing, and in good standing under the laws of jurisdiction of domicile, and has all requisite power and authority to carry on its business as such business is now being conducted;

(b) This Agreement has been duly authorized, executed, and delivered by such Party and constitutes the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforceability may be limited by Law relating to bankruptcy, receivership, or similar laws affecting creditors' rights generally or by equitable principles relating to enforceability; and

(c) Such Party has all necessary rights, powers, and authority to enter into this Agreement and to carry out its obligations hereunder.

10.2 FOR CLARITY AND NOTWITHSTANDING ANYTHING TO THE CONTRARY, ILLUMINA'S SOLE REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION AND DEFENSE OBLIGATIONS WITH RESPECT TO PRODUCTS PURCHASED BY GRAIL AND ITS OPERATIONAL AFFILIATES ARE CONTAINED EXCLUSIVELY IN THE APPLICABLE TERMS AND CONDITIONS.

10.3 THE WARRANTIES IN SECTION 3.7, SECTION 5, SECTION 7, SECTION 8, THIS SECTION 10, AND IN THE TERMS AND CONDITIONS, ARE THE PARTIES' EXCLUSIVE WARRANTIES WITH RESPECT TO THIS AGREEMENT, AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES (INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND FITNESS FOR A PARTICULAR PURPOSE) ARE EXPLICITLY DISCLAIMED.

11. ALLOCATION OF RISKS

11.1 GRAIL's Indemnification Obligation. GRAIL will defend, indemnify, and hold harmless Illumina, its Affiliates, and their Representatives from and against any and all suits, claims, proceedings, and causes of action brought by any Third Party ("**Claims**"), and all associated damages, liabilities, expenses and/or losses, including reasonable legal expenses and reasonable attorneys' fees ("**Losses**")

arising out of or resulting from: (a) GRAIL's or its Affiliate's gross negligence, willful misconduct, or failure to comply with Law, in each case in performing under this Agreement; (b) GRAIL's breach of this Agreement (including any representation or warranty set forth in this Agreement); (c) GRAIL's or its Affiliate's performance of clinical testing services, or other commercialization of products or services; or (d) GRAIL's or its Affiliate's performance (or failure to perform) under the MSK Agreement; in each case except to the extent arising out of or resulting from: (x) Illumina's or its Affiliate's gross negligence, willful misconduct, or failure to comply with Law; or (y) Illumina's breach of this Agreement (including any representation or warranty set forth in this Agreement).

11.2 Illumina's Indemnification Obligations. Illumina will defend, indemnify, and hold harmless GRAIL, its Operational Affiliates, and their Representatives from and against any and all Claims and Losses arising out of or resulting from: (a) Illumina's or its Affiliate's gross negligence, willful misconduct, or failure to comply with Law, in each case in performing under this Agreement; (b) Illumina's performance (or failure to perform) under the MSK Agreement (excluding those obligations delegated to GRAIL) prior to January 7, 2016; or (c) Illumina's breach of this Agreement (including any representation or warranty set forth in this Agreement); in each case except to the extent arising out of or resulting from: (x) GRAIL's or its Affiliate's gross negligence, willful misconduct, or failure to comply with Law; or (y) GRAIL's breach of this Agreement (including any representation or warranty set forth in this Agreement).

11.3 Indemnification Procedures. Each Party's obligations under Sections 11.1 and 11.2 are conditioned on the Party seeking indemnification: (a) giving the indemnifying Party prompt written notice of the Claim; provided, however, that failure to provide such notice will not relieve the indemnifying Party from its liability or obligation hereunder, except to the extent of any material prejudice as a direct result of such failure; (b) cooperating with the indemnifying Party, at the indemnifying Party's expense, in connection with the defense and settlement of the Claim, including providing accurate and complete information requested by the indemnifying Party; and (c) permitting the indemnifying Party to solely control the defense and settlement of the Claim; provided, however, that the indemnifying Party may not settle the Claim, enter into or otherwise consent to an adverse judgment or order, or make any admission as to liability or fault that would adversely affect the indemnified Party, without the indemnified Party's prior written consent, which will not be unreasonably withheld or delayed. Further, the indemnified Party will have the right to participate (but not control) and be represented in any suit or action by counsel of its selection at its own cost.

11.4 Product-related Indemnification. Additionally, and without limiting the foregoing, each Party will defend, indemnify, and hold harmless the other for Claims relating to the purchase, manufacture, and use of Products purchased under this Agreement if and to the extent, and subject to all terms and conditions, provided in the Terms and Conditions and the Service Contracts.

11.5 Insurance. GRAIL will obtain and maintain insurance coverage as follows: (a) a policy for liability (including professional and errors & omissions) in the amount of no less than $5,000,000 per occurrence; and (b) a separate policy for commercial general liability and insurance (including product liability insurance) in the amount of no less than $5,000,000, in the case of each of (a) and (b) to protect the Illumina indemnitees under the indemnification provided hereunder. Upon Illumina's request, GRAIL will provide appropriate certificates of insurance. Such policies will provide a waiver of subrogation against Illumina and contain no cross-liability exclusion. GRAIL agrees that the Parties intend that GRAIL's insurance coverage will be primary over any other potentially applicable insurance. GRAIL will maintain such insurance at all times during the Term and for a period of three years thereafter.

12. LIMITATIONS ON LIABILITIES

12.1 EXCEPT AS STATED IN SECTION 12.3, AND EXCEPT WITH RESPECT TO LIABILITY ARISING FROM: (A) A PARTY'S DEFENSE AND INDEMNIFICATION OBLIGATIONS UNDER SECTION 11.1 OR 11.2, BUT ONLY WITH RESPECT TO DAMAGES ACTUALLY PAID OR TO BE PAID BY THE INDEMNIFIED PARTY TO THE THIRD PARTY CLAIMANT; OR (B) BREACH OF SECTION 9 (CONFIDENTIAL INFORMATION); BUT OTHERWISE TO THE FULLEST EXTENT PERMITTED BY

LAW, IN NO EVENT WILL ILLUMINA OR ITS AFFILIATES BE LIABLE TO GRAIL OR ITS AFFILIATES, NOR WILL GRAIL OR ITS AFFILIATES BE LIABLE TO ILLUMINA OR ITS AFFILIATES, FOR COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, LOST PROFITS, DATA OR BUSINESS, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING THE SALE OF ANY PRODUCT TO GRAIL OR ITS OPERATIONAL AFFILIATE OR THE USE OF ANY PRODUCT BY GRAIL OR ITS OPERATIONAL AFFILIATE, HOWEVER ARISING OR CAUSED AND ON ANY THEORY OF LIABILITY (WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, MISREPRESENTATION, BREACH OF STATUTORY DUTY, OR OTHERWISE).

12.2 EXCEPT AS STATED IN SECTION 12.3, AND EXCEPT TO THE EXTENT ARISING FROM: (A) GRAIL'S OR ITS OPERATIONAL AFFILIATE'S BINDING COMMITMENT TO PURCHASE PRODUCT; (B) GRAIL'S AND ITS OPERATIONAL AFFILIATES' ROYALTY OBLIGATIONS; (C) A PARTY'S BREACH OF SECTION 8.7 OR SECTION 9; OR (D) A PARTY'S DEFENSE AND INDEMNIFICATION OBLIGATIONS UNDER SECTION 11.1 OR 11.2; BUT OTHERWISE TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY'S CUMULATIVE LIABILITY UNDER OR ARISING OUT OF THIS AGREEMENT, INCLUDING ANY CAUSE OF ACTION IN CONTRACT, NEGLIGENCE, OR TORT (INCLUDING STRICT LIABILITY), SHALL NOT EXCEED THE AMOUNT RECEIVED BY ILLUMINA FROM GRAIL AND ITS OPERATIONAL AFFILIATES FOR PURCHASE OF PRODUCTS UNDER THIS AGREEMENT DURING THE [***] PRECEDING THE DATE THE LIABILITY AROSE.

12.3 THE LIMITATIONS OF LIABILITY IN THIS SECTION 12 APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NOTWITHSTANDING SECTION 12.1 AND 12.2 AND ANYTHING TO THE CONTRARY, THIS AGREEMENT DOES NOT LIMIT LIABILITY OF GRAIL OR ITS AFFILIATE FOR ANY INFRINGEMENT OF ILLUMINA INTELLECTUAL PROPERTY RIGHTS, OR LIABILITY OF ILLUMINA OR ITS AFFILIATE FOR ANY INFRINGEMENT OF ANY GRAIL INTELLECTUAL PROPERTY RIGHTS.

13. TERM AND TERMINATION

13.1 Term. This Agreement will commence on the Effective Date and terminate 10 years after the Effective Date unless earlier terminated as provided in this Agreement (the "**Initial Term**"). Upon expiration of the Initial Term and any Renewal Term, this Agreement will automatically renew for an additional 2 year term (unless earlier terminated as provided in this Agreement) unless either Party provides written notice of nonrenewal at least 120 days prior to the end of the then-current term (each a "**Renewal Term**"). The Initial Term and any Renewal Terms are collectively referred to as the "**Term**" of this Agreement. If the Term is renewed for any Renewal Terms pursuant to this Section 13.1, the terms and conditions of this Agreement during each such Renewal Term will be the same as the terms and conditions in effect immediately prior to such renewal. If either Party provides timely notice of its intent not to renew this Agreement, then, unless earlier terminated as provided in this Agreement, this Agreement will terminate on the expiration of the then-current Term. Notwithstanding anything in this Agreement to the contrary, the Term will not exceed 20 years.

13.2 Early Termination. Without limiting any other rights of termination expressly provided in this Agreement or under Law, this Agreement may be terminated early as follows:

(a) Breach of Provision. If a Party commits a material breach of this Agreement and fails to cure such material breach within 60 days after receiving written notice of the material breach from the other Party, the non-breaching Party may terminate this Agreement with immediate effect by providing written notice of termination to the other Party.

(b) Bankruptcy and Insolvency. A Party may terminate this Agreement, effective immediately upon written notice, if the other Party becomes the subject of a voluntary or involuntary petition in bankruptcy, for winding up of that Party, or any proceeding relating to insolvency, receivership, administrative receivership, administrative liquidation, or similar proceeding that is not dismissed or set aside within 60 days. In the event of any such proceeding commenced by or against GRAIL, Illumina may cancel any Purchase Order then outstanding and not accept any further Purchase Order until the proceeding is resolved.

(c) Termination for Regulatory Standards. In the event that Illumina is notified by a regulatory agency or governmental body (including the FDA or any foreign equivalent), or has a reasonable basis to believe, that its or GRAIL's or its Operational Affiliate's performance under this Agreement materially violates any Law, then Illumina may terminate this Agreement or only the negatively affected part(s) of this Agreement upon 30 days prior written notice to GRAIL, and/or Illumina may immediately cease supplying the affected Product(s).

(d) Termination for Change in Control involving a Competitor of Illumina. GRAIL will promptly notify Illumina in writing at least 45 days prior to undergoing any Change in Control, and will provide Illumina with the name of any parties to the transaction. If such Change in Control involves a Competitor of Illumina, Illumina may terminate this Agreement by written notice to GRAIL within the 30 day period commencing on the later of (i) the date Illumina receives such notice, and (ii) the date the Change in Control is concluded and effective (such that if the Change in Control does not occur, then Illumina's right to terminate shall expire).

13.3 Effect of Termination; Survival. The following provisions will survive any termination or expiration of this Agreement: Sections 1, 2, 3.2, 3.5, 3.7, 4, 5, 7.2(c), 7.3(b), 7.4(b), 7.4(c), 7.5(b)-(g) (inclusive), 8.2-8.7 (inclusive), 9-12 (inclusive), 13.3-13.5 (inclusive), and 14. Termination or expiration of this Agreement will not relieve the Parties of any liability or obligation that accrued hereunder prior to the effective date of such termination or expiration (including any purchase commitments under open Purchase Orders), nor preclude either Party from pursuing all rights and remedies it may have under this Agreement, at Law, or in equity with respect to any breach of this Agreement. For clarity, all rights granted to GRAIL and its Operational Affiliates under Illumina Intellectual Property Rights will terminate and revert back to Illumina upon any termination or expiration of this Agreement.

13.4 Right to Cease Delivery. In addition to all other remedies available to Illumina under this Agreement, at Law, or in equity, Illumina reserves the right to cease shipping Product immediately to GRAIL or its Operational Affiliate, if GRAIL or its Operational Affiliate does any of the following and does not cure within 30 days after receipt of notice from Illumina: (a) uses Product in a manner that is a material breach of this Agreement or the applicable Terms and Conditions, including in a manner that is outside the scope of rights (including the Intellectual Property Rights) expressly conferred to GRAIL and its Operational Affiliates; (b) fails to pay any Royalty or invoice when due; or (c) materially breaches any representation, warranty made by GRAIL hereunder.

13.5 No Damages for Termination or Expiration. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR DAMAGES OF ANY KIND (INCLUDING DAMAGES ON ACCOUNT OF PRESENT OR PROSPECTIVE PROFITS, OR ON ACCOUNT OF EXPENDITURES, INVESTMENTS, OR COMMITMENTS MADE IN CONNECTION WITH THIS AGREEMENT, OR IN CONNECTION WITH THE DEVELOPMENT OR MAINTENANCE OF THE BUSINESS OR GOODWILL OF THE OTHER PARTY) BY REASON OF EXPIRATION OF THIS AGREEMENT OR PROPER EXERCISE OF ITS RIGHT TO TERMINATE THIS AGREEMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT, AND EACH PARTY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO RECEIVE ANY SUCH DAMAGES.

14. GENERAL

14.1 Governing Law; Jurisdiction. This Agreement and any Dispute or claim arising out of or in connection with it or its subject matter or formation will be governed and construed in accordance with the laws of the State of California, without regard to provisions on the conflicts of laws. Any legal process to resolve a Dispute under this Agreement, including arbitration or court proceedings, will take place in San Diego, California.

The Parties agree that the United Nations Convention on Contracts for the International Sale of goods does not apply to this Agreement.

14.2 Dispute Resolution.

(a) If the Parties have a dispute, controversy or claim arising out of, or relating to, this Agreement (other than claims for injunctive relief, specific performance, or any other equitable relief, and claims by a Party asserting infringement of such Party's Intellectual Property Rights, which may be resolved in any court having jurisdiction) (each a "**Dispute**"), the Parties will first try to amicably settle such Dispute by referring the Dispute to the CEO of GRAIL and the CEO of Illumina (the "**Executives**").

(b) Except as provided in (d) below, if the Executives are unable to resolve the Dispute within 30 days, then the Dispute will be settled by arbitration. The arbitration will be conducted by three arbitrators and administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Each Party will bear its expenses of the arbitration, and each Party will be responsible for one half of the arbitrators' fees. The arbitrators will issue a written decision providing the reasons for their decision. The decision of the arbitrators will be an award under California law. The award will be final and binding on the Parties and judgment upon the award may be entered in and enforced by any court having jurisdiction.

(c) Any Dispute arising out of Section 1.34, 1.44, or 4.4(c), will, to the extent set forth therein, be resolved pursuant to the expedited resolution process set forth in this paragraph. If the Executives are unable to resolve any such Dispute within 10 days, then either Party may thereafter request mediation to resolve the Dispute by providing the other Party with a notice of its intent to seek mediation (a "**Mediation Request**"). Any Dispute that is the subject of a Mediation Request will be mediated as provided below or in a manner otherwise agreed upon by the Parties in writing.

(i) The Parties will conduct and complete the mediation process with respect to such Dispute within 45 days after the Mediation Request for such Dispute, with such mediation to take place in San Diego, California.

(ii) Within five business days after a Mediation Request, the Parties will meet and confer in a good faith attempt to select a mediator to mediate such Dispute. If the Parties cannot agree to a mediator within such 5 business days, such Dispute will be mediated by a panel of three mediators. In such case, each Party will appoint one mediator, obtain its appointee's acceptance of such appointment, and deliver written notification of such appointment and acceptance to the other Party within five business days thereafter. Within five business days thereafter, the two Party-appointed mediators will appoint the third mediator and obtain such third mediator's acceptance of such appointment.

(iii) Within ten business days after the selection of the mediators, each Party will submit to the other Party and the selected mediator(s) an initial report setting forth, in sufficient detail: (A) the nature and scope of such Dispute; (B) its position regarding such Dispute; and (C) the relief it seeks. Within five business days after submission of such initial report, each Party will submit to the other Party and the selected mediator(s) a responsive report addressing only those issues raised by the other Party's initial report.

(iv) Within ten business days after the submission of the Party's responsive reports, a three day mediation hearing shall take place. Within five business days after such mediation hearing, the mediator(s) shall render a written decision setting forth in detail a non-binding advisory opinion, including the factual and legal bases for such decision. The Parties agree that their initial and responsive reports and the advisory opinion will not be admissible in any arbitration or litigation.

(v) If the Parties are unable to resolve the Dispute after this mediation process, the Dispute will be resolved pursuant to arbitration as set forth in the remainder of this Section 14.2.

(d) The contents and results of any arbitration or mediation hereunder are both Parties' Confidential Information.

14.3 Injunctive Relief; Cumulative Remedies. Each Party acknowledges that its breach of Section 3.5, 6, 8, or 9 may cause irreparable injury to the other Party for which monetary damages would not be an adequate remedy, and the other Party will therefore be entitled to seek injunctive relief (including specific performance) with respect to any breach or threatened breach without posting a bond or other security as a condition for obtaining any such relief. The rights and remedies provided to each Party in this Agreement are cumulative and in addition to any other rights and remedies available to each Party under this Agreement, at Law, or in equity.

14.4 Affiliates; Rights of Third Parties. Illumina may delegate or subcontract any or all of its rights and obligations under this Agreement to one or more of its Affiliates. Illumina invoices and other documentation may come from an Illumina Affiliate, and GRAIL and its Operational Affiliates will honor those just as if they came directly from Illumina. With respect to any and all persons and entities that become Affiliates of Illumina after the Effective Date, the rights, licenses, and covenants granted to Illumina and its Affiliates under this Agreement will extend to and cover each such Affiliate on the date that it becomes an Affiliate without any requirement for notice to, or consent by, GRAIL. With respect to any and all persons and entities that become Affiliates of GRAIL after the Effective Date, the rights and covenants granted to GRAIL and its Affiliates under this Agreement will extend to and cover each such Affiliate (to the extent expressly provided in this Agreement) on the date that it becomes an Affiliate without any requirement for notice to, or consent by, Illumina (except to the extent provided in Section 3.7 with respect to Operational Affiliates). Except to the extent expressly stated otherwise, this Agreement is personal to GRAIL and the rights granted to GRAIL in this Agreement do not extend to Affiliates of GRAIL. There are no third party beneficiaries to this Agreement and no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person or entity who is not a Party to this Agreement. The Parties may rescind or terminate this Agreement or vary any of its terms in accordance with their rights under this Agreement and by Law, without the consent of any Third Party.

14.5 Severability; No Waiver. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction, subject to the remainder of this Section 14.5. Upon a determination by a court or arbitrator having jurisdiction that any term or provision of this Agreement is invalid, illegal, or unenforceable, the Parties will negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible. Notwithstanding the foregoing and anything to contrary, in the event the Royalty or any component or portion thereof or any payment with respect to the Royalty or any component or portion thereof is determined to be invalid, illegal, or unenforceable by a court or arbitrator having jurisdiction, and the Parties are unable, within 60 days of such determination, to agree upon alternate valid, legal, and enforceable terms that give Illumina the expected financial benefit of the Royalty, Illumina may terminate this Agreement immediately upon 30 days prior written notice to GRAIL. The failure or delay of either Party to exercise any right or remedy provided in this Agreement or to require any performance of any term of this Agreement may not be construed as a waiver, and no single or partial exercise of any right or remedy provided in this Agreement, or the waiver by either Party of any breach of this Agreement, will prevent a subsequent exercise or enforcement of, or be deemed a waiver of any subsequent breach of, the same or any other term of this Agreement. No waiver of any right, condition, or breach of this Agreement will be effective unless in writing and signed by both Parties.

14.6 Assignment. GRAIL may not assign or otherwise transfer, or delegate any of its obligations under, this Agreement or any rights or obligations under this Agreement without the prior written consent of Illumina; provided that GRAIL may assign this Agreement in its entirety, without the need of such consent, in the case of a Change in Control described in Section 1.4(c) or 1.4(e). Any other purported assignment or other transfer will be null and void. Illumina may assign this Agreement: (a) to its Affiliate; (b) in connection with the direct or indirect sale, transfer, or other disposition of all or substantially all of the assets for manufacturing Products, or any direct or indirect acquisition of Illumina or any Affiliate of Illumina that controls Illumina by means of merger, consolidation, acquisition, exchange or contribution of equity, or other form of reorganization in one or a series of related transactions. No assignment, transfer, or delegation will relieve GRAIL of any of its obligations hereunder. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of each of the Parties and their permitted successors and assigns.

14.7 Export. The Products and any Technology provided under this Agreement are subject to Laws of the United States that govern exports, and other trade controls that may restrict transfers of such items to other countries and parties. Notwithstanding anything to the contrary in this Agreement, GRAIL and its Representatives may not disclose, export, or re-export, directly or indirectly, Products or any Technology provided under this Agreement to any country or party which is ineligible to receive such items under Law (including regulations of the U.S. Department of Commerce and the U.S. Department of the Treasury).

14.8 Notices. All notices required or permitted under this Agreement (each a "**Notice**") will be in writing, in English, and will be deemed received only when: (a) delivered personally; or (b) one day after deposit with a commercial express courier specifying next day delivery or, for international courier packages, two days after deposit with a commercial express courier specifying two-day delivery, with written verification of receipt. All Notices will be sent to the following or any other address designated by a Party using the procedures set forth in this Section:

If to Illumina:

Illumina, Inc.
5200 Illumina Way
San Diego, CA 92122
Attn: General Counsel
With a copy to: [***]@illumina.com

If to GRAIL:

GRAIL, Inc.
200 Cardinal Way, 2nd Floor
Redwood City, CA 94063
Attn: CEO
With a copy to: [***]@grail.com

For clarity, in no event will GRAIL's disclosure to any Illumina representative on GRAIL's Board of Directors be deemed a Notice to Illumina under any provision of this Agreement, and the consent to any action or inaction of GRAIL by any such representative in his or her capacity as a member of GRAIL's Board of Directors is not, and may not be construed as, the consent of Illumina under any provision of this Agreement.

14.9 Force Majeure. Neither Party will be in breach of this Agreement nor liable for any failure to perform or delay in the performance of this Agreement attributable in whole or in part to any cause beyond its reasonable control, including Law (each an event of "**Force Majeure**"). In the event of any such delay, the delivery date for performance will be deferred for a period equal to the time lost by reason of the delay,

provided that such period will in no event exceed 90 days. Notwithstanding anything in this Agreement to the contrary, GRAIL's and its Operational Affiliates' payment obligations are not affected by this provision except to the extent the Force Majeure affects financial institutions and, as a result, the financial institutions cannot complete the transaction necessary for GRAIL or its Operational Affiliate to satisfy its payment obligations.

14.10 Entire Agreement; Amendment. This Agreement (including all Exhibits), the Assignment and Assumption Agreement, and the Terms and Conditions represent the entire agreement between the Parties regarding the subject matter hereof and supersede all prior discussions, communications, agreements (including the Original Agreement), and understandings of any kind and nature between the Parties. The Parties acknowledge and agree that by entering into this Agreement, they do not rely on any statement, representation, assurance or warranty of any person or entity other than as expressly set out in this Agreement. Each Party agrees that it will have no right or remedy (other than for breach of contract) in respect of any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this Agreement. Nothing in this Section will exclude or limit liability for fraud. No amendment to this Agreement will be effective unless in writing and signed by both Parties.

14.11 Relationship of the Parties. The Parties acknowledge that, as of the Effective Date, Illumina is a shareholder of GRAIL. However, the Parties are independent contractors under this Agreement and nothing in this Agreement may be construed as creating a partnership, joint venture, or agency relationship between the Parties, or as granting either Party the authority to bind or contract any obligation in the name of the other Party or to make any statements, representations, warranties or commitments on behalf of the other Party.

14.12 Headings; Interpretation; Miscellaneous. Sections, titles and headings in this Agreement are for convenience only and are not intended to affect the meaning or interpretation hereof. Whenever required by the context, the singular term includes the plural, the plural term includes the singular, and the gender of any pronoun includes all genders. As used in this Agreement except as the context may otherwise require, the words “include,” “includes,” “including,” and “such as” are deemed to be followed by “without limitation” or “but not limited to,” whether or not they are in fact followed by such words or words of like import, and “will” and “shall” are used synonymously. As used in this Agreement except as the context may otherwise require, “infringe”, “infringement”, and variations thereof include infringement, misappropriation, or other violation of the Intellectual Property Right at issue. Except as expressly stated, any reference to “days” will be to calendar days, and “business day” means all days other than Saturdays, Sundays, or a national or local holiday recognized in the United States, any reference to “calendar month” will be to the month and not a 30 day period, and any reference to “calendar quarter” will mean the first three calendar months of the year, the fourth through sixth calendar months of the year, the seventh through ninth calendar months of the year, and the last three calendar months of the year. Whenever the last day for the exercise of any right or the discharge of any obligation hereunder falls on, or any notice is deemed to be given on, a Saturday, Sunday, or national holiday, the Party having such right or obligation will have until 5:00 pm PST on the next succeeding business day to exercise such right or to discharge such obligation or the Party giving notice will be deemed to have given notice on the next succeeding business day. No usage of trade, course of performance, or other regular practice between the Parties hereto may be used to interpret or alter the terms and conditions of this Agreement. Unless otherwise expressly provided in this Agreement, any agreement, instrument, or statute defined or referred to means such agreement, instrument, or statute as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party because of the authorship of any provision of this Agreement.

14.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, and all of which will constitute one and the same instrument.

14.14 Costs. Except as expressly provided in this Agreement, each Party will pay its own costs incurred in connection with the negotiation, preparation, and execution of this Agreement and any documents referred to in it.

14.15 Further Assurances. Each Party will execute and deliver such further documents and take such further actions as the other Party may reasonably request to evidence and implement the provisions and intent of this Agreement.

[SIGNATURES ON NEXT PAGE]

SIGNATURE PAGE TO AMENDED AND RESTATED
SUPPLY AND COMMERCIALIZATION AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Effective Date.

ILLUMINA

Illumina, Inc.
a Delaware corporation

By: /s/ Marc A. Stapley
Name: Marc A. Stapley
Title: Executive Vice Pres. And Chief
Date: Administrative Officer

GRAIL

GRAIL, Inc.
a Delaware corporation

By:
Name: Jeff Huber
Title: Chief Executive Officer
Date:

SIGNATURE PAGE TO AMENDED AND RESTATED

SUPPLY AND COMMERCIALIZATION AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Effective Date.

ILLUMINA	GRAIL
Illumina, Inc. a Delaware corporation	GRAIL, Inc. a Delaware corporation
By: _____ Name: Title: Date:	By: /s/ Jeffrey T. Huber Name: Jeff Huber Title: Chief Executive Officer Date:

EXHIBIT A

Product Pricing and Discount Tables

Discounts on Products: Consumables:

Consumables:	Trailing Spend or Forward Commitment for Consumables (in USD)	Discount off of List Price
	[***]	[***]
	[***]	[***]
	[***]	[***]

Instruments:	Trailing Spend or Forward Commitment for Instruments (in USD)	Discount off of List Price
	[***]	[***]
	[***]	[***]

The purchase price at which GRAIL and its Operational Affiliates may purchase a Product will be determined on a quarterly basis, and will equal the List Price for the Product, less the discount in the table above corresponding to the applicable Trailing Spend or, if GRAIL has so elected, the Forward Commitment, for such category of Products (consumables or instruments). "**Trailing Spend**" means the cumulative amount invoiced to GRAIL and its Operational Affiliates for such category of Products purchased from Illumina and its Affiliates under this Agreement during the preceding four calendar quarters (excluding amounts paid for taxes and shipping, insurance, customs, and other transportation costs).

GRAIL may elect at any time (except as provided below) to make a binding written commitment to purchase a cumulative amount of a category of Products (on a dollar basis, and excluding amounts paid for taxes and shipping, insurance, customs, and other transportation costs) to be delivered within one year from the date of such commitment, in order to access a higher discount rate than would otherwise be afforded if the discount rate were determined by the Trailing Spend for such category of Products (a "**Forward Commitment**"). At the end of such year, if GRAIL and its Operational Affiliates have not purchased Products to be delivered during such year at least equaling the amount committed to in the Forward Commitment, Illumina may invoice GRAIL the amount determined by subtracting the cumulative amount of the category of Products (on a dollar basis, and excluding amounts paid for taxes and shipping, insurance, customs, and other transportation costs) delivered in such year from the amount committed to in the Forward Commitment. For the avoidance of doubt, a Forward Commitment is a binding commitment to pay to Illumina the committed amount, either through the purchase of Product or pursuant to the preceding year-end reconciliation procedure.

For clarity, the Trailing Spend or Forward Commitment for consumable Products is not used in determining the discount applicable to instrument Products, and the Trailing Spend or Forward Commitment for instrument Products is not used in determining the discount applicable to consumable Products.

Discounts on Service Contracts:

Sequencing Instruments under Service Contract	Discount off of List Price
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

The purchase price at which GRAIL and its Operational Affiliates may purchase a Service Contract will be determined based upon the number of Illumina sequencing instrument Products that GRAIL and its Operational Affiliates have covered by Service Contract at the time the Purchase Order for such Service Contract is issued, and will equal the List Price for the Service Contract in question, less the discount in the table above corresponding to the applicable number of Illumina sequencing instrument Products then-covered by Service Contract.

EXHIBIT B

Assignment and Assumption Agreement

(attached)

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "**Agreement**") is entered into among Illumina, Inc., a Delaware corporation ("**Illumina**"), GRAIL, Inc., a Delaware corporation ("**GRAIL**"), and Memorial Sloan Kettering Cancer Center ("**MSK**") effective as of February 28, 2017 (the "**Assignment Effective Date**"). Illumina, GRAIL, and MSK may each be referred to individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Illumina and MSK entered into a Joint Development and Sponsored Research Agreement dated as of September 4, 2015 (the "**Research Agreement**"). Capitalized terms used but not defined in this Agreement will have the meanings given to them in the Research Agreement;

B. Illumina delegated certain of its obligations under the Research Agreement to GRAIL pursuant to a Supply and Commercialization Agreement entered into by Illumina and GRAIL on January 7, 2016 (the "**Commercialization Agreement**");

C. Illumina and GRAIL are amending and restating the Commercialization Agreement (the "**Amended and Restated Commercialization Agreement**"), and as part of such amendment and restatement, Illumina and MSK desire to assign Illumina's rights and obligations under the Research Agreement to GRAIL pursuant to this Agreement; and

D. MSK consents and agrees to such assignment and assumption on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. ASSIGNMENT OF RESEARCH AGREEMENT

1.1 Assignment. Illumina hereby, effective as of the Assignment Effective Date, conveys, assigns, transfers, and delivers all of its right, title, and interest in, to, and under the Research Agreement to GRAIL.

1.2 Acceptance and Assumption. GRAIL hereby, effective as of the Assignment Effective Date: (a) accepts the conveyance, assignment, transfer, and delivery of all of Illumina's right, title, and interest in, to, and under the Research Agreement; (b) assumes all of Illumina's duties and obligations under the Research Agreement; and (c) agrees to perform all such duties and obligations as and when due in accordance with the Research Agreement.

1.3 MSK's Consent. MSK hereby consents and agrees to Illumina's assignment of the Research Agreement to GRAIL on the terms, and subject to the conditions, set forth in this Agreement.

2. COMPLETION OF STUDIES; MODIFICATIONS TO AGREEMENT

2.1 Completion of Studies. GRAIL will complete the Statements of Work set forth in the Research Agreement, on the timelines set forth therein.

2.2 Modifications to Agreement. GRAIL may not: (a) amend, waive any rights under, or terminate the Research Agreement or any Statement of Work without Illumina's prior written consent (which consent may not be unreasonably withheld); or (b) assign, delegate, or otherwise transfer its rights or obligations under the Research Agreement, in whole or in part, by operation of law or otherwise, without Illumina's prior written consent (which consent may not be unreasonably withheld). GRAIL may not circumvent the Research Agreement or Illumina's and its Affiliates' rights under Collaboration IP, Results, Derivative Results, or Reports (as provided in Section 3 below), including without limitation, by entering into separate agreements or arrangements concerning the subject matter or patient cohorts addressed in the Statements of Work.

3.DATA AND IP RIGHTS

3.1 Illumina's Collaboration IP. Illumina will retain its rights and interests (including the rights granted in Section 2.6) in Collaboration IP generated prior to the Assignment Effective Date. As between Illumina and GRAIL, any such Collaboration IP will be deemed to be "Development IP" under the Amended and Restated Collaboration Agreement; provided that GRAIL may use and practice under such Collaboration IP only to the extent that, and subject to the terms under which, Illumina is permitted to use and practice under such Collaboration IP pursuant to the Research Agreement. MSK may continue to use and practice under such Collaboration IP pursuant to, and on the terms set forth in, the Research Agreement. For clarity: (a) no IP generated by or on behalf of Illumina or its Affiliate after the Assignment Effective Date will be Collaboration IP; (b) except to the limited extent expressly provided in this Section 3.1, no rights in, to, or under IP of Illumina or its Affiliates are granted to GRAIL or MSK.

3.2 Illumina's Results and Reports. Illumina will retain its interest in Results, Derivative Results, and Reports generated prior to the Assignment Effective Date. Within 30 business days following the Assignment Effective Date, GRAIL will deliver to Illumina all Results, Derivative Results, and Reports generated by GRAIL or MSK as of the Assignment Effective Date. MSK may continue to use such Results, Derivative Results, and Reports pursuant to, and on the terms set forth in, the Research Agreement. Illumina agrees that GRAIL may use such Results, Derivative Results, and Reports to the fullest extent that Illumina is permitted to use such Results, Derivative Results, and Reports pursuant to the Research Agreement, and hereby grants such rights to GRAIL.

3.3 MSK and GRAIL Collaboration IP. MSK and GRAIL will each own any Collaboration IP it generates under the Research Agreement after the Assignment Effective Date, on the terms set forth in the Research Agreement. As between Illumina and GRAIL, any such Collaboration IP generated by or on behalf of GRAIL, and any rights or interests GRAIL may have in or to Collaboration IP generated by or on behalf of MSK after the Assignment Effective Date, will be deemed to be "Improvements" under the Amended and Restated Collaboration Agreement; provided that Illumina and its Affiliates may use and practice under such Collaboration IP only to the extent that, and subject to the terms under which, GRAIL is permitted to use and practice under such Collaboration IP pursuant to the Research Agreement. MSK consents to the foregoing grants.

3.4 MSK and GRAIL Results and Reports. GRAIL will deliver to Illumina all Results, Derivative Results, and Reports generated by GRAIL or MSK after the Assignment Effective Date as and when it delivers such Results, Derivative Results, and Reports to, or receives such Results, Derivative Results, and Reports from, MSK. GRAIL agrees that Illumina and its Affiliates may use such Results, Derivative Results, and Reports to the fullest extent that GRAIL is permitted to use such Results, Derivative Results, and Reports pursuant to the Research Agreement, and hereby grants (and agrees to grant) such rights to Illumina and its Affiliates. MSK consents to the foregoing grants.

3.5 Disputes. If there is any dispute between Illumina and GRAIL as to whether particular Collaboration IP, Results, Derivative Results, or Reports were developed under the Research Agreement before or after the Assignment Effective Date, Illumina and GRAIL will attempt to resolve such dispute solely between Illumina and Grail and without MSK's involvement. If the resolution of any such dispute reasonably requires the participation of MSK, Illumina and GRAIL will reimburse MSK for any costs incurred by MSK in assisting in the resolution of such dispute (with Illumina and GRAIL to share equally in any such costs). Notwithstanding the foregoing, MSK will be entitled to participate in any such disputes to protect its own rights and interests.

3.6 MSK Activities under the Research Agreement. Illumina shall not make or assert any claims or demands against MSK arising from or on account of MSK's performance under the Research Agreement after the Assignment Effective Date; provided however that the foregoing does not apply to any breach of the confidentiality obligations set forth in Article 7 with respect to Illumina's Confidential Information (which obligations will continue to bind MSK for the 5 year period of time commencing on the Assignment Effective Date and will continue in perpetuity for any Trade Secrets there were disclosed prior to the Assignment Effective Date).

4.MISCELLANEOUS

4.1 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law principles thereof.

4.2 Amendments. No change, modification, extension, termination or waiver of this Agreement, or any of the provisions herein contained, will be valid unless made in writing and signed by duly authorized representatives of the Parties hereto.

4.3 Assignment. No Party may assign, delegate, or otherwise transfer its rights or obligations under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of the other Parties (which consent may not be unreasonably withheld).

4.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE]

ILLUMINA

Illumina, Inc.
a Delaware corporation

By: /s/ Marc A.Stapley
Name: Marc A. Stapley
Title: Executive Vice Pres. and CAO
Date:

GRAIL

GRAIL, Inc.
a Delaware corporation

By:
Name: Jeffrey T. Huber
Title: CEO
Date:

MSK

Memorial Sloan Kettering Cancer Center

By:
Name: Gregory Raskin, M.D.
Title: Vice President, Technology Development
Date:

SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION AGREEMENT

ILLUMINA

Illumina, Inc.
a Delaware corporation

By: _____
Name: _____
Title: _____
Date: _____

GRAIL

GRAIL, Inc.
a Delaware corporation

By: /s/ Jeffrey T. Huber
Name: Jeffrey T. Huber
Title: CEO
Date: _____

MSK

Memorial Sloan Kettering Cancer Center

By: _____
Name: _____
Title: _____
Date: _____

SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION AGREEMENT

ILLUMINA

Illumina, Inc.
a Delaware corporation

By: _____
Name:
Title: _____
Date: _____

GRAIL

GRAIL, Inc.
a Delaware corporation

By: _____
Name:
Title: _____
Date: _____

MSK

Memorial Sloan Kettering Cancer Center

By: /s/ Gregory Raskin, M.D.
Name: Gregory Raskin, M.D.
Title: Vice President, Technology Development Memorial Sloan Kettering Cancer Center
Date: 2/6/17

EXHIBIT C

K2 Development Plan

I. [***]

[***].

II. [***]

Deliverable

- [***]
- [***]
- [***]

[***]
[***]
[***]
[***]
[***]

Level	Item Number	Objects	Component number	Object description	Overflow indicator	Comp. Qty (CUn)	Component unit	Assembly indicator
1	0010		20014360	HiSeq HT cDNA Library Prep Beads		1	EA	Yes
1	0020		20014362	HiSeq HT cDNA Library Prep Rgts		1	EA	Yes
1			20014360	HiSeq HT cDNA Library Prep Beads		0.000		No
2	0010		15037172	LPB-SPB, SMP PURIF BEADS, FIN RSA 8.8 ML		2	ZTB	Yes
2	0020		15037717	7000KT,1 to 4 x 5mL		1	EA	No
2	0030		15013763	BOX,SAMPLE PREP 1, 06		1	EA	No
2	0040		20014871	LBL,HiSeq® HT cDNA Library Prep Beads		1	EA	Yes
1			20014362	HiSeq HT cDNA Library Prep Rgts		0.000		No
2	0010		15012547	LPB-RSB,RESUSPENSION BUFFER,FINISH REAG		6	TB	Yes
2	0020		15036414	LPB-ERP2,END REPAIR MIX,FINISHREAG 1 mL		2	TB	Yes
2	0030		15012495	LPB-ATL,A TAILING MIX,FINISH REAG		4	ZTB	Yes
2	0040		15036164	LPB-LIG2,LIGATION MIX FINISH REAG .27ML		4	TB	Yes
2	0050		15041700	LPB-EPM, ENHANCED PCR MIX, FRS.50 ml		5	TB	Yes
2	0060		15041860	Insert,12x15mL+16x96Modules		1	EA	No
2	0070		11313648	BOX,3000ML + 6X250ML		1	EA	No
2	0080		20014870	LBL,HiSeq® HT cDNA Library Prep Reagent		1	EA	Yes
2	0090		15054269	LBL,Hazard_1.34x1.34_EPM		1	EA	Yes
2	0100		15048655	BAG,3-SEAL POUCH, 19"(W) x 19"(L)		2	EA	No
2			15037172	LPB-SPB, SMP PURIF BEADS, FIN RSA 8.8 ML		0.000		No
3	0010		11298741	TB,Cl 15mPPR(Nalg)ore 15mL-t		2	EA	No
3	0020		15036671	RM, Agencourt Ampure XP (450mL)		14.608	ML	No
3	0030		15037160	LBL,LPB-SPB, SAMPLE PURIFICATION BEADS		2	EA	Yes
2			20014871	LBL,HiSeq® HT cDNA Library Prep Beads		0.000		No
3	0010		15015365	LBL,PRE-PRINTD,2.75X4.5,RUO,USA		1	EA	No
2			15012547	LPB-RSB,RESUSPENSION BUFFER,FINISH REAG		0.000		No
3	0010		15014169	BULK,RSB,RESUSPENSION BUFFER		104	ML	Yes
3	0020		11298741	TB,Cl 15mPPR(Nalg)ore 15mL-t		6	EA	No
3	0030		15012566	LBL,LPB-RSB,RESUSPENSION BUFFER		6	EA	Yes
2			15036414	LPB-ERP2,END REPAIR MIX,FINISHREAG 1 mL		0.000		No
3	0010		177677	TUBE,STANDOFF,5ML, W/CAP		2	EA	No
3	0020		15036409	BULK,LPB-ERP2,END REPAIR MIX		2.520	ML	Yes
3	0030		15037181	LBL,LPB-ERP2 End Repair Mix2_1.0 mL		2	EA	Yes
2			15012495	LPB-ATL,A TAILING MIX,FINISH REAG		0.000		No
3	0010		15011404	BULK,LPB-ATL,A TAILING MIX		0.100	ML	Yes
3	0020		11310071	TUBE,CLEAR 2ml,PP SCREW CAP		4	EA	No
3	0030		15036790	LBL,LPB-ATL,A TAILING .88 ml		4	EA	Yes
2			15036164	LPB-LIG2,LIGATION MIX FINISH REAG .27ML		0.000		No
3	0010		11192495	TUBE,MICRO,0.5ML,W/CAP		4	EA	No
3	0020		A3077-10	T4 DNA Ligase @ 1SU/ul		1.144	ML	No
3	0030		15036439	LBL,LPB-LIG2,LIGATION MIX2_.27 ml		4	EA	No
2			15041700	LPB-EPM, ENHANCED PCR MIX, FRS.50 ml		0.000		No
3	0010		15037049	BULK,TCP-NSM, NXTR Illm/A AMPLI MIX		2.900	ML	Yes
3	0020		11310071	TUBE,CLEAR 2ml,PP SCREW CAP		5	EA	No
3	0030		15041762	LBL,LPB-EPM ENHANCED PCR MIX		5	EA	Yes
2			20014870	LBL,HiSeq® HT cDNA Library Prep Reagent		0.000		No
3	0010		11296412	LBL,PRE-PRINTD,4.25x6,RUO,USA		1	EA	No
2			15054269	LBL,Hazard_1.34x1.34_EPM		0.000		No
3	0010		15043740	LBL,PRE-PRINTD,1.34"x1.34",Hazard		1	EA	No
3			15037160	LBL,LPB-SPB, SAMPLE PURIFICATION BEADS		0.000		No
4	0010		11299644	LBL,BLANK,2"X0.875",LIGHT GREEN		2	EA	No
3			15014169	BULK,RSB,RESUSPENSION BUFFER		0.000		No
4	0010		1001671	RM,1M TRIS PH8.5,1L		1.040	ML	No
3			15012566	LBL,LPB-RSB,RESUSPENSION BUFFER		0.000		No
4	0010		11299572	LBL,BLANK,2"x0.875",LAVENDER		6	EA	No
3			15036409	BULK,LPB-ERP2,END REPAIR MIX		0.000		No
4	0010		15012504	CHEM,TRIS HCL pH 7.5		0.260	ML	No
4	0020		11193561	SOLN,MAGNESIUM CHLORIDE, 1M		0.054	ML	No
4	0030		11298177	SOLN,1M DTT		0.054	ML	Yes
4	0040		15028650	dNTP, POOL		60	µL	Yes
4	0050		E0076-5	T4 DNA Polymerase @ 3 U/ul		0.026	ML	No
4	0060		15033371	T4 PNK, 10,000U/ml,ENZ,DNA SEQ		0.058	ML	No
4	0070		11300576	SOLN,50% SUCROSE		0.483	ML	Yes
4	0080		15034303	RM,ATP,SOLID		3.166	MG	No
3			15037181	LBL,LPB-ERP2 End Repair Mix2_1.0 mL		0.000		No
4	0010		15036070	LBL,2" x 1",LIGHT GREEN		2	EA	No
3			15011404	BULK,LPB-ATL,A TAILING MIX		0.000		No
4	0010		15032076	SOLN,1M Tris Buffer, pH 8.0		0.391	ML	No
4	0020		11193561	SOLN,MAGNESIUM CHLORIDE, 1M		0.079	ML	No
4	0030		11298177	SOLN,1M DTT		0.079	ML	Yes
4	0040		15011437	SOLN,PEG 8000,30%		1.953	ML	Yes
4	0050		11300576	SOLN,50% SUCROSE		0.652	ML	Yes
4	0060		15034303	RM,ATP,SOLID		4.306	MG	No
4	0070		15032249	dATP,PCR GRADE,NA-SALT,100mM		10	µL	No
4	0080		1118228BC	KLENOW EXO MINUS		8	µL	No
3			15036790	LBL,LPB-ATL,A TAILING .88 ml		0.000		No
4	0010		282543	LBL,STOCK,CLEAR ILMN LOGO 1.0625X1.43		4	EA	No
3			15036439	LBL,LPB-LIG2,LIGATION MIX2_.27 ml		0.000		No
4	0010		282543	LBL,STOCK,CLEAR ILMN LOGO 1.0625X1.43		4	EA	No
3			15037049	BULK,TCP-NSM, NXTR Illm/A AMPLI MIX		0.000		No
4	0010		15028650	dNTP, POOL		67	µL	Yes
4	0020		15037496	RM, 5X,KAPA HIFI FIDELITY BUFFER		1.480	ML	No
4	0030		15037850	RM, KAPA HIFI DNA Polymerase,1U/µL		0.145	ML	No
3			15041762	LBL,LPB-EPM ENHANCED PCR MIX		0.000		No
4	0010		282543	LBL,STOCK,CLEAR ILMN LOGO 1.0625X1.43		5	EA	No
4			11298177	SOLN,1M DTT		0.000		No
5	0010		11299365	CHEM, DL-DITHIOTHREITOL		0.009	G	No
4			15028650	dNTP, POOL		0.000		No
5	0010		15032249	dATP,PCR GRADE,NA-SALT,100mM		24	µL	No
5	0020		15032250	dTTP,PCR GRADE,NA-SALT,100mM		24	µL	No
5	0030		15032251	dCTP,PCR GRADE,NA-SALT,100mM		24	µL	No
5	0040		15032252	dGTP,PCR GRADE,NA-SALT,100mM		24	µL	No
4			11300576	SOLN,50% SUCROSE		0.000		No
5	0010		15000467	CHEM, SUCROSE (5KG packaging)		0.252	G	No
4			15032076	SOLN,1M Tris Buffer, pH 8.0		0.000		No
5	0010		11299399	SOLN,2M TRIS HCL		0.171	ML	Yes
5	0020		11300514	SOLN,1M TRIS BASE		0.171	ML	Yes
4			11298177	SOLN,1M DTT		0.000		No
5	0010		11299365	CHEM, DL-DITHIOTHREITOL		0.013	G	No
4			15011437	SOLN,PEG 8000,30%		0.000		No
5	0010		15011436	RM,PEG 8000,SOLID		0.586	G	No
4			11300576	SOLN,50% SUCROSE		0.000		No
5	0010		15000467	CHEM, SUCROSE (5KG packaging)		0.326	G	No
4			15028650	dNTP, POOL		0.000		No
5	0010		15032249	dATP,PCR GRADE,NA-SALT,100mM		22	µL	No
5	0020		15032250	dTTP,PCR GRADE,NA-SALT,100mM		22	µL	No
5	0030		15032251	dCTP,PCR GRADE,NA-SALT,100mM		22	µL	No
5	0040		15032252	dGTP,PCR GRADE,NA-SALT,100mM		22	µL	No
5			11299399	SOLN,2M TRIS HCL		0.000		No
6	0010		15029447	CHEM,TRIS HYDROCHLORIDE		24.965	MG	No
5			11300514	SOLN,1M TRIS BASE		0.000		No
6	0010		15032359	CHEM,TRIS BASE		0.021	G	No

Level	Item Number	Objects	Component number	Object description	Overflow indicator	Comp. Qty (CUn)	Component unit	Assembly indicator
1	0010		20014366	HiSeq HT eDNA SPB Beads		1	EA	Yes
1	0020		20014364	HiSeq HT eDNA Resuspension Buffer		2	EA	Yes
1	0030		20014365	HiSeq HT eDNA Enrichment Reagents		1	EA	Yes
1	0040		20014367	HiSeq HT eDNA Enrichment Beads		1	EA	Yes
1			20014366	HiSeq HT eDNA SPB Beads		0.000		No
2	0010		15037172	LPM-SPB, SMP PURIF BEADS, FIN REA 6.6 ML		2	TB	Yes
2	0020		15037717	TUBE,T1 to 4 x 5mL		1	EA	No
2	0030		15013763	BOX,SAMPLE PREP 1, GE		1	EA	No
2	0040		20014674	LBL_HiSeq® HT eDNA SPB Beads		1	EA	Yes
1			20014364	HiSeq HT eDNA Resuspension Buffer		0.000		No
2	0010		15032547	LPM-RSB,RESUSPENSION BUFFER,FINISH REAC		30	TB	Yes
2	0020		15033711	INSERT, 10X15ML TUBES		3	EA	No
2	0030		20012171	BOX, 8-1/2" X 3-3/8" X 5-3/4"		3	EA	No
2	0040		20014673	LBL_HiSeq® HT eDNA Resuspension Buffer		3	EA	Yes
2	0050		11287363	BAG,3-SEAL PCH 14x14 BARR 48-4-Rle 07628		4	EA	No
1			20014365	HiSeq HT eDNA Enrichment Reagents		0.000		No
2	0010		15005763	TGM-EEW, Enhanced Enrichment Wash BFR,FIN RGT		16	TB	Yes
2	0020		15037034	TGM-EE1, Enrich ELUTION BFFR 1,FIN REAG		16	TB	Yes
2	0030		15048759	TGM-CT3,CAPTURE TARGET BUFFER3, Fin Reag		4	TB	Yes
2	0040		11324986	GAM-HP3,FINISHED REAGENT		8	[illegible]	Yes
2	0050		15041760	LPM-EPM, ENHANCED PCR MIX, FR5.5 ml		5	TB	Yes
2	0060		15021748	LPM-PPC,PCR PRIMER COCKTAIL,0.33ML,FIN REA		2	TB	Yes
2	0070		15028154	BOX,72 TUBE SET		1	EA	No
2	0080		20014673	LBL_HiSeq® HT eDNA Enrichment Reagents		1	EA	Yes
2	0090		20014320	INSERT, 16X5ML, 36XMICRO		1	EA	No
2	0100		15032684	LBL, Hazard_1.34x1.34_HP3		1	EA	Yes
2	0110		15034368	LBL, Hazard_1.34x1.34_EPM		1	EA	Yes
2	0120		15041320	LBL, Hazard_1.34x1.34_CT3		1	EA	Yes
2	0130		11287363	BAG,3-SEAL PCH 14x14 BARR 48-4-Rle 07628		2	EA	No
1			20014367	HiSeq HT eDNA Enrichment Beads		0.000		No
2	0010		15026631	TGM-SMB,STREPTAVIDIN MAG BDS,FIN RGT 1.2 mL		16	TB	Yes
2	0020		15013008	TGM-ET2,FINISH REAG,ELUTE TARGET BFFR 2		16	TB	Yes
2	0030		15034882	Insert, 24 ml tubes		1	EA	No
2	0040		15013763	BOX,SAMPLE PREP 1, GE		1	EA	No
2	0050		20014675	LBL_HiSeq® HT eDNA Enrichment Beads		1	EA	Yes
2	0060		15041133	LBL_Hazard_1.34x1.34_SMB		1	EA	Yes
2			15037172	LPM-SPB, SMP PURIF BEADS, FIN REA 6.6 ML		0.000		No
3	0010		11286741	TBCI 15mlPPW plug,ars 15mL		2	EA	No
3	0020		15026671	RM, Agencourt Ampure XP (450mL)		16.880	ML	No
3	0030		15037180	LBL,LPM-SPB, SAMPLE PURIFICATION BEADS		2	EA	Yes
2			20014674	LBL_HiSeq® HT eDNA SPB Beads		0.000		No
3	0010		15010085	LBL,PRE-PRINTD,2.75X4.5,RUO,USA		1	EA	No
2			15032547	LPM-RSB,RESUSPENSION BUFFER,FINISH REAC		0.000		No
3	0010		15034169	BULK,RSB,RESUSPENSION BUFFER		350	ML	Yes
3	0020		11286741	TBCI 15mlPPW plug,ars 15mL		20	EA	No
3	0030		15032986	LBL,LPM-RSB,RESUSPENSION BUFFER		20	EA	Yes
2			20014673	LBL_HiSeq® HT eDNA Resuspension Buffer		0.000		No
3	0010		15010085	LBL,PRE-PRINTD,2.75X4.5,RUO,USA		3	EA	No
2			15005763	TGM-EEW, Enhanced Enrichment Wash BFR,FIN RGT		0.000		No
3	0010		15005576	Bulk, EEW, Enhanced Enrichment Wash		66.880	ML	Yes
3	0020		11220000	TUBE,AMBR 5.2X15.3 ml,PP W/CAP		16	TB	No
3	0030		15065676	LBL, TC-HEEW, Enhanced Enrichment Wash		16	EA	Yes
2			15037034	TGM-EE1, Enrich ELUTION BFFR 1,FIN REAG		0.000		No
3	0010		11316071	TUBE,CLEAR 2 ml PP SCREW CAP		16	EA	No
3	0020		15037035	BULK,TGM-EE1,ENRICHMENT ELUTION BUFFER		10.240	ML	Yes
3	0030		15038230	LBL,TGM-EE1,ENRICHMENT ELUTION BUFFER 1		16	EA	Yes
2			15048759	TGM-CT3,CAPTURE TARGET BUFFER3, Fin Reag		0.000		No
3	0010		15048660	BULK, TC-HCT3,CAPTURE TARGET BUFFER 3		5.280	ML	Yes
3	0020		11316071	TUBE,CLEAR 2 ml PP SCREW CAP		4	EA	No
3	0030		15052082	LBL, TC-HCT3 Capture Target Buffer 3		4	EA	Yes
2			11324986	GAM-HP3,FINISHED REAGENT		0.000		No
3	0010		11182485	TUBE,MICRO,0.5ML, W/CAP		8	EA	No
3	0020		15004026	LBL, GAM-HP3		8	EA	Yes
3	0030		15003383	BULK,GAM-HP3		1.896	ML	Yes
2			15041760	LPM-EPM, ENHANCED PCR MIX, FR5.5 ml		0.000		No
3	0010		15037046	BULK,TGM-NEM, NXTR Enrich AMPLI MIX		2.900	ML	Yes
3	0020		11316071	TUBE,CLEAR 2 ml PP SCREW CAP		5	EA	No
3	0030		15041762	LBL,LPM-EPM ENHANCED PCR MIX		5	EA	Yes
2			15021748	LPM-PPC,PCR PRIMER COCKTAIL, 0.33ML,FIN REA		0.000		No
3	0010		15021745	OLIGO,PCR 1.2 & PCR 4.1MIX		0.730	ML	No
3	0020		11182485	TUBE,MICRO,0.5ML, W/CAP		2	EA	No
3	0030		15021751	LBL,LPM-PPC,PCR PRIMER COCKTAIL, 0.33ML		2	EA	Yes
2			20014673	LBL_HiSeq® HT eDNA Enrichment Reagents		0.000		No
3	0010		10024404	LBL,PRE-PRINTD,4x3,RUO,USA		1	EA	No
2			15032684	LBL, Hazard_1.34x1.34_HP3		0.000		No
3	0010		15042740	LBL,PRE-PRINTD,1.34"x1.34", Hazard		1	EA	No
2			15034368	LBL, Hazard_1.34x1.34_EPM		0.000		No
3	0010		15042740	LBL,PRE-PRINTD,1.34"x1.34", Hazard		1	EA	No
2			15041320	LBL, Hazard_1.34x1.34_CT3		0.000		No
3	0010		15042740	LBL,PRE-PRINTD,1.34"x1.34", Hazard		1	EA	No
2			15026631	TGM-SMB,STREPTAVIDIN MAG BDS,FIN RGT 1.2 mL		0.000		No
3	0010		15015608	BULK,TGM-SMB, STREPTAVIDIN MAGNETIC BEAD		24.300	ML	Yes
3	0020		11316071	TUBE, CLEAR 2 ml,PP SCREW CAP		16	EA	No
3	0030		15026633	LBL, TGM-SMB,STREPTAVIDIN MAGNETIC BEADS		16	EA	Yes
2			15013008	TGM-ET2,FINISH REAG, ELUTE TARGET BFFR 2		0.000		No
3	0010		15016004	BULK,TGM-ET2,ELUTE TARGET BUFFER 2		3.680	ML	Yes
3	0020		11182485	TUBE, MICRO,0.5ML,W/CAP		16	EA	No
3	0030		15017116	LBL, TGM-ET2, ELUTE TARGET BUFFER 2		16	EA	Yes
2			20014675	LBL_HiSeq® HT eDNA Enrichment Beads		0.000		No
3	0010		15010085	LBL,PRE-PRINTD,2.75X4.5,RUO, USA		1	EA	No
2			15041133	LBL_Hazard_1.34x1.34_SMB		0.000		No
3	0010		15042740	LBL,PRE-PRINTD,1.34"x1.34", Hazard		1	EA	No
3			15037180	LBL,LPM-SPB, SAMPLE PURIFICATION BEADS		0.000		No
4	0010		11008844	LBL,BLANK,2"X0.875",LIGHT GREEN		2	EA	No
3			15034169	BULK,RSB,RESUSPENSION BUFFER		0.000		No
4	0010		1007871	RM, 1M TRIS PH8.5,1L		2.800	ML	No
3			15032986	LBL,LPM-RSB,RESUSPENSION BUFFER		0.000		No
4	0010		11008872	LBL,BLANK,2"x0.875",LAVENDER		20	EA	No
3			15005576	Bulk, EEW, Enhanced Enrichment Wash		0.000		No
4	0010		11034446	SOLN, 1M TRIS BUFFER, pH 8.0		3.444	ML	Yes
4	0020		15009181	CHEM, Deferoxamine mesylate salt		5.051	MG	No
4	0030		11000015	SOLN, 5M BETAINE		55.104	ML	Yes
4	0040		15034238	SOLN, 10% TWEEN 20, 10%, Cat#: P7949 Sigma		0.688	ML	Yes
3			15065676	LBL, TGM-EEW, Enhanced Enrichment Wash		0.000		No
4	0010		15008358	LBL, 2" x 1",BEIGE		16	EA	No
3			15037035	BULK,TGM-EE1,ENRICHMENT ELUTION BUFFER		0.000		No
4	0010		15034238	SOLN, 10% TWEEN 20, 10%, Cat#: P7949 Sigma		0.103	ML	Yes
3			15038230	LBL, TGM-EE1, ENRICHMENT ELUTION BUFFER 1		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		16	EA	No
3			15048660	BULK, TGM-CT3, CAPTURE TARGET BUFFER 3		0.000		No
4	0010		11003210	CHEM,FORMAMIDE - 4L 4x1 L Case		1.210	ML	No
4	0020		11018772	SOLN, 24X GH BUFFER		3.036	ML	Yes
4	0030		15015888	RM COT1 DNA,HUMAN		1.056	ML	No
4	0040		15048913	SOLN, CT3 BLOCKER1		0.264	ML	Yes
4	0050		15048916	SOLN, CT3 BLOCKER2		0.264	ML	Yes
3			15052082	LBL, TGM-CT3 Capture Target Buffer 3		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		4	EA	No
3			15004026	LBL, GAM-HP3		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		8	EA	No
3			15003383	BULK,GAM-HP3		0.000		No
4	0010		11025287	SOLN, 2N SODIUM HYDROXIDE		1.896	ML	Yes
3			15037046	BULK,TGM-NEM, NXTR Enrich AMPLI MIX		0.000		No
4	0010		15028650	dNTP, POOL		87	µL	Yes
4	0020		15037898	RM, 5X,KAPA HIFI,FIDELITY BUFFER		1.480	ML	No
4	0030		15037850	RM,KAPA HIFI DNA Polymerase, 1U/µL		0.145	ML	No
3			15041762	LBL, LPM-EPM ENHANCED PCR MIX		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		5	EA	No
3			15021751	LBL, LPM-PPC,PCR PRIMER COCKTAIL,0.33ML		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		2	EA	No
3			15015608	BULK,TGM-SMB, STREPTAVIDIN MAGNETIC BEAD		0.000		No
4	0010		15015772	SOLN, 24X GH BUFFER		6.075	ML	Yes
4	0020		11050210	CHEM,FORMAMIDE - 4L 4x1 L Case		4.860	ML	No
4	0030		15034238	SOLN, 10% TWEEN 20, 10%, Cat#: P7949 Sigma		0.080	ML	Yes
4	0040		11118442	STRPVDN,SRMag,PMP1L,5.00ML,W/10 Mn 10.0ML		12.150	ML	No
3			15026633	LBL, TGM-SMB,STREPTAVIDIN MAGNETIC BEADS		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		16	EA	No
3			15016004	BULK,TGM-ET2,ELUTE TARGET BUFFER 2		0.000		No
4	0010		11008466	SOLN, 2M TRIS BASE		0.028	ML	Yes
4	0020		11000551	Soln, 2M TRIS ACETATE		1.763	ML	Yes
3			15017116	LBL, TGM-ET2, ELUTE TARGET BUFFER 2		0.000		No
4	0010		202040	LBL, STOCK,CLEAR,ILMN LOGO 1.0625X1.43		16	EA	No
4			11034446	SOLN, 1M TRIS BUFFER, pH 8.0		0.000		No
5	0010		11008468	SOLN, 2M TRIS HCL		1.037	ML	Yes
5	0020		11008466	SOLN, 2M TRIS BASE		0.457	ML	Yes
4			11000015	SOLN, 5M BETAINE		0.000		No
5	0010		11142306	BETAINE, INNER SALT,MONOHYDRATE		37.240	G	No
4			15034238	SOLN, 10% TWEEN 20, 10%, Cat#: P7949 Sigma		0.000		No

5	0010		15028048	CHEM, Tween-20, 100%	75.466 MG	No
4			15034228	SOLN, 10% TWEEN 20, 10%,Cat# P7949 Sign.	0.000	No
5	0010		15028048	CHEM, Tween-20, 100%	11.279 MG	No
4			15015772	SOLN,3XX OH BUFFER	0.000	No
5	0010		15034113	CHEM,POTASSIUM PHOS,1M,MONO P8709	47 µL	No
5	0020		11102104	CHEM,POTASSIUM PHOS,1M,DI	1.166 ML	No
5	0030		15028046	CHEM,Sodium Chloride	766.514 MG	No
5	0040		15034228	SOLN, 10% TWEEN 20, 10%,Cat# P7949 Sign.	0.074 ML	Yes
4			15046013	SOLN,CT3 BLOCKER1	0.000	No
5	0010		15046013	RM, CT3 BLOCKER 1	0.210 MG	No
5	0020		15021080	SOLN,BUFFER,TE,0.1X	0.204 ML	Yes
5	0030		15050016	Tool, Oligo Concentration	1 EA	Yes
4			15046014	SOLN,CT3 BLOCKER2	0.000	No
5	0010		15046014	RM, CT3 BLOCKER 2	4.645 MG	No
5	0020		15021080	SOLN,BUFFER,TE,0.1X	0.204 ML	Yes
5	0030		15050016	Tool, Oligo Concentration	1 EA	Yes
4			11325357	SOLN,3N SODIUM HYDROXIDE	0.000	No
5	0010		15034120	CHEM,SODIUM HYDROXIDE	154.800 MG	No
4			15028880	dNTP POOL	0.000	No
5	0010		15002240	dATP,PCR GRADE,NA-SALT,100mM	22 µL	No
5	0020		15002250	dTTP,PCR GRADE,NA-SALT,100mM	22 µL	No
5	0030		15002251	dCTP,PCR GRADE,NA-SALT,100mM	22 µL	No
5	0040		15002252	dGTP,PCR GRADE,NA-SALT,100mM	22 µL	No
4			15015772	SOLN,3XX OH BUFFER	0.000	No
5	0010		15034113	CHEM,POTASSIUM PHOS,1M,MONO P8709	94 µL	No
5	0020		11102104	CHEM,POTASSIUM PHOS,1M,DI	2.307 ML	No
5	0030		15028046	CHEM,Sodium Chloride	1,416.720 MG	No
5	0040		15034228	SOLN, 10% TWEEN 20, 10%,Cat# P7949 Sign.	0.152 ML	Yes
4			15034228	SOLN, 10% TWEEN 20, 10%,Cat# P7949 Sign.	0.000	No
5	0010		15028048	CHEM, Tween-20, 100%	0.055 MG	No
4			11298488	SOLN,2M TRIS BASE	0.000	No
5	0010		15032398	CHEM,TRIS BASE	0.014 G	No
4			11000801	Soln, 2M TRIS ACETATE	0.000	No
5	0010		11098801	CHEM,TRIS ACETATE	0.047 G	No
5			11298488	SOLN,2M TRIS,HCL	0.000	No
6	0010		15028947	CHEM,TRIS HYDROCHLORIDE	326.655 MG	No
5			11298488	SOLN,2M TRIS BASE	0.000	No
6	0010		15032398	CHEM,TRIS BASE	0.066 G	No
5			15034228	SOLN, 10% TWEEN 20, 10%,Cat# P7949 Sign.	0.000	No
6	0010		15028048	CHEM, Tween-20, 100%	0.323 MG	No
5			15021080	SOLN,BUFFER,TE,0.1X	0.000	No
6	0010		11176440	BUFFER,TE,100X	0.001 ML	No
5			15050016	Tool, Oligo Concentration	0.000	No
6	0010		15021080	SOLN,BUFFER,TE,0.1X	45 ML	Yes
5			15021080	SOLN,BUFFER,TE,0.1X	0.000	No
6	0010		11176440	BUFFER,TE,100X	0.001 ML	No
5			15050016	Tool, Oligo Concentration	0.000	No
6	0010		15021080	SOLN,BUFFER,TE,0.1X	45 ML	Yes
5			15034228	SOLN, 10% TWEEN 20, 10%,Cat# P7949 Sign.	0.000	No
6	0010		15028048	CHEM, Tween-20, 100%	15.844 MG	No
6			15021080	SOLN,BUFFER,TE,0.1X	0.000	No
7	0010		11176440	BUFFER,TE,100X	0.005 ML	No
6			15021080	SOLN,BUFFER,TE,0.1X	0.000	No
7	0010		11176440	BUFFER,TE,100X	0.001 ML	No

Level	Item Number	Objects	Component number	Object description	Overflow Indicator	Comp. Qty (CUn)	Component unit	Assembly indicator
1	0010		20014020	HiSeq HT cDNA PE Cluster Kit PRM-PLM2		1	EA	Yes
1	0020		20014021	HiSeq HT cDNA PE Cluster Kit PRM-PPM		1	EA	Yes
1	0030		20014022	HiSeq HT cDNA PE Cluster Kit PCR-HP11		1	EA	Yes
1	0040		20014023	HiSeq HT cDNA PE Cluster Kit HP14		1	EA	Yes
1	0050		20014024	HiSeq HT cDNA PE Cluster Kit EPX1		2	EA	Yes
1	0060		20014025	HiSeq HT cDNA PE Cluster Kit EPX2		2	EA	Yes
1	0070		20014026	HiSeq HT cDNA PE Cluster Kit EPX3		2	EA	Yes
1	0080		20014027	HiSeq HT cDNA PE Cluster Kit cBOT Plate		2	EA	Yes
1	0090		15072588	HiSeq X™ Flow Cell v2.5		2	EA	Yes
1	0100		15057757	HiSeq X™ Accessory Kit v2 (Box A)		2	EA	Yes
1	0110		15057758	HiSeq X™ HD Accessory Kit v2 (Box B)		2	EA	Yes
1	0120		15047588	HiSeq® cBot™2 Manifold		60	EA	No
1			20014020	HiSeq HT cDNA PE Cluster Kit PRM-PLM2		0.000		No
2	0010		15046210	HSM-R MPX,PATRND R DSTRM EX,FINISH REAG		60	ZTB	Yes
2	0020		15046213	HSM-PLM2,PATRND LINEAR ZTN MIX 2,FINISH REA		60	ZTB	Yes
2	0030		20012467	INSERT; 60x15ml		2	EA	No
2	0040		20012462	BOX; 120x 15ml		1	EA	No
2	0050		15037414	BAG 3-SEAL,PCH 24x24 BARR 404 Rtxt 7628		2	EA	No
2	0060		20014037	LBL HS HT cDNA PE Cluster Kit PRM-PLM2		1	EA	Yes
1			20014021	HiSeq HT cDNA PE Cluster Kit PRM-PPM		0.000		No
2	0010		15046214	HSM-PAM,PATTERNED AMPLI MIX,FINISH REAG		60	ZTB	Yes
2	0020		15046216	HSM-PPM,PATTERNED AMP PREMIX,FINISH REA		60	ZTB	Yes
2	0030		20012467	INSERT; 60x15ml		2	EA	No
2	0040		20012462	BOX; 120x 15ml		1	EA	No
2	0050		15037414	BAG 3-SEAL,PCH 24x24 BARR 404 Rtxt 7628		2	EA	No
2	0060		20014038	LBL HS HT cDNA PE Cluster Kit PRM-PPM		1	EA	Yes
1			20014022	HiSeq HT cDNA PE Cluster Kit PCR-HP11		0.000		No
2	0010		15046218	HSM-RD R,PATRND DENATURATION MIX,FINISH R		60	ZTB	Yes
2	0020		15046220	HSM-HP11,PRIMER MIX,READ 2/PE,FINISH REAG		60	ZTB	Yes
2	0030		20012467	INSERT; 60x15ml		2	EA	No
2	0040		20012462	BOX; 120x 15ml		1	EA	No
2	0050		15037414	BAG 3-SEAL,PCH 24x24 BARR 404 Rtxt 7628		2	EA	No
2	0060		20014039	LBL HS HT cDNA PE Cluster Kit PCR-HP11		1	EA	Yes
2	0070		15022776	LBL, Hazard, 1.3/4x1.3/4_PCR		1	EA	Yes
1			20014023	HiSeq HT cDNA PE Cluster Kit HP14		0.000		No
2	0010		15047103	HSM-HP14, Indexing Primer Mix,4.1ml		60	TB	Yes
2	0020		20012467	INSERT; 60x15ml		1	EA	No
2	0030		20012534	BOX; 60x15ml		1	EA	No
2	0040		15037414	BAG 3-SEAL,PCH 24x24 BARR 404 Rtxt 7628		2	EA	No
2	0050		20014080	LBL HS HT cDNA PE Cluster Kit HP14		1	EA	Yes
1			20014024	HiSeq HT cDNA PE Cluster Kit EPX1		0.000		No
2	0010		15057075	HSM-EPX1,ENHANCED PC MIX 1,FINISH REAG		60	TB	Yes
2	0020		15058482	Insert, 24 slit tubes		2	EA	No
2	0030		15013763	BOX,SAMPLE PREP 1, GE		2	EA	No
2	0040		20014081	LBL HS HT cDNA PE Cluster Kit EPX1		2	EA	Yes
2	0050		15022581	BAG,SEAL POUCH 5"x8"		4	EA	No
1			20014025	HiSeq HT cDNA PE Cluster Kit EPX2		0.000		No
2	0010		15057076	HSM-EPX2,ENHANCED PC MIX 2,FINISH REAG		60	TB	Yes
2	0020		15058482	Insert, 24 slit tubes		2	EA	No
2	0030		15013763	BOX,SAMPLE PREP 1, GE		2	EA	No
2	0040		15022581	BAG,SEAL POUCH 5"x8"		4	EA	No
2	0050		20014082	LBL HS HT cDNA PE Cluster Kit EPX2		2	EA	Yes
1			20014026	HiSeq HT cDNA PE Cluster Kit EPX3		0.000		No
2	0010		15057080	HSM-EPX3,ENHANCED PC MIX 3,FINISH REAG		60	TB	Yes
2	0020		15058482	Insert, 24 slit tubes		2	EA	No
2	0030		15013763	BOX,SAMPLE PREP 1, GE		2	EA	No
2	0040		15022581	BAG,SEAL POUCH 5"x8"		4	EA	No
2	0050		20014083	LBL HS HT cDNA PE Cluster Kit EPX3		2	EA	Yes
1			20014027	HiSeq HT cDNA PE Cluster Kit cBOT Plate		0.000		No
2	0010		15046727	cBot™ Paired End Cluster Plate, BPP v2		60	EA	Yes
2	0020		15058051	Box, cBot Plate, 20 Pack		2	EA	No
2	0030		15058052	Insert 1, cBot Plate, 20 Pack		6	EA	No
2	0040		15057733	Insert 2, cBot Plate, 20 Pack		6	EA	No
2	0050		15058333	BAG 3-SEAL POUCH 10"x8"(x 30"L)		6	EA	No
2	0060		20014084	LBL HS HT cDNA PE Cluster Kit cBot Plate		2	EA	Yes
1			15072588	HiSeq X™ Flow Cell v2.5		0.000		No
2	0010		15047886	HiSeq X™ Flow Cell v2.5		60	EA	Yes
2	0020		15058087	Box, Bulk Packaging		2	EA	No
2	0030		15072591	LBL, HiSeq X™ Flow Cell v2.5_DFF_REPRNG		2	EA	Yes
2	0040		15072590	LBL, HiSeq X™ Flow Cell v2.5		2	EA	Yes
1			15057757	HiSeq X™ Accessory Kit v2 (Box A)		0.000		No
2	0010		15046821	TBE,HSQ X HD Storage BFR PE Flow Cell		60	EA	Yes

2	0020	15056092	Box, 50 mL Stand Up Tube, 20 Pack	3 EA	No
2	0030	15056093	Insert, 50 mL Stand Up Tube, 20 Pack	3 EA	No
2	0040	15056044	LBL, HiSeq X™ Accessory Kit v2 (Box A)	3 EA	Yes
1		15057756	HiSeq X™ HD Accessory Kit v2 (Box B)	0.000	No
2	0010	15012131	BAG,8 BOTTLE CAPS,GL32,WITH FUNNEL	60 BAG	No
2	0020	15011621	HiSeq® Flowcell Spare Gaskets 4 Pack	60 EA	Yes
2	0030	15056057	Box, Bulk Packaging	3 EA	No
2	0040	15056045	LBL, HiSeq X™ Accessory Kit v2 (Box B)	3 EA	Yes
2		15048210	HSM-PRM,PATRND RESYNMIX, FINISH REAG	0.000	No
3	0010	15028575	BULK,MSM-RMF	171.600 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	40 EA	No
3	0030	15048211	LBL, HSM PRM Patterned Resynthesis Mix	40 EA	Yes
2		15048212	HSM-PLM2,PATRND LINEARZTN MIX 2,FINISH REA	0.000	No
3	0010	15057449	BULK,HSM-PLM2,PATRND LINEARIZATION MIX 2	171.600 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	40 EA	No
3	0030	15048213	LBL, HSM PLM2 PATRND Linearization Mix 2	40 EA	Yes
2		20014037	LBL, HS HT cBOT DNA PE Cluster Kit PRM-PLM2	0.000	No
3	0010	11286413	LBL, PRE-PRINTED,4.25x8, RUO, USA	1 EA	No
2		15048214	HSM-PAM,PATTERNED AMPLIMIX,FINISH REAG	0.000	No
3	0010	15033376	BULK,MSM-AMX1_MSM-AMX2	154.400 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	80 EA	No
3	0030	15048215	LBL, HSM PAM Patterned Amplification Mix	40 EA	Yes
2		15048216	HSM-PPM,PATTERNED AMP PREMIX,FINISH REA	0.000	No
3	0010	15061992	BULK,GAMPM1	257.400 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	40 EA	No
3	0030	15048217	LBL, HSM PPM Patterned Amp Premix	40 EA	Yes
2		20014038	LBL, HS HT cBOT DNA PE Cluster Kit PAM-PPM	0.000	No
3	0010	11286412	LBL, PRE-PRINTED,4.25x8, RUO, USA	1 EA	No
2		15048218	HSM-PDR,PATRND DENATURATION MIX,FINISH RE	0.000	No
3	0010	15030445	BULK,LDR1	652.600 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	80 EA	No
3	0030	15048219	LBL, HSM PDR Patterned Denaturation Mix	40 EA	Yes
2		15048220	HSM HP11,PRIMER MIX,READ 2,PE,FINISH REAG	0.000	No
3	0010	15027757	BULK,HP11 PRIMER MIX,READ 2	198.400 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	80 EA	No
3	0030	15048221	LBL, HSM HP11 Primer Mix,Read 2	40 EA	Yes
2		20014039	LBL, HS HT cBOT DNA PE Cluster Kit PDR-HP11	0.000	No
3	0010	11286412	LBL, PRE-PRINTED,4.25x8, RUO, USA	1 EA	No
3		15012778	LBL, Hazard_1.3x1.3 4_PDR	0.000	No
3	0010	15043740	LBL, PRE-PRINTED,1.34"X1.3" Hazard	1 EA	No
2		15057103	HSM HP14, Indexing Primer Mix,4.1 ml	0.000	No
3	0010	15000666	BULK, HP14	258.600 ML	Yes
3	0020	11286741	TBG CI 15 mlPPWpkg,ars 15mL	40 EA	No
3	0030	15057137	LBL, HSM HP14, Indexing Primer Mix	40 EA	Yes
2		20014040	LBL, HS HT cBOT DNA PE Cluster Kit HP14	0.000	No
3	0010	11286412	LBL, PRE-PRINTED,4.25x8,RUO,USA	1 EA	No
2		15057075	HSM EPX1,ENHANCED PC MIX 1,FINISH REAG	0.000	No
3	0010	11182485	TUBE,MICRO,2.0ML, W/CAP	60 EA	No
3	0020	15057076	LBL, HSM EPX1,Enhanced PC Mix 1	40 EA	Yes
3	0030	15057074	BULK,HSM EPX1,ENHANCED PC MIX1	17.160 ML	Yes
2		20014041	LBL, HS HT cBOT DNA PE Cluster Kit EPX1	0.000	No
3	0010	15016061	LBL, PRE-PRINTED,2.75X4.5,RUO,USA	2 EA	No
2		15057079	HSM EPX2,ENHANCED PC MIX 2,FINISH REAG	0.000	No
3	0010	11182485	TUBE,MICRO,2.0ML, W/CAP	40 EA	No
3	0020	15057082	LBL, HSM EPX2,Enhanced PC Mix 2	40 EA	Yes
3	0030	15057080	BULK,HSM EPX2, ENHANCED PC MIX2	3.960 ML	Yes
2		20014042	LBL, HS HT cBOT DNA PE Cluster Kit EPX2	0.000	No
3	0010	15016061	LBL, PRE-PRINTED,2.75X4.5,RUO,USA	2 EA	No
2		15057083	HSM EPX3,ENHANCED PC MIX 3,FINISH REAG	0.000	No
3	0010	11182485	TUBE,MICRO,2.0ML, W/CAP	40 EA	No
3	0020	15057086	LBL, HSM EPX3,Enhanced PC Mix 3	40 EA	Yes
3	0030	15057084	BULK,HSM EPX3, ENHANCED PC MIX3	12.540 ML	Yes
2		20014043	LBL, HS HT cBOT DNA PE Cluster Kit EPX3	0.000	No
3	0010	15016061	LBL, PRE-PRINTED,2.75X4.5,RUO,USA	2 EA	No
2		15048727	cBot™ Paired End Cluster Plate, SBPE v2	0.000	No
3	0002	15056092	Insert 1, cBot Plate, 20 Pack	6 EA	No
3	0004	15057733	Insert 2, cBot Plate, 20 Pack	6 EA	No
3	0006	15056091	Box, cBot Plate, 20 Pack	3 EA	No
3	0010	15044650	Sub, Primer Premix, (PREMIX 1, BULK,HT1)	317.600 ML	Yes
3	0020	15061982	BULK,GAMPW1	246 ML	Yes
3	0030	15042300	BULK, BM3	488.400 ML	Yes
3	0040	15055508	BULK,HT2 WASH BUFFER	575.800 ML	Yes
3	0050	15042376	BULK, BLM1	206.400 ML	Yes
3	0060	15030448	BULK,LDR1	52.8 ML	Yes
3	0070	15042348	BULK, EP10	9.9 ML	Yes

3	0080	15048415	PLATE, 96 DEEP WELL	60 EA	No
3	0090	15056670	LID,96-WELL PLATE,Clr,Lo	60 EA	No
3	0100	15054730	SEAL,THERMAL FOIL	0.006 ZRL	No
3	0110	15032385	ASSY,SMP ROT Tube,1/6 mmID Y/Element	7 EA	No
3	0120	15048728	LBL, cBot™ Cluster Plate HiSeq X™ v2	60 EA	Yes
3	0130	15041122	LBL_Hazard_2.5x0.5x17_LDR1_8-Tube Strips	60 EA	Yes
3	0140	11202586	LBL, BARCODE,2.0X0.5,WHITE	0.120 ZRL	No
2		20014044	LBL, HS HT cBOT DNA PE Cluster Kit cBot Plate	0.000	No
3	0010	11286413	LBL, PRE-PRINTED,4.25x8,RUO,USA	3 EA	No
2		15057698	HiSeq X™ Flow Cell v2.5	0.000	No
3	0010	15057450	LBL, HiSeq X™ v2.5 Flow Cell for 15057698	60 EA	Yes
3	0020	10028544	CORNING 50ML CENTRIFUGE TUBE	6 EA	No
3	0030	10028153	SEROLOGICAL PIPETTE 10mL	12 EA	No
3	0040	10048193	PIPET,25mL,SEROLOGICAL	6 EA	No
3	0050	11173414	BAG,FOIL,4 x 7.5	60 EA	No
3	0060	11023704	PIPETTE TIP, LTS 50-200	4 EA	No
3	0070	15068023	RM-SSC Jetsmi Reag,5x SSC+EDTA	0.100 ZBT	Yes
3	0080	15016546	PKG,PILLOW,DESICCANT	60 EA	No
3	0090	15016744	RM-KPi,3M Reag,Potassium Phosphate	0.042 ZBT	Yes
3	0100	15016745	RM-NaOH,NaOH SOLN 1N Sodium Hydroxide	0.012 ZBT	Yes
3	0110	15026343	Hybrid Clamp Tubing Gasket Assembly	6 EA	No
3	0120	15028575	Copper(I)Sulfate Pentahydrate	0.660 ML	No
3	0130	15023077	PMDETA N,N,N',N'',N''-pentamethyldiethylenetriamine	1.500 ML	No
3	0140	15029540	CHEM,SODIUM ASCORBATE Na Ascorbate	415.800 MG	No
3	0150	15032323	PLPT Tris Ws Vol 5 dilut	2.400 ML	No
3	0160	15048601	RM,SODIUM BICARBONATE	0.400 G	No
3	0170	15048602	RM,SODIUM CARBONATE	3.080 G	No
3	0180	15048606	CLAMSHELL, FLOW CELL, SINGLE SLIDE	60 EA	No
3	0190	15060901	OLIGO,BP PE PRIMER MIX,15.6 M+L	3.750 ZTB	Yes
3	0200	15059505	ASY,FC,NNNL,ARY,40nmCD,700nmP,HiSb,2EX	60 EA	Yes
3	0210	15011184	MISC,FLOWCELL LUNCH CONFIDENTIAL	60 EA	No
2		15072831	LBL, HiSeq X™_Flow Cell v2.5_DPF_REFRIG	0.000	No
3	0010	15046704	LBL, Back,2"x1",White_blank	3 EA	No
2		15072898	LBL, HiSeq X™ Flow Cell v2.5	0.000	No
3	0010	11286413	LBL, PRE-PRINTED,4.25x8,RUO,USA	3 EA	No
2		15049021	TBE,HSQ X HD Storage BFFR PE Flow Cell	0.000	No
3	0010	15058043	BULK,2xSSC+ 5mM EDTA REAGENT	3,756 ML	Yes
3	0020	10028544	CORNING 50ML CENTRIFUGE TUBE	60 EA	No
3	0030	15058082	LBL, HSQ X HD Storg BFFR PE Flow Cell 60ML	60 EA	Yes
2		15056646	LBL, HiSeq X™ Accessory Kit v2(Box A)	0.000	No
3	0010	11286413	LBL, PRE-PRINTED,4.25x8,RUO,USA	3 EA	No
2		15011621	HiSeq® Flowcell Spare Gasketed Pack	0.000	No
3	0010	15010656	POUCH, STANDUP, 4" x 6.4" x 2.25"	60 EA	No
3	0020	15012206	LBL, HiSeq® Flowcell Spare Gaskets 4 Pack	60 EA	Yes
3	0030	15022068	GASKET,HISEQ,6-POS,2MM HT,3.6MM PITCH	240 EA	No
2		15056645	LBL, HiSeq X™ Accessory Kit v2(Box B)	0.000	No
3	0010	11286413	LBL, PRE-PRINTED,4.25x8,RUO,USA	3 EA	No
3		15036670	BULK,MSM-RMF	0.000	No
4	0010	11034470	SOLN, 1M IMIDAZOLE BFR, pH 6.4	0.500 ML	Yes
4	0020	11110501	CHEM, MAGNESIUM CHLORIDE, 1M	4.115 ML	No
4	0030	15032346	CHEM,2-MERCAPTOETHANOL	126 µL	No
4	0040	11030576	SOLN 50% SUCROSE	34.320 ML	Yes
4	0050	ED051610	1M PNK (Polynucleotide Kinase)@ 10 U/uL	3.432 ML	No
3		15048211	LBL, HSM PRM Patterned Resynthesis Mix	0.000	No
4	0010	11316428	LBL, BLANK,2"X0.875", FLUORESCENT ORANGE	60 EA	No
3		15057449	BULK,HSM-PLM2,PATRND LINEARIZATION MIX 2	0.000	No
4	0010	15026186	SOLN,SBD,PREMIX 2	163.432 ML	Yes
4	0020	EE15034	FPG formulated in MLM mL	6.168 ML	No
3		15048213	LBL, HSM PLM2 PATRND Linearization Mix 2	0.000	No
4	0010	11286551	LBL, BLANK,2"X0.875",RED	60 EA	No
3		15033376	BULK,MSM-AMX1_MSM-AMX2	0.000	No
4	0010	15032427	BULK,GAM-AFM1,GAM-AFM2	145.536 ML	Yes
4	0020	15028656	dNTP POOL	4,426 µL	Yes
4	0030	EE1250-50	Diaphorase DNA Polymerase 100 U/uL	4.426 ML	No
3		15048215	LBL, HSM PAM Patterned Amplification Mix	0.000	No
4	0010	15059364	LBL, 2" x 1" GREEN	60 EA	No
3		15061992	BULK,GAM-PW1	0.000	No
4	0010	15061936	LBL_STATUS_APPROVED_SKI	0.001 EA	No
3		15048217	LBL, HSM PPM Patterned Amp Premix	0.000	No
4	0010	11286581	LBL, BLANK,2"X0.875",LIGHT BLUE	60 EA	No
3		15030445	BULK,LDR1	0.000	No
4	0010	11106210	CHEM,FORMAMIDE - 4.4x4 UCase	652.567 ML	Yes
4	0020	15026436	SOLN, 1M TRISODIUM CITRATE	0.634 ML	Yes
3		15048219	LBL, HSM PDR Patterned Denaturation Mix	0.000	No
4	0010	15059368	LBL,2" x 1",PINK	60 EA	No

3		15027707	BULK,HP11,PRIMER MIX,READ 2	0.000	No
4	0010	15002436	PREMIX 1(BULK,HT1)	157.825 ML	Yes
4	0020	15027141	RM,HP11,PRIMER MIX,READ 2	0.478 ML	No
3		15040221	LBL_HS4-HP11Primer Mix,Read 2	0.000	No
4	0010	11280601	LBL,BLANK,2"X0.875",NAVY BLUE	60 EA	No
3		15030606	BULK, SP14	0.000	No
4	0010	15044650	Sol,Primer Premix, (PREMIX 1, BULK,HT1)	204.701 ML	Yes
4	0020	15033681	100 µM, Nextera Read 1, Rev	1.553 ML	Yes
4	0030	15033684	100 µM, SBSB, Rev	1.553 ML	Yes
4	0040	15027142	RM,HP12,PRIMER MIX,INDEX 1	0.776 ML	No
3		15027137	LBL_HS4-HP14, Indexing Primer Mix	0.000	No
4	0010	11280508	LBL,BLANK,2"X0.875",MAGENTA/PURPLE	60 EA	No
3		15027176	LBL_HS4-EPX1,Enhanced PC Mix 1	0.000	No
4	0010	15034906	LBL_TMP,1.0825x1.43,RUO,Clr Comments,LR	60 EA	No
4	0020	15037036	LBL_PRE-PRINT,1.0825x1.43,Clr,ILMN logo	60 EA	No
3		15027076	BULK,HSB-EPX1,ENHANCED PC MIX1	0.000	No
4	0010	15003077	SOLN 1M Tris Buffer, pH 8.0	1.030 ML	Yes
4	0020	11280177	SOLN 1M DTT	0.206 ML	Yes
4	0030	15046647	RM,BAM,20X	2.040 ML	No
4	0040	15046652	RM,CREATINE KINASE,20X	4.005 ML	No
4	0050	15046646	RM,dNTPs,100mM	0.650 ML	No
4	0060	15007661	RM,GPS2	56.717 MG	No
4	0070	E0015-100	Bsu DNA Polymerase @ 100 U/ul	1.577 ML	No
3		15027062	LBL_HS4-EPX2,Enhanced PC Mix 2	0.000	No
4	0010	15034906	LBL_TMP,1.0825x1.43,RUO,Clr Comments,LR	60 EA	No
4	0020	15037036	LBL_PRE-PRINT,1.0825x1.43,Clr,ILMN logo	60 EA	No
3		15027060	BULK,HSB-EPX2,ENHANCED PC MIX2	0.000	No
4	0010	GS0 06 250	Standard Storage Buffer	1.083 ML	No
4	0020	E0016-20	Rec 200 @ 20 u/ul	1.516 ML	No
3		15027066	LBL_HS4-EPX3,Enhanced PC Mix 3	0.000	No
4	0010	15034906	LBL_TMP,1.0825x1.43,RUO,Clr Comments,LR	60 EA	No
4	0020	15037036	LBL_PRE-PRINT,1.0825x1.43,Clr,ILMN logo	60 EA	No
3		15027064	BULK,HSB-EPX3,ENHANCED PC MIX3	0.000	No
4	0010	15046856	SOLN,20% PEG POLYETHYLENE GLYCOL	10.441 ML	No
4	0020	15046851	RM,MgOAc,MAGNESIUM ACETATE,200mM	1.494 ML	No
3		15044650	Sol,Primer Premix, (PREMIX 1, BULK,HT1)	0.000	No
4	0010	15032107	SSC BUFFER, OMNIPUR 20X 4LBT	128.410 ML	No
4	0020	15028646	CHEM, Tween 20, 100%	566.581 MG	No
3		15031082	BULK,GAM-PR1	0.000	No
4	0010	15005136	LBL_STATUS_APPROVED_3X5	0.001 EA	No
3		15042388	BULK, SMB	0.000	No
4	0010	15044677	SMB, PREMIX CONC	485.506 ML	Yes
4	0020	E0120-100	Displacebase DNA Polymerase 10 U/uL	2.806 ML	No
4	0030	15028880	dNTP POOL	2,800 µL	Yes
4	0040	15058288	PHANTOM, SMB PREMIX	1 EA	Yes
3		15058568	BULK,HT2 WASH BUFFER	0.000	No
4	0010	15032107	SSC BUFFER, OMNIPUR 20X 4LBT	6.684 ML	No
4	0020	15028646	CHEM, Tween 20, 100%	637.380 MG	No
3		15042378	BULK, SLM	0.000	No
4	0010	15044676	4X SEQ PREMIX CONC	46.556 ML	Yes
4	0020	11320815	CHEM URACIL EXCISION MIX, ENZYME	1.884 ML	No
4	0030	15058280	PHANTOM, 4X SEQ PREMIX	1 EA	Yes
3		15032448	BULK,LSR1	0.000	No
4	0010	10000218	CHEM FORMAMIDE - 4L 4x4 UC use	320.676 ML	No
4	0020	15030436	SOLN 1M TRISODIUM CITRATE	0.324 ML	Yes
3		15042386	BULK, SP10	0.000	No
4	0010	15044656	Sol,Primer Premix, (PREMIX 1, BULK,HT1)	185.443 ML	Yes
4	0020	15027140	RM,HP10,PRIMER MIX,READ 1	0.556 ML	No
4	0030	15058688	Phantom, Primer Premix	1 EA	Yes
3		15048726	LBL_cBot™ Cluster Plate HiSeq X™ v 2	0.000	No
4	0010	15008777	LBL_BLANK,1.25"X2", Purple/Magenta	60 EA	No
4	0020	15036021	LBL_TMP,1.1.25x2",cBot PLTs,2 DISC,Lt Blue	60 EA	No
3		15041122	LBL_Harvest_2.5x0.5937_LCR1,8-Tube Strips	0.000	No
4	0010	15046566	LBL_PRE-PRINT,2.5"x0.5937",TD_Strp_PLTs_Hz	60 EA	No
3		15071466	LBL_HiSeq X™ v2.5 Flow Cell for 15007896	0.000	No
4	0010	10386404	LBL_PREPRINTED,4x3,RUO,USA	60 EA	No
3		15060025	RM-SSC,Internal Reag,5xSSC+EDTA	0.000	No
4	0010	15060032	BULK,(5xSSC+1mM EDTA) REAGENT	40.2 ML	Yes
4	0020	15060026	JUG, 1 gallon white pure	1 EA	No
4	0030	15003486	CAP,BLCK ACID,INDSTRL GLDN RE C38-430HF423	1 EA	No
4	0040	15013576	LBL_RM4-SSC_Flow Cell Buffer	1 EA	Yes
3		15010744	RM4-KP,Int Reag,Potassium Phosphate	0.000	No
4	0010	15008916	BULK,10mM KPI BUFFER,pH 7.0 REAGENT	18.0 ML	Yes
4	0020	15060026	JUG, 1 gallon white pure	1 EA	No
4	0030	15003486	CAP,BLCK ACID,INDSTRL GLDN RE C38-430HF423	1 EA	No

4	0040	15012080	LBL_RM4-KPI_Flow Cell Buffer	1 EA	Yes
3		15016746	RM4-NaOH,Int RGT, 0.1N Sodium Hydroxide	0.000	No
4	0010	15016757	BULK,0.1N NaOH, SOLN	4.0 ML	Yes
4	0020	15006026	JUG, 1 gallon white pure	1 EA	No
4	0030	15003486	CAP,BLCK ACID,INDSTRL GLDN RE C38-430HF423	1 EA	No
4	0040	15013061	LBL_RM4-NaOH_Flow Cell Buffer	1 EA	Yes
3		15006681	OLIGO,SP PE PRIMER MIX,TILE 4mL	0.000	No
4	0010	15056996	BULK,SP PE PRIMER MIX,TH	1.850 ML	Yes
4	0020	10310071	TUBE, CLEAR 2mlPP SCREW CAP	4 EA	No
4	0030	15076001	LBL_RM-TRP,TH Primer Mix 100µM	4 EA	Yes
3		15058608	ARY,PC,NNNL ARY,850mm CD,700xmP,160Bx20X	0.000	No
4	0010	15046834	SLIDE,TOP,COATED,NANOWELL ARRAY,8 CH	60 EA	Yes
4	0020	15046036	SLIDE,WELDED,COATED,NANOWELL ARRAY,8 CH	60 EA	Yes
4	0030	11066598	PKG,BAGG,HEAT SEALED,11.7"X12"	2.486 ZEA	No
4	0040	15028008	CLAMSHELL, 8M4 SLIDES,24 MULTIPAK	2.486 ZEA	No
4	0050	15050106	PM,REP Sheet,6x6 Autocenter	6 EA	No
3		15006962	BULK,(5xSSC+1mM EDTA) REAGENT	0.000	No
4	0010	15006875	SOLN, 20X SSC BULK	475 ML	Yes
4	0020	15032301	SOLN, EDTA, 0.5M MOLECULAR GRADE	5,400 µL	No
3		15058642	LBL_HSQ X HD Storg BTFRPE Flow Cell 45ML	0.000	No
4	0010	15035242	LBL,PRE-PRINTED,3X2,Flowcell,RUO,USA	60 EA	No
3		15110209	LBL,HiSeq® Reseal Spare Gaskets 4 Pack	0.000	No
4	0010	10386404	LBL_PREPRINTED,4x3,RUO,USA	60 EA	No
3		10320473	SOLN, 1M IMIDAZOLE BFR, pH 6.4	0.000	No
4	0010	10320482	SOLN, 1M IMIDAZOLE HYDROCHLORIDE	3.657 ML	Yes
4	0020	10320413	SOLN, 1M IMIDAZOLE	1.378 ML	Yes
3		10000076	SOLN, 50% SUCROSE	0.000	No
4	0010	15032401	CHEM,SUCROSE (5KG packaging)	17.155 G	No
3		15038108	SOLN, SEQ PREMIX 2	0.000	No
5	0010	15032301	SOLN, EDTA, 0.5M MOLECULAR GRADE	32.7 µL	No
5	0020	10320185	SOLN, 1M MgSO4	0.361 ML	Yes
5	0030	10320519	SOLN, 5M NACL Purified	1.635 ML	Yes
5	0040	10320076	SOLN, 50% SUCROSE	32.697 ML	Yes
5	0050	15034020	SOLN, 10% TWEEN 20, 10% Cell PTMB Sign	0.818 ML	Yes
5	0060	10324449	SOLN, 1M TRIS BUFFER, pH 8.0	6.172 ML	Yes
4		15003427	BULK,GAM-APM1,GAM-APM2	0.000	No
5	0010	10324655	SOLN, 1M TRIS BUFFER, pH 8.0	10.511 ML	Yes
5	0020	10326671	SOLN, 10% TRITON X-100	5.456 ML	Yes
5	0030	10320189	SOLN, 1M (NH4)SO4	5.456 ML	Yes
5	0040	10320185	SOLN, 1M MgSO4	1.092 ML	Yes
5	0050	10326067	CHEM,DIMETHYL SULFOXIDE	7.083 ML	No
5	0060	10320810	SOLN, 5M BETAINE	218.212 ML	Yes
4		15028055	dNTP POOL	0.000	No
5	0010	15032248	dATP PCR GRADE,NA-SALT,100mM	1,100 µL	No
5	0020	15032250	dTTP PCR GRADE,NA-SALT,100mM	1,100 µL	No
5	0030	15032251	dCTP PCR GRADE,NA-SALT,100mM	1,100 µL	No
5	0040	15032252	dGTP PCR GRADE,NA-SALT,100mM	1,100 µL	No
4		15028438	SOLN, 1M TRISODIUM CITRATE	0.000	No
5	0010	15010957	SOLN,Dihy CITRATE TRIBASIC DIHYDRATE	0.307 G	No
4		15003428	PREMIX 1(BULK,HT1)	0.000	No
5	0010	15032107	SSC BUFFER, OMNIPUR 20X 4LBT	26.463 ML	No
5	0020	15034020	SOLN, 10% TWEEN 20, 10% Cell PTMB Sign	1.592 ML	Yes
4		15044650	Sol,Primer Premix, (PREMIX 1,BULK,HT1)	0.000	No
5	0010	15032107	SSC BUFFER, OMNIPUR 20X 4LBT	65.661 ML	No
5	0020	15028646	CHEM, Tween 20, 100%	376.633 MG	No
4		15036031	100 µM, Nextera Read 1, Rev	0.000	No
5	0010	15059475	SOLN, Bz-dA, 0.1M	0.106 ML	Yes
5	0020	15059466	SOLN, Ac-dC, 0.1M	0.116 ML	Yes
5	0030	15059471	SOLN, Dmf-dG, 0.1M	0.112 ML	Yes
5	0040	15059462	SOLN, dT, 0.1M	0.123 ML	Yes
5	0050	15059311	POLYSTYRENE, dA, 10 umol	1 µMO	No
5	0060	15059363	SOLN, ACN,FROM TAP	10.408 ML	Yes
5	0070	15059444	CHEM,CAP A	0.330 ML	No
5	0080	15059488	SOLN, CAP B MIX, 1:1	0.330 ML	Yes
5	0090	15059467	CHEM,OXIDIZER	0.364 ML	No
5	0100	15059466	CHEM,DEBLOCK	6.573 ML	No
5	0110	15059475	CHEM,ACTIVATOR	0.546 ML	No
5	0120	15059468	CHEM,DEA	0.165 ML	No
5	0130	15057516	CHEM,AMA 50:50	0.046 ML	No
5	0140	15059217	TFP Cassette, 1kG, 0.1m2	1 EA	No
5	0150	15010237	SOLN, 0.1M NaOH	0.014 ML	Yes
5	0160	15059564	SOLN, IEX Buffer A, 10mM NaOH	5.476 ML	Yes
5	0170	15059565	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	1.626 ML	Yes
5	0180	15050644	SOLN, 0.1X TE Buffer	1.153 ML	Yes
4		15059564	100 µM, SBS3, Rev	0.000	No

5	0010		15058470	SOLN, Bz-dA, 0.1M	0.500 ML	Yes
5	0020		15058480	SOLN, Ac-dC, 0.1M	0.281 ML	Yes
5	0030		15058481	SOLN, Dmf-dG, 0.1M	0.758 ML	Yes
5	0040		15058482	SOLN, dT, 0.1M	0.288 ML	Yes
5	0050		15058763	POLYSTYRENE, dT, 10umol	3 µMO	No
5	0060		15058863	SOLN,ACN,FROM TAP	46.500 ML	Yes
5	0070		15058444	CHEM,CAP A	1.552 ML	No
5	0080		15058464	SOLN,CAP B MIX, 1:1	1.552 ML	Yes
5	0090		15058467	CHEM,OXIDIZER	4.148 ML	No
5	0100		15058468	CHEM,DEBLOCK	38.024 ML	No
5	0110		15058470	CHEM,ACTIVATOR	3.588 ML	No
5	0120		15058469	CHEM,DEA	0.776 ML	No
5	0130		15057746	CHEM,AMA 50:50	0.216 ML	No
5	0140		15058227	TFF Cassette, 1KD, 0.1m2	1 EA	No
5	0150		15061227	SOLN, 0.1M NaOH	0.088 ML	Yes
5	0160		15059584	SOLN, IEX Buffer A, 10mM NaOH	25.088 ML	Yes
5	0170		15059585	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	8.603 ML	Yes
5	0180		15061344	SOLN, 1X TE Buffer	1.053 ML	Yes
4			15063077	SOLN, 1M Tris Buffer, pH 8.0	0.000	No
5	0010		11328466	SOLN, 2M TRIS HCL	0.120 ML	Yes
5	0020		11366316	SOLN, 1M TRIS BASE	0.763 ML	Yes
4			11328177	SOLN, 1M DTT	0.000	No
5	0010		11328085	CHEM,DL-DITHIOTHREITOL	0.032 G	No
4			15044477	SMB, PREMIX CONC	0.000	No
5	0010		15028847	CHEM, TRIS HYDROCHLORIDE	718.100 MG	No
5	0020		15032369	CHEM, TRIS BASE	0.814 G	No
5	0030		11140364	BETAINE,INNER SALT,MONOHYDRATE	128.063 G	No
5	0040		11328423	CHEM,AMMONIUM SULFATE	0.625 G	No
5	0050		11328081	CHEM,MAGNESIUM SULFATE	0.241 G	No
5	0060		11328057	CHEM,DIMETHYL SULFOXIDE	6.248 ML	No
5	0070		15034211	CHM,TRITON X100,100%,TS2M,50ML,ULTR,50ML/B	0.529 G	No
4			15028690	dNTP POOL	0.000	No
5	0010		15032248	dATP PCR GRADE,NA-SALT,100mM	87.7 µL	No
5	0020		15032250	dTTP PCR GRADE,NA-SALT,100mM	87.7 µL	No
5	0030		15032251	dCTP PCR GRADE,NA-SALT,100mM	87.7 µL	No
5	0040		15032252	dGTP PCR GRADE,NA-SALT,100mM	87.7 µL	No
4			15059286	PHANTOM, SMB PREMIX	0.000	No
5	0010		15044477	SMB, PREMIX CONC	50.0 ML	Yes
4			15046074	4X SEQ PREMIX CONC	0.000	No
5	0010		15028847	CHEM, TRIS HYDROCHLORIDE	942.381 MG	No
5	0020		15032369	CHEM, TRIS BASE	0.482 G	No
5	0030		15028546	CHEM Sodium Chloride	596.305 MG	No
5	0040		15033801	CHEM,SUCROSE (5KG packaging)	16.840 G	No
5	0050		11328081	CHEM,MAGNESIUM SULFATE	0.283 G	No
5	0060		15032391	SOLN,EDTA,0.5M,MOL.BIO GRADE	78.7 µL	No
5	0070		15028548	CHEM, Tween 20, 100%	116.758 MG	No
4			15059285	PHANTOM, 4X SEQ PREMIX	0.000	No
5	0010		15046074	4X SEQ PREMIX CONC	10.0 ML	Yes
4			15028408	SOLN, 1M TRISODIUM CITRATE	0.000	No
5	0010		15036815	SOLID,Na CITRATE TRIBASIC DIHYDRATE	0.058 G	No
4			15046650	Soln, Rinse Premix, (PREMIX 1, BULK,HT1)	0.000	No
5	0010		15032167	SSC BUFFER, OMNIPUR 20X/LIST	48.261 ML	No
5	0020		15028548	CHEM, Tween 20, 100%	203.058 MG	No
4			15058888	Phantom, Rinse Premix	0.000	No
5	0010		15046650	Soln, Rinse Premix, (PREMIX 1, BULK,HT1)	1.0 ML	Yes
4			15059882	BULK,(5xSSC+1mM EDTA) REAGENT	0.000	No
5	0010		15036675	SOLN, 20X SSC BULK	10.0 ML	Yes
5	0020		15032391	SOLN,EDTA,0.5M,MOL.BIO GRADE	50.4 µL	No
4			15010078	LBL, Rinh SSC_Flow Cell Buffer	0.000	No
5	0010		15010107	LABEL, BLANK, 4" X 3",Light Blue	1 EA	No
5	0020		15036108	LBL, IMPLT_4x8,FC BFFR SSC,RUO,Blue	1 EA	No
4			15036618	BULK,10mM KPI BUFFER,pH7.0 REAGENT	0.000	No
5	0010		15034115	CHEM,POTASSIUM PHOS,1M,MONO. P5708	84.7 µL	No
5	0020		11132104	CHEM,POTASSIUM PHOS,1M,DI	1.034 ML	No
4			15010080	LBL, Rinh KPI_Flow Cell Buffer	0.000	No
5	0010		15010140	LABEL, BLANK, 4" X 3",Green	1 EA	No
4			15016707	BULK,0.1N NaOH, SOLN.	0.000	No
5	0010		11028217	SOLN,3N SODIUM HYDROXIDE	2.400 ML	Yes
4			15010081	LBL, Rinh NaOH_Flow Cell Buffer	0.000	No
5	0010		15010134	LABEL, BLANK, 4" X 3", Red	1 EA	No
4			15016866	BLK,BP PE PRIMER MIX,T6	0.000	No
5	0010		15065060	OLIGO,BP PE PRIMER,P7,T6	0.413 ML	Yes
5	0020		15065062	OLIGO,BP PE PRIMER,P5,T6	0.413 ML	Yes
5	0030		15061344	SOLN, 1X TE Buffer	0.025 ML	Yes
4			15075361	LBL, BRI-TIP, T6 Primer Mix 10.0µM	0.000	No
5	0010		15037036	LBL, FR B PRINT, 1.00 Rn1.40, Cli JUMN logo	4 EA	No
4			15048024	SLIDE,TOP, COATED,NANOWELL ARRAY,EICH	0.000	No
5	0010		15047111	DIE,TP,NWL ARR,4.00x4C 0.75 5mP,HSD,20X,5K	60 EA	Yes
5	0020		15048259	FM,[BICYCLHEPTENYL]ETHYL,[TRIMETHOXYSILN]ETH	0.128 G	No
5	0030		15045200	SOLN, PAZAM POLYMER	30 ML	Yes
5	0040		15048028	SOLN, CeO2 POLISH SLURRY	634.586 ML	Yes
5	0050		289359	CHEM,ETOH,200 PROOF,4L Lxxxx	0.342 L	No
5	0060		15048037	FM,PAD, POLISHING, POLYTEX RED, 12"	0.020 EA	No
4			15048026	SLIDE,WELDED,COATED,NANOWELL ARRAY,EC	0.000	No
5	0010		15048258	POLYIMIDE, BLACK KAPTON,CUT,ACTIVATED	60 EA	Yes
5	0020		15048025	SLIDE,BOTTOM,COATED, NANOWELL ARRAY,EC	60 EA	Yes
5	0030		15059128	FM,FEP Sheet, Adhesive	8 EA	No
4			15066675	SOLN, 20X SSC BULK	0.000	No
5	0010		11036646	CHEM SODIUM CHLORIDE (Cust-ref 2945028)	116.326 G	No
5	0020		15036865	SOLID,Na CITRATE TRIBASIC DIHYDRATE	59.551 G	No
5	0030		15034154	SOLN, 2.0M CITRIC ACID (MONO)	610 µL	Yes
5			11025482	SOLN, 2M IMIDAZOLE HYDROCHLORIDE	0.000	No
6	0010		11034004	CHEM,IMIDAZOLE HYDROCHLORIDE,500MBIOTL,SLE	0.761 G	No
5			11029881	SOLN, 1M IMIDAZOLE	0.000	No
6	0010		11034002	CHEM,IMIDAZOLE, 250 MBIOTYL, SOLIDS	0.084 G	No
5			11091085	SOLN, 1M MG SO4	0.000	No
6	0010		11036081	CHEM,MAGNESIUM SULFATE	0.242 G	No
5			11008518	SOLN, 5M NACL Buffer	0.000	No
6	0010		15028546	CHEM, Sodium Chloride	477.420 MG	No
5			11008578	SOLN, 50% SUCROSE	0.000	No
6	0010		15033801	CHEM,SUCROSE (5KG packaging)	16.244 G	No
5			15034228	SOLN, 10% TWEEN 20, 10%, Cat#: P7949 Sigm	0.000	No
6	0010		15028548	CHEM, Tween-20, 100%	68.571 MG	No
5			11024498	SOLN, 1M TRIS BUFFER, pH 8.0	0.000	No
6	0010		11036466	SOLN, 2M TRIS HCL	2.461 ML	Yes
6	0020		11036460	SOLN, 1M TRIS BASE	1.084 ML	Yes
5			11024495	SOLN, 1M TRIS BUFFER, pH 8.0	0.000	No
6	0010		11036466	SOLN, 2M TRIS HCL	1.126 ML	Yes
6	0020		11036460	SOLN, 2M TRIS BASE	2.880 ML	Yes
5			11024471	SOLN, 10% TRITON X-100	0.000	No
6	0010		15034211	CHM,TRITON X100,100%,TS2M,50ML,ULTR,50ML/B	0.564 G	No
5			11091059	SOLN, 1M (NH4)2SO4	0.000	No
6	0010		11036022	CHEM,AMMONIUM SULFATE	0.721 G	No
5			11091085	SOLN, 1M MG SO4	0.000	No
6	0010		11036081	CHEM,MAGNESIUM SULFATE	0.270 G	No
5			11008515	SOLN, 5M BETAINE	0.000	No
6	0010		11140306	BETAINE, INNER SALT,MONOHYDRATE	147.466 G	No
5			15034228	SOLN, 10% TWEEN 20, 10%, Cat#: P7949 Sigm	0.000	No
6	0010		15028548	CHEM, Tween-20, 100%	173.010 MG	No
5			15059476	SOLN, Bz-dA, 0.1M	0.000	No
6	0010		15059408	AMIDITE, Bz-dA, 5.0GR	1 EA	No
6	0020		15058863	SOLN, ACN,FROM TAP	0.111 ML	Yes
5			15059480	SOLN, Ac-dC, 0.1M	0.000	No
6	0010		15059434	AMIDITE, Ac-dC,5.0GR	1 EA	No
6	0020		15058863	SOLN, ACN,FROM TAP	0.123 ML	Yes
5			15059481	SOLN, Dmf-dG, 0.1M	0.000	No
6	0010		15057878	AMIDITE, Dmf-dG,5.0GR	1 EA	No
6	0020		15058863	SOLN, ACN,FROM TAP	0.117 ML	Yes
5			15059482	SOLN, dT, 0.1M	0.000	No
6	0010		15059436	AMIDITE, dT,5.0GR	1 EA	No
6	0020		15058863	SOLN, ACN,FROM TAP	0.104 ML	Yes
5			15058863	SOLN, ACN,FROM TAP	0.000	No
6	0010		11036437	CHEM,ACN	10.466 ML	No
6	0020		15058808	TRAP PACK-LARGE, 10 GR	1 EA	No
5			15059464	SOLN, CAP B MIX, 1:1	0.000	No
6	0010		15059447	CHEM,CAP B1	0.165 ML	No
6	0020		15059450	CHEM,CAP B2	0.165 ML	No
5			15061237	SOLN, 0.1M NaOH	0.000	No
6	0010		15059819	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.001 ML	No
5			15059584	SOLN, IEX Buffer A, 10mM NaOH	0.000	No
6	0010		15061237	SOLN, 0.1M NaOH	0.548 ML	Yes
5			15059585	SOLN, IEX Buffer B, 10mM NaOH, 1.5M NaCl	0.000	No
6	0010		0001-1114	SODIUM CHLORIDE	0.950 G	No
6	0020		15061237	SOLN, 0.1M NaOH	0.163 ML	Yes
5			15061344	SOLN, 1X TE Buffer	0.000	No
6	0010		11176443	BUFFER TE,100X	0.016 ML	No
6	0020		15030862	OmniPure Water	1.027 ML	No
5			15059476	SOLN, Bz-dA, 0.1M	0.000	No
6	0010		15059408	AMIDITE, Bz-dA, 5.0GR	1 EA	No
6	0020		15058863	SOLN, ACN,FROM TAP	0.522 ML	Yes

5		15058400	SOLN, Ac-dC, 0.1M	0.000	No
6	0010	15058434	AMIDITE,Ac-dC,5.0GR	1 EA	No
6	0020	15058893	SOLN,ACN,FROM TAP	0.283 ML	Yes
5		15058401	SOLN, Dmf-dG, 0.1M	0.000	No
6	0010	15057078	AMIDITE,Dmf-dG,5.0GR	1 EA	No
6	0020	15058893	SOLN,ACN,FROM TAP	0.255 ML	Yes
5		15059402	SOLN, dT, 0.1M	0.000	No
6	0010	15058436	AMIDITE, dT,5.0GR	1 EA	No
6	0020	15058893	SOLN,ACN,FROM TAP	0.281 ML	Yes
5		15059893	SOLN,ACN,FROM TAP	0.000	No
6	0010	11054657	CHEM,ACN	46.360 ML	No
6	0020	15058008	TRAP PACK-LARGE, 10GR	1 EA	No
5		15059486	SOLN, CAP B MIX, 1:1	0.000	No
6	0010	15058447	CHEM,CAP B1	0.776 ML	No
6	0020	15058450	CHEM,CAP B2	0.776 ML	No
5		15061237	SOLN, 0.1M NaOH	0.000	No
6	0010	15058818	CHEM,NaOH, 10.0N), 1 SODIUM HYDROXIDE	0.081 ML	No
5		15059594	SOLN, IEX Buffer A, 10mM NaOH	0.000	No
6	0010	15061237	SOLN, 0.1M NaOH	2.387 ML	Yes
5		15059595	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	0.000	No
6	0010	0001-1116	SODIUM CHLORIDE	0.750 G	No
6	0020	15061237	SOLN, 0.1M NaOH	0.083 ML	Yes
5		15061244	SOLN, 1X TE Buffer	0.000	No
6	0010	11175443	BUFFER,TE,100X	0.016 ML	No
6	0020	15030682	OmniPure Water	1.537 ML	No
5		10106498	SOLN,2M TRIS HCL	0.000	No
6	0010	15028847	CHEM,TRIS HYDROCHLORIDE	37.800 MG	No
5		10100516	SOLN,1M TRIS BASE	0.000	No
6	0010	15032359	CHEM,TRIS BASE	0.090 G	No
5		15084077	BMB, PREMIX CONC	0.000	No
6	0010	15028847	CHEM,TRIS HYDROCHLORIDE	336.000 MG	No
6	0020	15032359	CHEM,TRIS BASE	0.018 G	No
6	0030	11140306	BETAIN E INNER SALT,MONOHYDRATE	135.100 G	No
6	0040	11208032	CHEM,AMMONIUM SULFATE	0.450 G	No
6	0050	11208081	CHEM,MAGNESIUM SULFATE	0.250 G	No
6	0060	11208057	CHEM,DIMETHYL SULFOXIDE	0.500 ML	No
6	0070	15034211	CHM,TRITON X-100,0.5%,TECH,SOMULTR,500MUB	0.050 G	No
5		15044476	4X SEQ PREMIX CONC	0.000	No
6	0010	15028847	CHEM,TRIS HYDROCHLORIDE	1,800 MG	No
6	0020	15032359	CHEM,TRIS BASE	0.670 G	No
6	0030	15028848	CHEM,Sodium Chloride	1,970 MG	No
6	0040	15030801	CHEM,SUCROSE (500 packaging)	40 G	No
6	0050	10208081	CHEM,MAGNESIUM SULFATE	0.580 G	No
6	0060	15032591	SOLN,EDTA,0.5M,MOLECULAR GRADE	800 µL	No
6	0070	15028848	CHEM,Tween 20, 100%	220.360 MG	No
5		15044650	Soln, Rinse Premix, (PREMIX 1, BULK,HTC	0.000	No
6	0010	15032197	SSC BUFFER, OMNIPUR 20X LIST	12.946 ML	No
6	0020	15028848	CHEM,Tween 20, 100%	54.750 MG	No
5		15046075	SOLN,20X SSC BULK	0.000	No
6	0010	10100646	CHEM,SODIUM CHLORIDE (Cat# 20980-08)	16.800 G	No
6	0020	15000065	SOLID,Na CITRATE TRIBASIC DIHYDRATE	8.520 G	No
6	0030	15034154	SOLN,2.0M CITRIC ACID (MONO)	2.9 µL	Yes
5		10128257	SOLN,0N SODIUM HYDROXIDE	0.000	No
6	0010	15034108	CHEM,SODIUM HYDROXIDE	160 MG	No
5		15045080	OLIGO,BP PE PRIMER,P7,T6	0.000	No
6	0010	15059478	SOLN, Bz-dA, 0.1M	0.006 ML	Yes
6	0020	15059400	SOLN, Ac-dC, 0.1M	0.005 ML	Yes
6	0030	15059401	SOLN, Dmf-dG, 0.1M	0.006 ML	Yes
6	0040	15059402	SOLN, dT, 0.1M	0.006 ML	Yes
6	0050	15059483	SOLN, 5'-Hexynyl, 0.1M	0.002 ML	Yes
6	0060	15059485	SOLN, 8-Oxo-dG, 0.1M	0.001 ML	Yes
6	0070	15056753	POLYSTYRENE, dT, 10mmol	1 µMO	No
6	0080	15058893	SOLN,ACN,FROM TAP	0.430 ML	Yes
6	0090	15058444	CHEM,CAP A	0.021 ML	No
6	0100	15059486	SOLN, CAP B MIX, 1:1	0.021 ML	Yes
6	0110	15058467	CHEM,OXIDIZER	0.036 ML	No
6	0120	15058468	CHEM,DEBLOCK	0.361 ML	No
6	0130	15056470	CHEM,ACTIVATOR	0.036 ML	No
6	0140	15058469	CHEM,DEA	0.011 ML	No
6	0150	15057218	CHEM,AMA 1:0:0	0.004 ML	No
6	0160	15058228	TFF Cassette, 1kD, 0.02m2	1 EA	No
6	0170	15061237	SOLN, 0.1M NaOH	0.031 ML	Yes
6	0180	15059594	SOLN, IEX Buffer A, 10mM NaOH	0.342 ML	Yes
6	0190	15059595	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	0.226 ML	Yes
6	0200	15061244	SOLN, 1X TE Buffer	0.026 ML	Yes
5		15045082	OLIGO, BP PE PRIMER, P5,T6	0.000	No
6	0010	15059478	SOLN, Bz-dA, 0.1M	0.007 ML	Yes
6	0020	15059400	SOLN, Ac-dC, 0.1M	0.008 ML	Yes
6	0030	15059401	SOLN, Dmf-dG, 0.1M	0.004 ML	Yes
6	0040	15059402	SOLN, dT, 0.1M	0.006 ML	Yes
6	0050	15059483	SOLN, 5'-Hexynyl, 0.1M	0.002 ML	Yes
6	0060	15059484	SOLN, dU, 0.1M	0.001 ML	Yes
6	0070	15056754	POLYSTYRENE, dC, 10mmol	1 µMO	No
6	0080	15058893	SOLN,ACN,FROM TAP	0.627 ML	Yes
6	0090	15058444	CHEM,CAP A	0.022 ML	No
6	0100	15059486	SOLN, CAP B MIX, 1:1	0.022 ML	Yes
6	0110	15058467	CHEM,OXIDIZER	0.057 ML	No
6	0120	15058468	CHEM,DEBLOCK	0.470 ML	No
6	0130	15058470	CHEM,ACTIVATOR	0.022 ML	No
6	0140	15058469	CHEM,DEA	0.010 ML	No
6	0150	15057218	CHEM,AMA 1:0:0	0.006 ML	No
6	0160	15058228	TFF Cassette, 1kD, 0.02m2	1 EA	No
6	0170	15061237	SOLN, 0.1M NaOH	0.003 ML	Yes
6	0180	15059594	SOLN, IEX Buffer A, 10mM NaOH	0.313 ML	Yes
6	0190	15059595	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	0.342 ML	Yes
6	0200	15061244	SOLN, 1X TE Buffer	0.042 ML	Yes
5		15061244	SOLN, 1X TE Buffer	0.000	No
6	0010	11175443	BUFFER,TE,100X	0.008 ML	No
6	0020	15030682	OmniPure Water	0.817 ML	No
5		15047111	DE,TP,NHL ARR,HiSeq D,70mP,HSS,2X,5K	0.000	No
6	0010	15047103	WFR,NANW,AR Y,3mmX0mm,D70mP,HS005A	1 EA	No
6	0020	15041764	TAPE,UV DICING,406MMX100M,160UM THK	5.750 M	No
6	0030	15030064	CLAMSHELL,0.5MM SUBSTR,24 MUL TIPAK	2.502 EA	No
5		15042268	SOLN, PAZAM POLYMER	0.000	No
6	0010	15058104	RM,PAZAM POLYMER SOLUTION	2.498 ML	No
6	0020	11161221	CHEM,ECH2,DE PROC PEX00 mixture	1.500 ML	No
6	0030	1003464	CORNING 15ML CENTRIFUGE TUBE	1 EA	No
6	0040	20064193	GHS SAFETY LABEL, HEALTH DANGER	1 EA	No
5		15048638	SOLN, CaCO3 POLISH SLURRY	0.000	No
6	0010	15058087	RM,PSP,Polish Slurry Premix,INT RGT	0.625 EA	Yes
6	0020	15046183	RM,CaCO3	3.125 G	No
6	0030	15006743	BOTTLE,MEDIA,1L	1 EA	No
6	0040	20064198	GHS ACUTE TOXIC SAFETY LABEL	1 EA	No
5		15045258	POLYIMIDE,BLACK KAPTON,CUT,ACTIVATED	0.000	No
6	0030	15048383	RM,Bu4PTMS	0.150 ML	No
6	0030	20006022	RM,BLACK KAPTON,SLITTED,8"ROLL	0.264 MG	No
5		15045435	SLIDE,DOT TIC,ACOATED,NANOWELL ARRAY,EC	0.000	No
6	0010	15047112	DE,DM,NHL ARR,HiSeq D,70mP,HSSB,2X,GR	40 EA	Yes
6	0020	15045259	RM,(BIC 'IC UHPTENYL)ETHYL]TRIMTHOXYSILN,95%	0.126 G	No
6	0030	15042268	SOLN, PAZAM POLYMER	30 ML	Yes
6	0040	15048638	SOLN, CaCO3 POLISH SLURRY	634.896 ML	Yes
6	0050	2865613	CHEM,ECH2,DE PROC Pex4,bases	0.343 L	No
6	0060	15046037	RM,PAD, POLISHING,POLITEX REG, 12"	0.012 EA	No
5		15034154	SOLN, 2.0M CITRIC ACID (MONO)	0.000	No
6	0010	15034155	CHEM,CITRIC ACID	76.440 MG	No
6		11096498	SOLN, 2M TRIS HCL	0.000	No
7	0010	15028847	CHEM,TRIS HYDROCHLORIDE	775.216 MG	No
6		11096500	SOLN, 1M TRIS BASE	0.000	No
7	0010	15032359	CHEM,TRIS BASE	0.384 G	No
6		11096498	SOLN, 2M TRIS HCL	0.000	No
7	0010	15028847	CHEM,TRIS HYDROCHLORIDE	357.640 MG	No
6		11096500	SOLN, 2M TRIS BASE	0.000	No
7	0010	15032359	CHEM,TRIS BASE	1.646 G	No
6		15058893	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054657	CHEM,ACN	0.111 ML	No
7	0020	15058008	TRAP PACK-LARGE, 10GR	1 EA	No
6		15058893	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054657	CHEM,ACN	0.103 ML	No
7	0020	15058008	TRAP PACK-LARGE, 10GR	1 EA	No
6		15058893	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054657	CHEM,ACN	0.117 ML	No
7	0020	15058008	TRAP PACK-LARGE, 10GR	1 EA	No
6		15058893	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054657	CHEM,ACN	0.124 ML	No
7	0020	15058008	TRAP PACK-LARGE, 10GR	1 EA	No
6		15061237	SOLN, 0.1M NaOH	0.000	No
7	0010	15058818	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.006 ML	No
6		15061237	SOLN, 0.1M NaOH	0.000	No
7	0010	15058818	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.002 ML	No
6		15058893	SOLN,ACN,FROM TAP	0.000	No

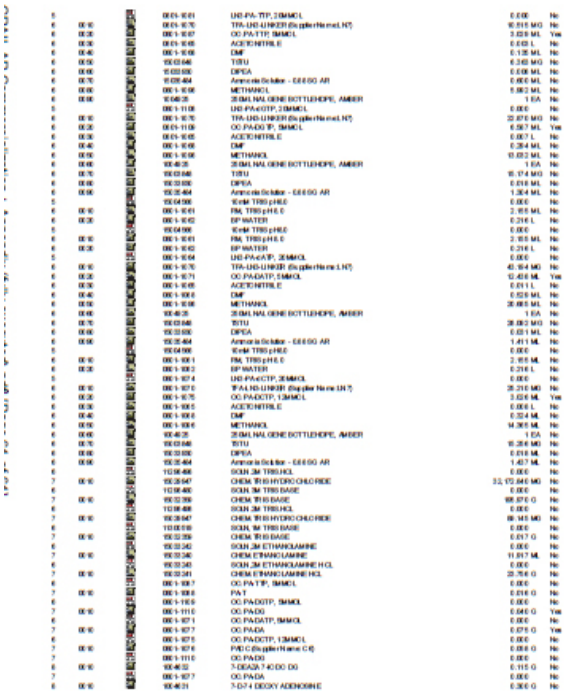
7	0010	11054537	CHEM,ACN	0.522 ML	No
7	0020	15059818	TRAP PACK-LARGE, 10 GR	1 EA	No
6		15059813	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054537	CHEM,ACN	0.288 ML	No
7	0020	15059818	TRAP PACK-LARGE, 10 GR	1 EA	No
6		15059813	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054537	CHEM,ACN	0.019 ML	No
7	0020	15059818	TRAP PACK-LARGE, 10 GR	1 EA	No
6		15059813	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054537	CHEM,ACN	0.281 ML	No
7	0020	15059818	TRAP PACK-LARGE, 10 GR	1 EA	No
6		15041237	SOLN, 0.1M NaOH	0.000	No
7	0010	15085919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.026 ML	No
6		15041237	SOLN, 0.1M NaOH	0.000	No
7	0010	15085919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.008 ML	No
6		15034154	SOLN,0.1M CITRIC ACID (MONO)	0.000	No
7	0010	15034155	CHEM,CITRIC ACID	10.348 MG	No
6		15059476	SOLN, Bz-dA, 0.1M	0.000	No
7	0010	15059488	AMIDITE,Bz-dA,5.0 GR	1 EA	No
7	0020	15059813	SOLN,ACN,FROM TAP	0.068 ML	Yes
6		15059480	SOLN, Ac-dC, 0.1M	0.000	No
7	0010	15059454	AMIDITE,Ac-dC,5.0GR	1 EA	No
7	0020	15059813	SOLN,ACN,FROM TAP	0.068 ML	Yes
6		15059481	SOLN, Dmf-dG, 0.1M	0.000	No
7	0010	15057678	AMIDITE,Dmf-dG,5.0GR	1 EA	No
7	0020	15059813	SOLN,ACN,FROM TAP	0.068 ML	Yes
6		15059482	SOLN, dT, 0.1M	0.000	No
7	0010	15059408	AMIDITE,dT,5.0GR	1 EA	No
7	0020	15059813	SOLN,ACN,FROM TAP	0.018 ML	Yes
6		15059483	SOLN, 5'-Hexynyl, 0.1M	0.000	No
7	0010	15059487	AMIDITE,5'-Hexynyl,0.25GR	1 EA	No
7	0020	15059813	SOLN,ACN,FROM TAP	0.081 ML	Yes
6		15059485	SOLN, 8-Oxo-dG, 0.1M	0.000	No
7	0010	15059428	AMIDITE,8-Oxo-dG,0.25GR	1 EA	No
7	0020	15059813	SOLN,ACN,FROM TAP	0.081 ML	Yes
6		15059805	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054537	CHEM,ACN	0.600 ML	No
7	0020	15059806	TRAP PACK-LARGE, 10 GR	1 EA	No
6		15059498	SOLN, CAP B MIX, 1:1	0.000	No
7	0010	15059447	CHEM,CAP B1	0.011 ML	No
7	0020	15059450	CHEM,CAP B2	0.011 ML	No
6		15041237	SOLN, 0.1M NaOH	0.000	No
7	0010	15085919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.001 ML	No
6		15059594	SOLN, IEX Buffer A, 10mM NaOH	0.000	No
7	0010	15041237	SOLN, 0.1M NaOH	0.035 ML	Yes
6		15059595	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	0.000	No
7	0010	0801-1116	SODIUM CHLORIDE	0.020 G	No
7	0020	15041237	SOLN, 0.1M NaOH	0.023 ML	Yes
6		15041244	SOLN, 1X TE Buffer	0.000	No
7	0010	11170443	BUFFER,TE,100X	0.001 ML	No
7	0020	15030862	OmniPure Water	0.038 ML	No
6		15059476	SOLN, Bz-dA, 0.1M	0.000	No
7	0010	15059488	AMIDITE,Bz-dA,5.0 GR	1 EA	No
7	0020	15059805	SOLN,ACN,FROM TAP	0.068 ML	Yes
6		15059480	SOLN, Ac-dC, 0.1M	0.000	No
7	0010	15059454	AMIDITE,Ac-dC,5.0GR	1 EA	No
7	0020	15059805	SOLN,ACN,FROM TAP	0.068 ML	Yes
6		15059481	SOLN, Dmf-dG, 0.1M	0.000	No
7	0010	15057678	AMIDITE,Dmf-dG,5.0GR	1 EA	No
7	0020	15059805	SOLN,ACN,FROM TAP	0.065 ML	Yes
6		15059482	SOLN, dT, 0.1M	0.000	No
7	0010	15059408	AMIDITE,dT,5.0GR	1 EA	No
7	0020	15059805	SOLN,ACN,FROM TAP	0.088 ML	Yes
6		15059483	SOLN, 5'-Hexynyl, 0.1M	0.000	No
7	0010	15059487	AMIDITE,5'-Hexynyl,0.25GR	1 EA	No
7	0020	15059805	SOLN,ACN,FROM TAP	0.081 ML	Yes
6		15059484	SOLN, dU, 0.1M	0.000	No
7	0010	15059456	AMIDITE,dU,0.25GR	1 EA	No
7	0020	15059805	SOLN,ACN,FROM TAP	0.081 ML	Yes
6		15059805	SOLN,ACN,FROM TAP	0.000	No
7	0010	11054537	CHEM,ACN	0.627 ML	No
7	0020	15059806	TRAP PACK-LARGE, 10 GR	1 EA	No
6		15059498	SOLN, CAP B MIX, 1:1	0.000	No
7	0010	15059447	CHEM,CAP B1	0.011 ML	No
7	0020	15059450	CHEM,CAP B2	0.011 ML	No
6		15041237	SOLN, 0.1M NaOH	0.000	No
7	0010	15085919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.001 ML	No
6		15059594	SOLN, IEX Buffer A, 10mM NaOH	0.000	No
7	0010	15041237	SOLN, 0.1M NaOH	0.052 ML	Yes
6		15059595	SOLN, IEX Buffer B, 10mM NaOH,1.5M NaCl	0.000	No
7	0010	0801-1116	SODIUM CHLORIDE	0.020 G	No
7	0020	15041237	SOLN, 0.1M NaOH	0.035 ML	Yes
6		15041244	SOLN, 1X TE Buffer	0.000	No
7	0010	11170443	BUFFER,TE,100X	0.001 ML	No
7	0020	15030862	OmniPure Water	0.042 ML	No
6		15059867	RM-PSP,Polish Slurry Premix,INT RGT	0.000	No
7	0010	11030886	BTL 1000 ml [illegible]	1 EA	No
7	0020	15059895	SOLN, Polish Slurry Premix	621.875 ML	Yes
7	0030	15059871	LBL,RM-PSP Polish Slurry Premix,INT RGT	1 EA	Yes
7	0040	11030862	CAP,BTL,SIZE 38-430	1 EA	No
6		15047112	DIE,EMINM ARRAY [illegible]	0.000	No
7	0010	15047114	WFR,NANNE ARY [illegible]	1 EA	No
7	0020	15047184	TAPE,UV DICING [illegible]	9.760 M	No
7	0030	15033595	CLAMSHELL, 3MM SLIDER,24 MULTIPAK	3.063 2EA	No
6		15042290	SOLN, PAZAM POLYMER	0.000	No
7	0010	15059154	RM,PAZAM POLYMER SOLUTION	2.469 ML	No
7	0020	11140221	CHEM,ETOH,200 PROOF [illegible]	1.500 ML	No
7	0030	1003164	CORNING 50ML CENTRIFUGE TUBE	1 EA	No
7	0040	20064162	GHS SAFETY LABEL, HEALTH DANGER	1 EA	No
6		15048056	SOLN, CaCO3 POLISH SLURRY	0.000	No
7	0010	15059867	RM-PSP,Polish Slurry Premix,INT RGT	0.628 2EA	Yes
7	0020	15048163	RM,CaCO3	3.125 G	No
7	0030	15000310	BOTTLE,MEDIA,1L	1 EA	No
7	0040	20064198	GHS ACUTE TOXIC SAFETY LABEL	1 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.008 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.008 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.009 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.010 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.001 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.001 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15041237	SOLN, 0.1M NaOH	0.000	No
8	0010	15085919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.000	No
7		15041237	SOLN, 0.1M NaOH	0.000	No
8	0010	15085919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.001 ML	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.008 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.008 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.005 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.008 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.001 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15059805	SOLN, ACN,FROM TAP	0.000	No
8	0010	11054537	CHEM,ACN	0.001 ML	No
8	0020	15059806	TRAP PACK-LARGE, 10 GR	0 EA	No
7		15041237	SOLN, 0.1M NaOH	0.000	No
8	0010	15059919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.001 ML	No
7		15041237	SOLN, 0.1M NaOH	0.000	No
8	0010	15059919	CHEM,NaOH, 10.0N,LT SODIUM HYDROXIDE	0.001 ML	No
7		15059895	SOLN,Polish Slurry Premix	0.000	No
7	0010	15019200	SOLN, SODIUM DODECYL SULFATE,10%	7.774 ML	No

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.344 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	31.084 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	62.168 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1 EA	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1 EA	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	421.675 ML	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1 EA	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1 EA	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	7.774 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.344 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	31.084 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	62.168 ML	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1 EA	No

Level	Item Number	Quantity	Component Number	Object description	Creation Indicator	Comp. Scrap (%)	Component net weight	Assembly scrap Indicator
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60.287	Yes
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	4 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60.270	Yes
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	98.115	Yes
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	10 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60.270	Yes
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	4 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60.270	Yes
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	4 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3 EA	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	12.000 ML	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	Yes
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.323 ML	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	36.427 ML	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6 EA	No
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.000	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	10.773 ML	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	Yes
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.040 ZEL	No
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	60 EA	No

2		20014270	LBL,HSHT eDNA 5SS (5E cycles) HI PCM	0.000		No
3	0010	11286412	LBL,PRE-PRNTD,4.25x6,RUG,USA	2	EA	No
3		15046233	HSH-PIM/PATTERNED SCAN MIX,FINISH REAG	0.000		No
3	0010	15041511	RGN,Bulk SRE13	12,084	ML	Yes
3	0020	20001641	250ML CONICAL PHENOLIC CAP	60	EA	No
3	0030	15046231	LBL,HSH-PIM Patterned Scan Mix	60	EA	Yes
3	0040	20002514	250ML CONICAL BOTTLE w/o cap	60	EA	No
2		20014300	LBL,HSHT eDNA 5SS (5E cycles) HI PCM	0.000		No
3	0010	11286412	LBL,PRE-PRNTD,4.25x6,RUG,USA	2	EA	No
3		15046238	HSH-PIM,PATRND INCORP MIX,FINISH REA	0.000		No
3	0010	15046169	BULK,HSH-PIM, INCORPORATION REAGENT MIX	16,773	ML	Yes
3	0020	20001641	250ML CONICAL PHENOLIC CAP	60	EA	No
3	0030	15046228	LBL,HSH-PIM PATRND Incorporation Mix,FR	60	EA	Yes
3	0040	20002514	250ML CONICAL BOTTLE w/o cap	60	EA	No
2		20014300	LBL,HSHT eDNA 5SS (5E cycles) HI PIM	0.000		No
3	0010	11286412	LBL,PRE-PRNTD,4.25x6,RUG,USA	2	EA	No
3		15001663	BULK-CAM PR1	0.000		No
4	0010	15003124	LBL_STATUS_APPROVED_2X3	0.001	EA	No
3		15004665	LBL,CAM-PR1	0.000		No
4	0010	11286775	LABEL,BLANK,1-3/4"X2",YELLOW	60	EA	No
3		15042382	BULK, SB1	0.000		No
4	0010	15044651	SX SB1_PREMIX CONC	4,646.526	ML	Yes
4	0020	15046762	SOLN 500mM LIPOIC ACID	276.460	ML	Yes
3		15046287	LBL_HSH-PB1 Patterned SBS Buffer 1	0.000		No
4	0010	15058398	LBL,2" x 1",BEIGE	60	EA	No
3		15012282	BULK-CAM PR2	0.000		No
4	0010	11286447	SOLN 10X INCORPORATION BUFFER	3,647.700	ML	Yes
4	0020	15034328	SOLN 10% TWEEN 20,10%,Cat# P7949 Sigm	102.365	ML	Yes
4	0030	15008662	CHEM, PROCLIN 300	16,228	µL	No
3		15046286	LBL_HSH-PB2 Patterned SBS Buffer 2	0.000		No
4	0010	15058386	LBL,2" x 1",PINK	100	EA	No
3		15022377	BULK,HSH-CMR, CLEAVAGE MIX	0.000		No
4	0010	15033246	SOLN,2M ETHANOLAMINE BUF, pH 9.8	538.650	ML	Yes
4	0020	11286516	SOLN 5M NACL Purified	3,154.650	ML	Yes
4	0030	15034328	SOLN 10% TWEEN 20,10%,Cat# P7949 Sigm	53.665	ML	Yes
4	0040	15046261	CHEM, 1M THP SOLUTION	1,077.360	ML	No
4	0050	15026941	CHEM,SODIUM ASCORBATE Na Ascorbate	21,342.381	MG	No
4	0060	15016164	SOLN 0.1mM Ellman's Reagent	7	ML	Yes
3		15046235	LBL,HSH-PCM Patterned Cleavage Mix	0.000		No
4	0010	11286811	LBL,BLANK,2"X0.875",RED	60	EA	No
3		15041511	RGN,Bulk SRE13	0.000		No
4	0010	15026947	CHEM TRIS HYDROCHLORIDE	1,671,626.260	MG	No
4	0020	15002366	CHEM TRIS BASE	165.160	G	No
4	0030	15026946	CHEM Tween-20, 100%	6,626.606	MG	No
4	0040	15026941	CHEM,SODIUM ASCORBATE Na Ascorbate	47,666.160	MG	No
4	0050	15041008	CHEM, Hydroxyl ethyl gallate	26,666.632	MG	No
3		15046231	LBL,HSH-PIM Patterned Scan Mix	0.000		No
4	0010	11286811	LBL,BLANK,2"X0.875",LIGHT BLUE	60	EA	No
4	0020	15026934	LBL,TMPLT,2x0.875,HSEQ,RUG,Lrframe	60	EA	No
3		15046169	BULK,HSH-PIM, INCORPORATION REAGENT MIX	0.000		No
4	0010	15002353	SOLN,10X ETN INCORPORATION BUFFER,PH 9	676	ML	Yes
4	0020	15024210	CHEM MAGNESIUM SULFATE	42.015	ML	No
4	0030	11166654	CHEM CHAPS,CM	21.546	G	No
4	0040	00001327	Pol 2 17 Storage Buffer	289.325	ML	No
4	0050	15041663	FFT-NS-WR550-SO 100UM	53.065	ML	Yes
4	0060	0001-1107	FFG-NS-PEG12-ATTO532 100UM	215.460	ML	Yes
4	0070	0001-1080	FT-A46-50C7101 100UM	215.460	ML	Yes
4	0080	15022916	FTC-NS-CAB6 120UM	215.460	ML	Yes
4	0090	EDR1-1.12	SBS Pol 645 stock 1.2mg/ml	538.650	ML	No
3		15046228	LBL,HSH-PIM PATRND Incorporation Mix,FR	0.000		No
4	0010	15058385	LBL,2" x 1",GREEN	60	EA	No
4		15044651	SX SB1_PREMIX CONC	0.000		No
5	0010	15002187	SSC BUFFER, OMNIPUR 20X,UST	3,466.402	ML	No
5	0020	15026946	CHEM Tween-20, 100%	7,616.460	MG	No
5	0030	15008662	CHEM, PROCLIN 300	4,661	µL	No
4		15046762	SOLN 500mM LIPOIC ACID	0.000		No
5	0010	15044368	RM,a-LIPOIC ACID	26.728	G	No
5	0020	15026597	Soln, 1N NaOH	166.066	ML	Yes
5	0030	15026286	CHEM 6N Hydrochloric Acid	6.264	ML	No
4		11286447	SOLN 10X INCORPORATION BUFFER	0.000		No
5	0010	11016066	SOLN 2M TRIS-HCL BUF, pH9.2	911.625	ML	Yes
5	0020	11286516	SOLN 5M NACL Purified	364.770	ML	Yes
5	0030	15002361	SOLN EDTA,0.5M,MOLECULAR GRADE	73,064	µL	No
4		15034328	SOLN 10% TWEEN 20,10%,Cat# P7949 Sigm	0.000		No
5	0010	15026946	CHEM Tween-20, 100%	16,671.656	MG	No

4		15033244	SOLN,2M ETHANOLAMINE BUF, pH 9.8	0.000		No
5	0010	15033242	SOLN,2M ETHANOLAMINE	236.700	ML	Yes
5	0020	15033243	SOLN,2M ETHANOLAMINE HCL	298.951	ML	Yes
4		11286516	SOLN 5M NACL Purified	0.000		No
5	0010	15028448	CHEM Sodium Chloride	626,140.200	MG	No
4		15034328	SOLN 10% TWEEN 20,10%,Cat# P7949 Sigm	0.000		No
5	0010	15026946	CHEM Tween-20, 100%	5,656.216	MG	No
4		15016164	SOLN 0.1mM Ellman's Reagent	0.000		No
5	0010	15000163	SOLN 1M TRIS BUFFER pH7.5	0.750	ML	Yes
5	0020	15016163	RM, Ellman's Reagent, solid	0.278	MG	No
4		15002353	SOLN,10X ETN INCORPORATION BUFFER,PH 9	0.000		No
5	0010	15033244	SOLN,2M ETHANOLAMINE BUF, pH 9.8	218.050	ML	Yes
5	0020	11286516	SOLN 5M NACL Purified	67.600	ML	Yes
5	0030	15002361	SOLN EDTA,0.5M,MOLECULAR GRADE	17,280	µL	No
4		15041663	FFT-NS-WR550-SO 100UM	0.000		No
5	0010	0001-1001	ACETONITRILE	0.002	L	No
5	0020	0001-1004	DMF	0.063	ML	No
5	0030	15042242	NR550SO Dye	12.413	MG	No
5	0040	15003848	TSTU	7.086	MG	No
5	0050	15004668	10mM TRIS pH8.8	53.665	ML	Yes
5	0060	15016109	1L AMBER NALGENE BOTTLE	1	EA	No
5	0070	15003866	DIPEA	0.006	ML	No
5	0080	0001-1061	LNS-PA-TTP, 20MMOL	0.874	ML	Yes
4		0001-1107	FFG-NS-PEG12-ATTO532 100UM	0.000		No
5	0010	0001-1106	LNS-PA-dGTP, 20MMOL	1.466	ML	Yes
5	0020	15003848	TSTU	12.624	MG	No
5	0030	0001-1004	DMF	0.570	ML	No
5	0040	0001-1112	PEG12	15.166	MG	No
5	0050	0001-1113	ATTO532-NHS ESTER	36.165	MG	No
5	0060	0001-1001	ACETONITRILE	0.006	L	No
5	0070	15004668	10mM TRIS pH8.8	215.460	ML	Yes
5	0080	15016109	1L AMBER NALGENE BOTTLE	1	EA	No
5	0090	15003866	DIPEA	0.021	ML	No
5	0100	0001-1084	METHANOL	27.321	ML	No
4		0001-1080	FT-A46-50C7101 100UM	0.000		No
5	0010	15003848	TSTU	21.626	MG	No
5	0020	15011658	SMEAS ABY	16.306	MG	No
5	0030	15002866	DMA	2.061	ML	No
5	0040	0001-1001	ACETONITRILE	0.005	L	No
5	0050	15004668	10mM TRIS pH8.8	215.460	ML	Yes
5	0060	15016109	1L AMBER NALGENE BOTTLE	1	EA	No
5	0070	15003866	DIPEA	0.018	ML	No
5	0080	0001-1004	LNS-PA-dATP, 20MMOL	3.327	ML	Yes
4		15022916	FFC-NS-CAB6 120UM	0.000		No
5	0010	0001-1001	ACETONITRILE	0.007	L	No
5	0020	15016109	1L AMBER NALGENE BOTTLE	1	EA	No
5	0030	15003848	TSTU	10.213	MG	No
5	0040	15004668	10mM TRIS pH8.8	215.460	ML	Yes
5	0050	15022816	RM, CAB6 DYE	32.658	MG	No
5	0060	15003866	DIPEA	0.018	ML	No
5	0070	0001-1084	METHANOL	66.164	ML	No
5	0080	15002866	DMA	1.763	ML	No
5	0090	0001-1074	LNS-PA-dCTP, 20MMOL	1.616	ML	Yes
5		15026597	Soln, 1N NaOH	0.000		No
6	0010	15034128	CHEM SODIUM HYDROXIDE	72,036.660	MG	No
5		11016066	SOLN 2M TRIS-HCL BUF, pH9.2	0.000		No
6	0010	11016468	SOLN 2M TRIS HCL	162.126	ML	Yes
6	0020	11016466	SOLN 2M TRIS BASE	536.660	ML	Yes
5		11286516	SOLN 5M NACL Purified	0.000		No
6	0010	15028448	CHEM Sodium Chloride	[illegible]	MG	No
5		15033242	SOLN,2M ETHANOLAMINE	0.000		No
6	0010	15033240	CHEM ETHANOLAMINE	38.244	ML	No
5		15033243	SOLN,2M ETHANOLAMINE HCL	0.000		No
6	0010	15033241	CHEM ETHANOLAMINE HCL	56.286	G	No
5		15000163	SOLN 1M TRIS BUFFER pH7.5	0.000		No
6	0010	11016468	SOLN 2M TRIS HCL	0.283	ML	Yes
6	0020	11016616	SOLN 1M TRIS BASE	0.117	ML	Yes
5		15033244	SOLN,2M ETHANOLAMINE BUF, pH 9.8	0.000		No
6	0010	15033242	SOLN,2M ETHANOLAMINE	97.678	ML	Yes
6	0020	15033243	SOLN,2M ETHANOLAMINE HCL	121.023	ML	Yes
5		11286516	SOLN 5M NACL Purified	0.000		No
6	0010	15028448	CHEM Sodium Chloride	[illegible]	MG	No
5		15004668	10mM TRIS pH8.8	0.000		No
6	0010	0001-1081	RM, TRIS pH 8.8	0.558	ML	No
6	0020	0001-1082	BP WATER	0.054	L	No



FIRST AMENDMENT TO
AMENDED AND RESTATED SUPPLY AND COMMERCIALIZATION AGREEMENT

This First Amendment to Amended and Restated Supply and Commercialization Agreement (this "**Amendment**") is entered into between lllumina, Inc., a Delaware corporation ("**lllumina**"), and GRAIL, Inc., a'Delaware corporation ("**GRAIL**"), effective as of September 27, 2017 (the "**Amendment Effective Date**"). lllumina and GRAIL may each be referred to individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. The Parties entered into an Amended and Restated Supply and Commercialization Agreement effective as of February 28, 2017 (the "**Agreement**"); and

B. The Parties now desire to amend the Agreement in order to effect certain changes with respect to GRAIL's obligations to provide certain data and samples to lllumina.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. AMENDMENTS

The Parties hereby amend the Agreement as follows:

1.1 Section 7.3(a). The penultimate sentence in Section 7.3(a) is hereby replaced in its entirety with the following (with the changed language shown in bold):

GRAIL shall deliver data from at least [***] of these plasma samples and the corresponding available tumor data for these samples by [***].

1.2 Section 7.3(b). The last sentence in Section 7.3(b) is hereby replaced in its entirety with the following (with the changed language shown in bold):

Except as set forth in (c) below, the foregoing license shall terminate upon, and lllumina will only retain such data until, the date that is **12** months following the delivery of such data and information from the [***] patient, after which lllumina shall destroy such data and all copies thereof; provided that lllumina may: (i) retain one copy of such information and data solely for the purpose of supporting publications made by lllumina pursuant to this Section; and (ii) retain summaries, aggregations, or derivatives of such information and data prepared by or for lllumina.

1.3 Section 7.4.

(a) Section 7.4 requires GRAIL to collaborate with lllumina to secure [***] plasma samples. There Parties hereby agree to amend Section 7.4 to reduce the required number of such samples to [***] throughout Section 7.4.

(b) The Parties hereby add the following as Section 7.4(f):

On or before [***], GRAIL will issue a purchase order to [***] to acquire on lllumina's behalf [***] of the samples required by this Section 7.4, which purchase order will be issued against the quote attached as Exhibit D. GRAIL will bear the cost of acquiring and shipping such samples as specified in the purchase order. On or before the earlier of [***], or when due pursuant to the purchase order, GRAIL will pay [***] $[***] (plus shipping costs) in satisfaction of the purchase order and, following such payment, will assign the purchase order and any related rights to lllumina. GRAIL's issuance of the purchase order, payment for the samples and shipping costs, and assignment to lllumina of the purchase order and any related rights will be deemed full and complete satisfaction of GRAIL's obligations under Section 7.4 with respect to sourcing of [***] of the required [***] samples, and the [***] samples purchased from [***] will be deemed sourced pursuant to Option B.

***Text Omitted for Confidential Treatment. The redacted information has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

1.4 Exhibit D. Exhibit D, attached to this Amendment, is hereby incorporated into the Agreement.

2. GENERAL

2.1 Limited Amendment. Except to the extent expressly modified by this Amendment, the Agreement shall remain in full force and effect in accordance with its terms.

2.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original, and all of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Amendment effective as of the Amendment Effective Date.

ILLUMINA		**GRAIL**	
Illumina, Inc. a Delaware corporation		GRAIL, Inc. a Delaware corporation	
By:	/s/ Karen Gutekunst	By:	/s/ Ken Drazan
Name:	KAREN GUTEKUNST	Name:	Ken Drazan
Title:	V.P. Product Development	Title:	President
Date:	Sept. 28, 2017	Date:	09-27-2017

SECOND AMENDMENT TO
AMENDED AND RESTATED SUPPLY AND COMMERCIALIZATION AGREEMENT

This Second Amendment to the Amended and Restated Supply and Commercialization Agreement ("**Second Amendment**") is entered into between Illumina, Inc., a Delaware corporation having a place of business at 5200 Illumina Way, San Diego, CA 92122 ("**Illumina**"), and GRAIL, LLC., a Delaware limited liability company (successor in interest to GRAIL, Inc.), having a place of business at 1525 O'Brien Drive, Menlo Park, CA 94025 ("**GRAIL**"), effective as of August 18, 2021, ("**Second Amendment Effective Date**"). The Parties previously entered into that certain Amended and Restated Supply and Commercialization Agreement effective as of February 28, 2017, as amended by the First Amendment to Amended and Restated Supply and Commercialization Agreement dated September 27, 2017 (as amended, "**Agreement**"). GRAIL and Illumina may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

The Parties hereby amend the Agreement as follows (the "**Amendments**"):

1. Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the attached Exhibit A-1.

2. With respect to Section 4 of the Agreement, notwithstanding any provision to the contrary in the Agreement, for so long as GRAIL is an Affiliate of Illumina, or any successor to GRAIL or any substantial part of the business of GRAIL is held by Illumina or an Affiliate of Illumina: all (i) rights of either Party set forth therein are hereby waived in their entirety, and (ii) obligations of either Party set forth therein are hereby suspended in their entirety. For the avoidance of doubt, in the event GRAIL is no longer an Affiliate of Illumina, or any successor to GRAIL or any substantial part of the business of GRAIL is neither held by Illumina nor an Affiliate of Illumina, Section 4 of the Agreement will again become operative without retroactive effect. In addition, if and when Section 4 of the Agreement becomes operative, at the option of GRAIL or any successor in interest to GRAIL (the "**non-Affiliate Successor**"), the non-Affiliate Successor may elect to have the discount table set forth in Exhibit A of the Agreement as in effect on August 17, 2021, apply to Purchases instead of the pricing table on Exhibit A-1 ("**Grandfathered Pricing**" as used and defined in the open offer oncology supply contract dated as of March 29, 2021).

Except as expressly modified herein, the Agreement shall remain in full force and effect in accordance with its terms. All capitalized terms not defined in this Second Amendment shall have the meaning ascribed to them in the Agreement. This Second Amendment may be executed in one or more counterparts, and each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed by their respective duly authorized representatives.

GRAIL, LLC:

By: /s/ Hans Bishop
Name: Hans Bishop
Title: Chief Executive Officer
Date: August 23, 2021

Illumina, Inc.:

By: /s/ Nicole Berry
Name: Nicole Berry
Title: SVP and GM, Americas
Date: August 23, 2021

EXHIBIT A-1

Product Pricing and Discount Tables

The following table lists any applicable discounts off the then-current list price in the applicable country.

Table 1. Universal Consumables Discount Schedule:

Annual Sequencing Consumables Spend (in USD)	NextSeq 550	NextSeq 550 (TG)	NextSeq 550Dx	NovaSeq v1.5	NextSeq 1000/2000
$0-500,000	0%	10%	0%	0%	0%
$500,001-999,999	10%	20%	10%	0%	0%
$1,000,000-4,999,999	15%	25%	15%	0%	3%
$5,000,000-9,999,999	20%	30%	20%	3%	5%
$10,000,000-19,999,999	25%	35%	25%	5%	7%
$20,000,000-29,999,999	30%	40%	30%	10%	10%
$30,000,000-39,999,999	30%	40%	30%	13%	13%
$40,000,000-49,999,999	30%	40%	30%	15%	15%
$50,000,000-$74,999,999	30%	40%	30%	17%	15%
$75,000,000+	30%	40%	30%	20%	15%

Discounts for new versions of Certain Supplied Products (e.g., future consumables for NovaSeq, NextSeq 500/550, or future platforms) shall be added to the Agreement in compliance with the terms and conditions of the Agreement.

"**Annual Sequencing Consumables Spend**" equals the total of all amounts invoiced (excluding amounts paid for taxes and shipping, insurance, customs, and other transportation costs) by Illumina to GRAIL and its Affiliates for the purchase of Sequencing Consumables on a country-specific basis (i.e., shipments to multiple countries may not be aggregated) during a given Contract Year during the Term.

"**Certain Supplied Product(s)**" means Illumina's NextSeq, NextSeqDx and NovaSeq instruments, and any future sequencing instruments launched by Illumina or its Affiliates, or Sequencing Consumables, that are purchased by GRAIL for use pursuant to the Agreement. Certain Supplied Products do not include products that were at the "end of life" or "end of sale" or were announced (before January 1, 2021) to customers as a planned "end of life" or "end of sale".

"**Contract Year**" means the period from February 15 of a given calendar year during the Term through and including February 14 of the immediately following calendar year during the Term.

"**Sequencing Consumables**" means those consumables intended by Illumina to be used to perform a sequencing process on Illumina's NextSeq, NextSeqDx and NovaSeq instruments and any future sequencing hardware launched by Illumina or its Affiliates, and includes core consumables that are (i) commercialized or otherwise made available by Illumina to customers or Affiliates of Illumina and (ii) intended by Illumina to be used to perform a sequencing process on any such system. Sequencing Consumables do not include products that were at the "end of life" or "end of sale" or were announced (before January 1, 2021) to customers as a planned "end of life" or "end of sale".

The following table lists any applicable discounts off the then-current list price in the applicable country.

Table 2: Universal Hardware Discount Schedule:

Tier	Instrument Credits	Discount off NextSeq 500/550(including Dx)/1000/2000 Instrument	Discount off NovaSeq 6000 Instrument
1	**1-30**	5%	5%
2	**31-50**	10%	10%
3	**51-100**	13%	13%
4	**101-200**	15%	15%
5	**201-300**	17%	17%
6	**300+**	20%	20%

Table 3: Allocation of Instrument Credits:

Installed Instrument	Instrument Credits
NovaSeq 6000	10
NextSeq 500/550 (including Dx)/1000/2000	3
MiSeq (including Dx)	1

For each Installed Instrument, GRAIL shall be entitled to a specific number of Instrument Credits as set forth in Table 3 on a country-specific basis (i.e., Installed Instruments in multiple countries may not be aggregated).

"**Installed Instrument**" means a Certain Supplied Product that is a sequencing instrument covered under an active service contract with Illumina, and is installed in GRAIL's or its Affiliates' facility in a particular country.

THIRD AMENDMENT TO
AMENDED AND RESTATED SUPPLY AND COMMERCIALIZATION
AGREEMENT

This Third Amendment to Amended and Restated Supply and Commercialization Agreement ("**Third Amendment**") is entered into between Illumina, Inc., a Delaware corporation having a place of business at 5200 Illumina Way, San Diego, CA 92122 ("**Illumina**"), and GRAIL, LLC, a Delaware limited liability company (successor in interest to GRAIL, Inc.), having a place of business at 1525 O'Brien Drive, Menlo Park, CA 94025 ("**GRAIL**"), effective as of May 18, 2023, ("**Third Amendment Effective Date**"). The Parties previously entered into that certain Amended and Restated Supply and Commercialization Agreement effective as of February 28, 2017, as amended by the First Amendment to Amended and Restated Supply and Commercialization Agreement dated September 27, 2017, and the Second Amendment to Amended and Restated Supply and Commercialization Agreement dated August 18, 2021 (collectively, the "**Agreement**"). GRAIL and Illumina may be referred to herein individually as a "**Party**" or collectively as the "**Parties**." In the event of any conflict between the terms of this Third Amendment and the terms of the Agreement, the terms of this Third Amendment shall control.

The Parties hereby amend the Agreement as follows:

1. Table 1 in EXHIBIT A-1 shall be stricken in its entirety and replaced with the following updated Table 1:

"

Table 1. Universal Consumable Discount Schedule:

Annual Sequencing Consumables Spend (in USD)	NextSeq 550	NextSeq 550 (TG)	NextSeq 550Dx	NovaSeq 6000 v1.5	NextSeq 1000/2000	NovaSeq 6000 Dx v1.5	NovaSeq X Plus –10B
$0 – 500,000	0%	10%	0%	0%	0%	0%	0%
$500,001 – 999,999	10%	20%	10%	0%	0%	0%	0%
$1,000,000 – 4,999,999	15%	25%	15%	0%	3%	0%	0%
$5,000,000 – 9,999,999	20%	30%	20%	3%	5%	3%	3%
$10,000,000 – 19,999,999	25%	35%	25%	5%	7%	5%	5%
$20,000,000 – 29,999,999	30%	40%	30%	10%	10%	10%	10%
$30,000,000 – 39,999,999	30%	40%	30%	13%	13%	13%	13%
$40,000,000 – 49,999,999	30%	40%	30%	15%	15%	15%	15%
$50,000,000 – $74,999,999	30%	40%	30%	17%	15%	17%	17%
$75,000,000 – $99,999,999	30%	40%	30%	20%	15%	20%	20%
≥$100,000,000	30%	40%	30%	22%	15%	22%	22%

"

2. Table 2 in EXHIBIT A-1 shall be stricken in its entirety and replaced with the following updated Table 2:

“

Table 2. Universal Hardware Discount Schedule:

Tier	Instrument Credits	Discount off NextSeq 500/550(including Dx)/ 1000/2000 Instrument	Discount off NovaSeq 6000 Instrument	Discount off NovaSeq 6000 Dx Instrument	Discount off NovaSeq X Plus Instrument
1	1 –30	5%	5%	5%	5%
2	31 –50	10%	10%	10%	10%
3	51 –100	13%	13%	13%	13%
4	101 –200	15%	15%	15%	15%
5	201 –299	17%	17%	17%	17%
6	300 –600	20%	20%	20%	20%
7	601 –899	20%	22%	22%	22%
8	≥900	20%	24%	24%	24%

“

3. Table 3 in EXHIBIT A-1 shall be stricken in its entirety and replaced with the following updated Table 3:

“

Table 3. Allocation of Instrument Credits:

Installed Instrument	Instrument Credits
NovaSeq X Plus	13
NovaSeq 6000 Dx	11
NovaSeq X	10
NovaSeq 6000	10
NextSeq 500/550 (including Dx)/1000/2000	3
MiSeq (including Dx)	1

“

4. A new Table 4 and associated materials shall be appended to the end of EXHIBIT A-1 of the Agreement with the following contents:

“

Table 4. Universal Service Contract Discount Schedule:

Tier	Instrument Credits	Service Contract Discount
1	1	0%
2	2 – 4	5%
3	5 – 10	8%
4	11 – 30	10%
5	31 – 50	12%
6	51 – 75	15%
7	76 – 99	17%
8	100 –200	20%
9	≥201	22%

Table 4 provides the discount schedule for service contracts* based on the number of Instrument Credits as ser forth in Table 3.

* Service contracts bearing the following Illumina catalog numbers are eligible for the stated discounts:

20020009	20019986	20019940
20020010	20019941	20019987
20040645	20040648	20040646
20040664	20040665	20040667
20024565	20024928	20024564
20020011	20019942	20019988
15013866	15013868	15013865
15013861	15013867	20086750
20086752	20086753	20072459
20072460	20072457	20086736
20086737	20086734	

“

Except as expressly modified herein, the Agreement shall remain in full force and effect in accordance with its terms. All capitalized terms not defined in this Third Amendment shall have the meaning ascribed to them in the Agreement. This Third Amendment may be executed in one or more counterparts, and each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

(signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed by their respective duly authorized representatives.

GRAIL, LLC:

By: /s/ Paul Ciccolella
Name: Paul Ciccolella
Title: SVP, Global Technology & Operations
Date: May 31, 2023

Illumina, Inc.:

By: /s/ Nicole Berry
Name: Nicole Berry
Title: Senior VP and Head of Region, Americas
Date: May 18, 2023

Exhibit 10.7

Certain information has been excluded from this agreement (indicated by "[***]") because such information is both (a) not material and (b) is the type that the registrant customarily and actually treats as private or confidential.

FOURTH AMENDMENT TO
AMENDED AND RESTATED SUPPLY AND COMMERCIALIZATION AGREEMENT

This Fourth Amendment to the Amended and Restated Supply and Commercialization Agreement (this "**Fourth Amendment**") is entered into between Illumina, Inc., a Delaware corporation having a place of business at 5200 Illumina Way, San Diego, CA 92122 ("**Illumina**"), and GRAIL, LLC, a Delaware limited liability company (successor in interest to GRAIL, Inc.), having a place of business at 1525 O'Brien Drive, Menlo Park, CA 94025 ("**GRAIL**"), effective as of [ ], 2024, ("**Fourth Amendment Effective Date**"). The Parties previously entered into that certain Amended and Restated Supply and Commercialization Agreement effective as of February 28, 2017 (the "**Original A&R Agreement**"), as amended by the First Amendment to Amended and Restated Supply and Commercialization Agreement effective as of September 27, 2017 (the "**First Amendment**"), the Second Amendment to Amended and Restated Supply and Commercialization Agreement effective as of August 18, 2021 (the "**Second Amendment**") and the Third Amendment to Amended and Restated Supply and Commercialization Agreement effective as of May 18, 2023 (the "**Third Amendment**") (collectively, the Original A&R Agreement, the First Amendment, the Second Amendment and the Third Amendment, the "**Agreement**"). GRAIL and Illumina may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

1. Section 4.2(b) of the Agreement shall be amended and restated in its entirety with the following:

"Once GRAIL and its Operational Affiliates have cumulatively paid (or been deemed to have paid pursuant to the following sentence) Royalty to Illumina totaling $[***], the Royalty percentage payable pursuant to Sections 4.1(a) and 4.1(b) above will thereafter be reduced to a minimum floor of [***]%, without any further reduction pursuant to Section 4.2(a) or 4.3 or otherwise. Notwithstanding anything to the contrary in this Agreement, the amount of any Royalties that would have been paid to Illumina pursuant to Sections 4.1(a) and 4.1(b) during the Interim Period but for the suspension of such payment obligation shall be deemed to have been paid for purposes of this Section 4.2(b) and shall count towards the $[***] cumulative total set forth in this Section 4.2(b)."

2. The Parties hereby amend the Agreement by adding the following paragraph to the Agreement as a new Section 4.8:

"With respect to Sections 4.1 through 4.7, notwithstanding any provision to the contrary in the Agreement, during the Disposal Funding Period until and unless GRAIL consummates a GRAIL Change of Control (such period ending on the earlier of (x) the conclusion of the Disposal Funding Period and (y) the consummation of a GRAIL Change of Control, the "**Interim Period**"): all (i) rights of either Party set forth in Sections 4.1 through 4.7 are hereby waived in their entirety, and (ii) obligations of either Party set forth therein are hereby suspended in their entirety. For the avoidance of doubt, following the Interim Period Sections 4.1 through 4.7 will again become operative without retroactive effect. The Parties hereto acknowledge that the decision adopted by the European Commission in connection with Case M.10939, on October 12, 2023, requiring Illumina to divest the ownership interest it acquired in GRAIL, requires that Illumina pre-fund to GRAIL the amounts payable pursuant to Sections 4.1 through 4.7 of the Agreement during the Interim Period and agree that it is the intent of the Parties hereto

that the waiver of the rights and obligations of the Parties with respect to Sections 4.1 through 4.7 of the Agreement set forth in the preceding sentence operate to eliminate the administration associated with such funding (rather than replace, reduce, modify or eliminate the obligations of Section 4 of the Agreement). As such, notwithstanding anything to the contrary in this Agreement, during the Interim Period the Parties hereto acknowledge and agree that (i) the amounts payable pursuant to Sections 4.1 through 4.7 will be deemed paid by GRAIL for purposes of Paragraph 2 of the Second Amendment and accordingly (ii) Section 4 of the Agreement will be deemed operative for purposes of Paragraph 2 of the Second Amendment effective as of the Fourth Amendment Effective Date. For the purposes of this Section 4.8, "**Disposal Funding Period**" shall mean: the period beginning at 12:01 a.m., New York time, or such other time as Illumina determines, on the date on which Illumina distributes [ ]% of the issued and outstanding shares of common stock of GRAIL to the holders of common stock of Illumina and ending at 12:01 a.m., New York time, on the 2.5 year anniversary thereof. For the purposes of this Section 4.8, "**GRAIL Change of Control**" shall mean: (a) the taking of any action by any Person or "group" (within the meaning of the Exchange Act) that results in such Person or "group" becoming the owner, directly or indirectly, beneficially or of record, of outstanding shares of capital stock or other equity or voting interests representing 50% or more of the aggregate voting power of GRAIL (measured by voting power rather than number of shares), (b) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of GRAIL and its subsidiaries, taken as a whole, other than sales, leases, transfers, conveyances or other dispositions to a wholly-owned subsidiary of GRAIL, (c) a merger, consolidation, amalgamation, share exchange, business combination, recapitalization or similar transaction involving GRAIL pursuant to which any of the outstanding aggregate voting power of GRAIL is converted into or exchanged for cash, securities or other property, other than any such transaction where the aggregate voting power of GRAIL outstanding immediately prior to such transaction constitute, or is converted into or exchanged for, a majority of the outstanding aggregate voting power of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction (measured by voting power rather than number of shares) or (d) the adoption of a plan relating to the liquidation or dissolution of GRAIL; provided that, for the avoidance of doubt, no GRAIL Change of Control shall result from (A) any transfer of Retained Stock by Illumina to a Person or "group" (within the meaning of the Exchange Act) which would result in such Person or "group" beneficially owning 50% or more of the aggregate voting power of GRAIL (measured by voting power rather than number of shares) immediately following such transfer, other than any transfer resulting from a merger of GRAIL, or (B) the PIPE (in and of itself). For the purposes of this Section 4.8, "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder, as the same shall be in effect at the time reference is made thereto; "**Person**" means individual, general or limited partnership, corporation, business trust, joint venture, association, company, limited liability company, unincorporated organization, a limited liability entity, any other entity and any nation or government, any state, province, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, provincial, regional, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any official thereof[; "**PIPE**" shall have the meaning set forth in the Separation and Distribution Agreement, dated as of [ ], 2024, by and between Illumina and GRAIL; and "**Retained Stock**" shall have the meaning set forth in the Separation and Distribution Agreement, dated as of [ ], 2024, by and between Illumina and GRAIL]."

Except as expressly modified herein, the Agreement shall remain in full force and effect in accordance with its terms. All capitalized terms not defined in this Fourth Amendment shall have the meaning ascribed to them in the Agreement. This Fourth Amendment may be executed in one or more counterparts, and each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Fourth Amendment to be executed by their respective duly authorized representatives.

GRAIL, LLC:	**Illumina, Inc.:**
By: _____	By: _____
Name:	Name:
Title:	Title:
Date: _____	Date: _____

Exhibit 21.1

List of Subsidiaries

Name of Entity	Jurisdiction
GRAIL Bio UK Limited	United Kingdom

Exhibit 99.1

Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

PRELIMINARY AND SUBJECT TO COMPLETION, DATED MAY 6, 2024

INFORMATION STATEMENT

GRAIL, LLC

1525 O'Brien Drive
Menlo Park, California 94025

Common Stock
(par value $0.001)

We are sending you this Information Statement in connection with Illumina, Inc.'s partial spin-off of its wholly owned subsidiary, GRAIL, LLC, or "GRAIL." GRAIL must be held and operated separately and independently from Illumina pursuant to the transitional measures ordered by the European Commission, following the prohibition of Illumina's acquisition of GRAIL on September 6, 2022. Immediately prior to the completion of the spin-off, GRAIL will be converted into a Delaware corporation and will be renamed GRAIL, Inc. To effect the spin-off, Illumina, Inc., or "Illumina," will distribute at least 85.5% of the shares of GRAIL's common stock owned by Illumina as of the close of business on , 2024, which is the record date for the distribution, on a pro rata basis to the holders of Illumina common stock. Immediately after the distribution becomes effective, Illumina may retain up to 14.5% of GRAIL's common stock.

We intend that the distribution of GRAIL common stock will be tax-free to Illumina stockholders for U.S. federal income tax purposes, except for cash that stockholders receive in lieu of fractional shares and subject to the discussion below under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off—Consequences to Holders of Illumina Common Stock." You should consult your own tax advisor as to the tax consequences of the distribution to you, including potential tax consequences under state, local and non-U.S. tax laws.

If you are a record holder of Illumina common stock as of the record date, for every share[s] of Illumina common stock you hold on that date, you will be entitled to receive share[s] of GRAIL common stock. Illumina will distribute the shares of GRAIL common stock in book-entry form, which means that we will not issue physical stock certificates. The distribution agent will not distribute any fractional shares of GRAIL common stock. Instead, the distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds of the sales, net of brokerage fees and other costs, pro rata to each holder (net of any required withholding for taxes applicable to each holder) who would otherwise have been entitled to receive a fractional share in the distribution. As discussed in the section entitled "The Spin-Off—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement, if you sell your Illumina common stock in the "regular-way" market after the record date and on or before the distribution date, you also will be selling your right to receive shares of GRAIL common stock in connection with the distribution.

We expect that the distribution will be effective as of , New York City time, on , 2024. Immediately after the distribution becomes effective, GRAIL will be an independent, publicly traded company.

Illumina's stockholders are not required to vote on or take any other action in connection with the spin-off. We are not asking you for a proxy, and request that you do not send us a proxy. Illumina's stockholders will not be required to pay any consideration for the shares of GRAIL common stock they receive in the spin-off, and they will not be required to surrender or exchange their common stock of Illumina or take any other action in connection with the spin-off.

Illumina currently owns all outstanding shares of GRAIL common stock. Accordingly, no public trading market for GRAIL common stock currently exists. We expect, however, that a limited trading market for GRAIL common stock, commonly known as a "when-issued" trading market, will develop on or shortly before the record date for the distribution, and we expect "regular-way" trading of GRAIL common stock will begin on the first trading day after the distribution date. We intend to list the GRAIL common stock on the Nasdaq Global Select Market under the ticker symbol "GRAL." Following the distribution, Illumina will continue to trade on the Nasdaq Global Select Market under the ticker symbol "ILMN."

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012.

In reviewing this Information Statement, you should carefully consider the matters described in the section entitled "Risk Factors" beginning on page 31 of this Information Statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.

This Information Statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this Information Statement is , 2024.

This Information Statement was first mailed to Illumina stockholders on or about , 2024.

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INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this Information Statement concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity, and market size, is based on information from various sources on assumptions that we have made that are based on such information and other, similar sources and on our knowledge of, and expectations about, the markets for our products. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity, and market size information included in this Information Statement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk Factors" and elsewhere in this Information Statement. These and other factors could cause results to differ materially from those expressed in the estimates made by independent third parties and by us.

TRADEMARKS AND COPYRIGHTS

"GRAIL," the GRAIL logos, "Galleri" and other trade names, trademarks or service marks of GRAIL appearing in this Information Statement are the property of GRAIL. GRAIL also owns or has the rights to copyrights that protect the content of its products. Other trade names, trademarks, service marks or copyrights appearing in this Information Statement are the property of their respective holders. Solely for convenience, trade names, trademarks, service marks, and copyrights referred to in this Information Statement appear without the ®, ™, SM, and © symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trade names, trademarks, service marks, and copyrights.

BASIS OF FINANCIAL PRESENTATION

Illumina acquired the common stock of GRAIL that it did not own and completed its acquisition of GRAIL on August 18, 2021. Our consolidated balance sheets as of December 31, 2023 and January 1, 2023, and our consolidated statements of operations, comprehensive loss, and cash flows for the period from January 2, 2022 to January 1, 2023, the period from January 2, 2023 to December 31, 2023, and the period from August 19, 2021 to January 2, 2022 (the "Successor") reflect the new basis of accounting established in connection with the acquisition of GRAIL on August 18, 2021 and for the period from January 1, 2021 to August 18, 2021 (the "Predecessor") reflect the predecessor activity of GRAIL prior to the acquisition. A black line distinguishes the periods before and after the acquisition of GRAIL because these periods are not comparable.

Prior to the acquisition, we had a fiscal year end of December 31, which we will revert back to upon the closing of the Spin-Off. Illumina, and, by proxy, us following the acquisition and prior to the Spin-Off, use a 52-53 week fiscal year-end calendar that ends on the Sunday closest to the quarter-end, so the exact year-end date may change from year to year. In this Information Statement when we discuss our financial results:

- references to 2023 refer to the fiscal year ended December 31, 2023, which was 52 weeks;
- references to 2022 refer to the fiscal year ended January 1, 2023, which was 52 weeks; and
- references to 2021 refer either to the Predecessor period from January 1, 2021 to August 18, 2021 (the "2021 predecessor period"), or the Successor period from August 19, 2021 to January 2, 2022 (the "2021 successor period").

The Company's fiscal year is the 52 or 53 weeks ending the Sunday closest to December 31, with quarters of 13 or 14 weeks ending the Sunday closest to March 31, June 30, September 30, and December 31. References to Q1 2024 and Q1 2023 refer to the three months ended March 31, 2024 and April 2, 2023, respectively, which were both 13 weeks.

SUMMARY

This summary highlights selected information from this Information Statement and provides an overview of our company, our separation from Illumina and Illumina's distribution of our common stock to its stockholders. For a more complete understanding of our business and the spin-off, you should read the entire Information Statement carefully, particularly the discussion of "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on pages 31 and 184, respectively, of this Information Statement, and our historical consolidated financial statements and the notes to those financial statements appearing elsewhere in this Information Statement.

In this Information Statement, unless the context otherwise requires:

- "GRAIL," "we," "our," and "us" refer to GRAIL, LLC and its consolidated subsidiaries prior to the effective time of its conversion to a corporation and to GRAIL, Inc. and its consolidated subsidiaries on and after the effective time of such conversion;
- "Illumina" refers to Illumina, Inc. and its consolidated subsidiaries other than, for all periods following the Spin-Off (as defined below), GRAIL;
- the "Distribution" refers to the transaction in which Illumina will distribute to its stockholders at least 85.5% of the shares of our common stock owned by Illumina;
- the "Distribution Date" refers to the date on which the Distribution occurs; and
- the "Spin-Off" refers to the transaction in which we will be separated from Illumina.

Our Company

Our mission is to detect cancer early, when it can be cured.

We are an innovative commercial-stage healthcare company focused on saving lives and shifting the paradigm in early cancer detection. We believe screening individuals for many types of cancer with a single test represents a significant opportunity to reduce the global burden of cancer. Our Galleri test is a commercially available screening test for early detection of multiple types of cancer, which we termed multi-cancer early detection ("MCED"). We believe Galleri is clinically validated based on the results of its clinical studies completed to date, including the results of its foundational case-control Circulating Cell-free Genome Atlas ("CCGA") study and interventional PATHFINDER study, which together enrolled more than 21,000 participants. In these studies, Galleri demonstrated an ability to detect a shared cancer signal across more than 50 types of cancer, accurately predict the specific organ or tissue type where the cancer signal originated, and yield high positive predictive values and low false positive rates, all from a simple blood draw. See "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri results can help guide next steps for a diagnosis of cancer by healthcare providers in required follow-up diagnostic testing. Galleri is not a diagnostic test and has not been approved or cleared by the U.S. Food and Drug Administration (the "FDA"). We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships, including leading healthcare systems, employers, payors, and life insurance providers. Commercial use of Galleri has detected some of the most aggressive cancers in early stages including, among others, endometrial, esophageal, gastrointestinal stromal, head and neck, liver, pancreatic, and rectal cancers.

Cancer is a major public health crisis. It is the second leading cause of death both in the United States and worldwide. Most cancers that result in death are diagnosed too late, in advanced stages when they are most challenging to treat. We estimate that more than 60% of cancer deaths result from cancers that have no recommended screening guidelines. In the United States, we consider standard of care screening for cancer to consist of the grade A and B recommendations published by the United States Preventive Services Task Force

("USPSTF"), which currently recommend broad population screening for only four types of cancer using single-cancer screening tests (breast, cervical, colorectal, and lung cancer), and prostate cancer screening, which is USPSTF grade C and is widely implemented in the United States. Grade A and B recommendations are services that USPSTF most highly recommends for preventative care and that have a high or moderate net benefit for patients. Grade C recommendations are services that USPSTF recommends selectively offering or providing to patients based on individual circumstances and that have a moderate certainty of a small net benefit for patients. According to data in the American Cancer Society's *Cancer Facts & Figures 2024*, cancers for which there are grade A and B recommendations published by the USPSTF (breast, cervical, colorectal, and lung cancer) are expected to result in approximately 225,000 deaths out of approximately 612,000 cancer-related deaths in the United States in 2024, and prostate cancer is expected to resulted in approximately 35,000 additional deaths. We believe that expanding upon these current guidelines to screen individuals for many types of cancer with a single test represents a significant opportunity to reduce cancer mortality and the cost of cancer care. In 2021, we published modeling data in *Cancer Epidemiology, Biomarkers & Prevention* (Cancer Epidemiol Biomarkers Prev. 2021; 30:460–8) that estimated the potential impact of MCED testing on mortality reduction based on test performance in our CCGA-2 study and using 2006 to 2015 data from the Surveillance, Epidemiology, and End Results Program of the U.S. National Cancer Institute ("SEER") for ages 50-79. Based on this model, we estimate that by adding Galleri to the five standard of care single-cancer screening tests (breast, cervical, colorectal, lung cancer, and prostate), there is potential to detect many more cancers at an earlier stage, which could translate into the potential to avert approximately 100,000 deaths per year in the United States as measured by five-year survival. We believe this model provides helpful context regarding the potential benefits of screening for multiple cancers at once with a singular screening test, like Galleri, in addition to the five standard of care single-cancer screening tests; however, there can be no assurance when or even if Galleri will be added to the USPSTF guidelines or standard of care screening. In addition, an analysis published in *Data* (Data. 2017; 2(30):2–16) estimated that diagnosing cancer early could result in $26 billion in annual cost-savings in the United States.

We designed Galleri to detect cancer early. If cancer is detected early, it is more amenable to curative treatment. Galleri works by detecting DNA fragments shed into the bloodstream by tumor cells. In cancerous cells, methylation, a natural biological process that determines which sections of DNA to turn on or off and that drives tissue differentiation, becomes abnormal. As a result, DNA from cancer has specific methylation patterns that can be used to both identify a general cancer signal and localize that signal to a specific organ or tissue type. In our CCGA study, Galleri identified a shared cancer signal across more than 50 types of cancer, often at an early stage. If a cancer signal is detected, Galleri can accurately predict the tissue type or organ associated with the cancer signal (the cancer signal origin). In our PATHFINDER study, Galleri correctly predicted the first or second cancer signal origins in 22 of 25 participants with a cancer diagnosis following a cancer signal detected (positive) test result (*i.e.*, participants with true positive test results), demonstrating a high cancer signal origin prediction accuracy of 88%. For additional information, see "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri's screening test results can be used by healthcare providers to guide required follow-up diagnostic testing for a diagnosis of cancer.

As an early proponent of MCED testing, we have established strong relationships within the cancer and primary care community, including through partnerships with academic and community medical centers, key opinion leaders, and governmental policy and advocacy partners. We have shared evidence supporting our MCED testing at renowned medical conferences, such as the American Association of Cancer Research ("AACR"), American Society of Clinical Oncology ("ASCO"), European Society of Medical Oncology ("ESMO"), and American Academy of Family Physicians ("AAFP"). We have also published results from our studies in leading scientific and medical journals, including *The Lancet*, *Nature*, *Nature Medicine*, *Cancer Cell*, and *The Lancet Oncology*. Our industry leadership has been recognized with multiple national high profile accolades, including being acknowledged by *Time Magazine* as one of the Best Inventions of 2022 and *The Atlantic* as one of the top breakthroughs of 2022, and being named in *Fast Company* World Changing Ideas of 2022 and in the *Fortune* Change the World List in 2023.

We plan to pursue FDA approval to support broad access for Galleri in the United States. We plan to complete a premarket approval application ("PMA") submission with the FDA in the first half of 2026. We seek to use data from the NHS-Galleri Trial, together with data from our PATHFINDER 2 study, as well as supplemental data from other clinical studies, to support our planned PMA submission for Galleri in the United States. We believe that FDA approval could unlock broad coverage by large commercial payors in the United States. We have established private reimbursement for Galleri from a number of third-party payors in the United States, but do not currently have broader coverage and reimbursement by government healthcare programs, such as Medicare. We are working with stakeholders to advance and shape the public reimbursement landscape to cover MCED screening for FDA-approved MCED tests. Galleri has not been approved or cleared by the FDA and obtaining PMA approval can take several years from the time a premarket application is submitted. Moreover, the FDA requirements that will govern MCED tests, as well as the breadth and nature of data we must provide the FDA to support the proposed intended use, may be subject to change, and as such it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use. Following FDA approval, we also expect to pursue inclusion of Galleri in the USPSTF's guideline recommendation, although such inclusion is not certain even with FDA approval. In the United Kingdom, we are working with NHS England to complete our NHS-Galleri Trial. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing limited information from one year out of the three-year trial period to determine whether to commence phased commercial implementation in England. The results of this early analysis represent limited information from only one year out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons. While no decision has been made by the NHS regarding phased commercial implementation at this time, a phased commercial implementation, if pursued by NHS, would begin with a two-year pilot in England. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. We believe our work with the NHS and the data generated from our NHS-Galleri Trial could facilitate adoption in other single-payor systems around the world and support evidence of clinical utility worldwide.

Since our founding, we have undertaken a rigorous approach to identify in a blood sample the most informative markers of cancer through what we believe is the largest clinical program in genomic medicine to date. We are collecting population-scale clinical data from more than 385,000 participants across nine clinical studies, with more than 21,000 of these participants included in the studies that supported the development and launch of Galleri, and over 170,000 individuals enrolled and an additional approximately 55,000 anticipated to be enrolled in interventional studies (NHS-Galleri and PATHFINDER 2, which support our PMA submission, and the first-of-its kind Galleri-Medicare real-world study). These studies include our foundational case-control CCGA study to develop and validate our MCED technology, multiple large-scale observational studies in asymptomatic individuals, and multiple large-scale interventional studies in intended use populations. Our interventional studies include our NHS-Galleri Trial, which is the first and largest randomized controlled trial of an MCED test, and which enrolled more than 140,000 individuals in just over 10 months. These studies also include our initiation of the Real-world Evidence to Advance multi-Cancer early detection Health equity ("REACH") interventional study. This first-of-its kind real-world "Galleri-Medicare" study will further evaluate the clinical impact of the Galleri multi-cancer early detection test among Medicare beneficiaries, including racial and ethnic minorities, and seniors from historically underserved communities. Through these studies and our ongoing collection of real-world data, we have built what we believe is an unprecedented longitudinal dataset of high quality, linked clinical and genomic data. We believe our clinical studies, including our early discovery work, have demonstrated robust and reproducible test performance. Notably, data from our interventional PATHFINDER study, including positive predictive value ("PPV"), cancer signal original prediction accuracy, and specificity, were generally consistent with data from our case-control CCGA study, which is evidence supporting the generalizability and robustness of Galleri in an interventional study involving analysis of returned Galleri results on clinical diagnostic and care pathways, outside of the foundational case-control context. Specifically, the 43% positive predictive value ("PPV") achieved in the study is similar to our previously published modeled PPV of 44% based on test

performance in our CCGA study extrapolated to a potential representative population aged 50-79 based on 2016 to 2017 SEER data. We extrapolated the CCGA-based modeled PPV to a representative population due to the limitations of measuring PPV in a case controlled study with enrichment of cancer cases in the sample set, whereas the PATHFINDER study was performed in an intended use population and PPV was measured directly. We expect to continue to report ongoing and long-term follow-up clinical data from these studies over many years.

Based on our extensive discovery work, we believe that a targeted methylation approach, which entails interrogating specific methylation sites within a genome to assess methylation patterns and which serves as the technological basis for our Galleri test, is the best approach for detecting a cancer signal and identifying a cancer signal origin. In our head-to-head analyses we compared multiple different classifiers that were trained to detect a cancer signal and predict the cancer signal origin, and which were independently validated. We found that interrogating methylation patterns yielded significantly better results for cancer detection (based on sensitivity, cancer signal origin prediction accuracy, and clinical limit of detection (a measure of the how much signal must exist in order to be detected)) than was observed by interrogating mutations (changes in a DNA sequence), chromosomal alterations (changes to the structure or number of chromosomes, which are strands of genetic material), fragment lengths (differences in length of DNA fragments), and other genomic features, either alone or in combination. In contrast to well-established cancer mutations that only affect a handful of genomic locations, there are nearly 30 million methylation sites across the human genome, making them a ubiquitous and rich signal for cancer detection. After comprehensive analysis of whole-genome methylation patterns in connection with our CCGA study, we discovered highly informative and low-noise methylation sites for cancer signal and cancer signal origin detection. Highly informative sites are likely to have abnormal methylation patterns resulting from cancer, and low-noise sites are less likely to be subject to confounding signals from biological noise resulting from confounding conditions (such as aging, inflammatory conditions) and circulating DNA from non-cancerous cells. This discovery led to our development of a targeted methylation approach. Our targeted methylation approach can detect lower levels of cancer signal in blood compared to the other approaches we examined, enabling early cancer detection in asymptomatic individuals more efficiently compared to whole-genome methylation. Our targeted methylation assay had a clinical limit of detection of approximately 150 parts per million, which was significantly lower than other approaches we assessed. For additional information, see "Business—Methylation Technology Platform."

Our proprietary targeted methylation platform, as well as our growing body of clinical and real-world data, have provided us with unique insights into cancer biology that enable development of products beyond asymptomatic screening. We are leveraging our proprietary platform for additional applications, including:

- *Precision oncology portfolio:* We are developing our precision oncology portfolio and launched our research use only ("RUO") targeted methylation platform with customizable classifiers in 2023. We have partnered with a number of leading oncology therapeutics companies to test applications of biomarkers with the goal of optimizing the use of therapeutic interventions. Some of our partnerships also include development of customized applications to support clinical studies and companion diagnostic development and commercialization. Potential applications for our technology in a precision oncology setting include pre-treatment prognosis, post-treatment prognosis or minimal residual disease ("MRD"), biomarker discovery, detection of recurrence, and clinical monitoring. We believe the research and clinical development settings represent significant opportunities with biopharmaceutical companies given the large number of ongoing oncology studies and the significant need to identify residual disease or recurrence early and help inform treatment decisions. In addition to companion diagnostic opportunities, we believe that our methylation platform could enable standalone clinical products and support patient care across the cancer care continuum.
- *Diagnostic aid for cancer test*: We are developing our diagnostic aid for cancer ("DAC") test to accelerate diagnostic resolution for patients with non-specific signs and symptoms, but with a clinical suspicion of cancer. Through a simple blood test, DAC is designed to provide physicians with a

powerful decision-making tool to aid diagnosis, achieve resolution more quickly, and avoid unnecessary workups. Symptomatic detection of cancer is a significant unmet need; we estimate that approximately 16 million patients in the United States present with non-specific signs and symptoms each year. Data from our SYMPLIFY study published in *The Lancet Oncology* showed that, in a symptomatic patient population, our methylation technology was able to detect many cancer types and accurately identify where the cancer signal origin was located in the body. In our SYMPLIFY study, our technology correctly predicted the first or second cancer signal origins in 214 of 237 participants with a cancer diagnosis following a cancer signal detected (positive) test result (*i.e.*, participants with true positive test results), demonstrating a high cancer signal origin prediction accuracy of 90%. Product development efforts are ongoing, and we currently consider the launch of our DAC test as a medium-to longer-term objective over approximately the next three to five years, subject to a number of factors, including determining the requirements for reimbursement in the United States.

We believe these products and other future products in development have the potential to reach additional customers and may result in additional patient care solutions across the cancer care continuum.

Our Strengths

We believe our continued growth will be driven by the following strengths:

- **Our clinically-validated, commercially available, MCED screening test, Galleri.** Galleri is a commercially available MCED screening test that is setting the standard for multi-cancer early detection. While Galleri has not been approved or cleared by the FDA, we believe Galleri is clinically validated as a screening test based on the results of its clinical studies completed to date. From a simple blood draw, Galleri can detect a cancer signal shared by over 50 types of cancer, over 45 of which do not have recommended screening guidelines. We believe Galleri enables the early detection of cancer in asymptomatic individuals by screening for multiple types of cancer, and in clinical studies has demonstrated a high positive predictive value ("PPV") and a low false positive rate, and an ability to predict the location of the suspected cancer with high accuracy (88%). See "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri screening test results can help guide next steps for a diagnosis of cancer by healthcare providers in required follow-up diagnostic testing. Further, as Galleri relies on a blood draw, the test can be integrated into existing care pathways, such as annual health checks, which can enable wide scale implementation and increase access to cancer screening, thus helping to address well-known disparities in cancer care. Our industry leadership in MCED testing has been recognized with multiple national high profile accolades, including being acknowledged by *Time Magazine* as one of the Best Inventions of 2022 and *The Atlantic* as one of the top breakthroughs of 2022, and being named in *Fast Company* World Changing Ideas of 2022 and in the *Fortune* Change the World List in 2023.
- **Our established commercial leadership is driving the development of a significant market.** The commercial opportunity for Galleri is significant, with more than 300 million individuals globally over the age of 50 (our intended use population), including more than 100 million individuals in the United States. We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships, including leading healthcare systems, employers, payors, and life insurance providers. In this real-world setting, Galleri is detecting deadly cancers in early stages. As an early proponent of MCED testing, we have established strong relationships within the cancer and primary care community, including through partnerships with academic and community medical centers, key opinion leaders, and governmental policy and advocacy partners. Our partnership with the NHS presents an opportunity to drive further adoption of Galleri, including by payors and health systems around the world. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) in

the NHS-Galleri Trial to determine whether to commence phased commercial implementation in England. Any initial commercial implementation would begin with a two-year pilot with the potential for further expansion subject to final results from the trial. Our commercial leadership is further supported by our high-capacity laboratories to enable population screening volumes.

- **Unprecedented clinical studies and real-world experience.** We designed and executed what we believe is the largest clinical program in genomic medicine to date. We are collecting population-scale clinical data from more than 385,000 participants across nine clinical studies, with more than 21,000 of these participants included in the studies that supported the development and launch of Galleri, and over 170,000 individuals enrolled and an additional approximately 55,000 anticipated to be enrolled in interventional studies (NHS-Galleri and PATHFINDER 2, which support our PMA submission, and the first-of-its kind Galleri-Medicare real-world study). These studies include our foundational case-control CCGA study to develop and validate our MCED technology, multiple large-scale observational studies in asymptomatic individuals, and multiple large-scale interventional studies. Our interventional studies include our NHS-Galleri Trial, which is the first and largest randomized controlled trial of an MCED test, and which enrolled more than 140,000 individuals in just over 10 months. Through these studies and our ongoing collection of real-world data, we have built what we believe is an unprecedented longitudinal dataset of high quality, linked clinical and genomic data. We believe our clinical studies, including our early discovery work, have demonstrated robust and reproducible test performance. Notably, data, including PPV, cancer signal original prediction accuracy, and specificity, from our interventional PATHFINDER study, which involved analysis of diagnostic and care pathways outside of the case-control context, were generally consistent with data from our case-control CCGA study, which is evidence supporting the generalizability and robustness of Galleri. Together with our partners at leading community and academic medical centers in the United States and United Kingdom, we expect to continue to report ongoing and long-term follow-up clinical data from these studies over many years.
- **Our highly-differentiated methylation platform, which enables product opportunities across the cancer care continuum.** We have taken a scientifically rigorous approach to develop a deep and comprehensive understanding of cancer biology. We built an atlas to characterize the landscape of cell-free nucleic acids ("cfDNA") across a broad and diverse population and in individuals with and without cancer. We then used this atlas and other data to train our machine learning algorithms to recognize methylation patterns indicative of cancer and accurately predict the cancer signal origin. These efforts supported the development of our proprietary methylation platform on which Galleri is based, and which we will continue to leverage to advance a number of clinical applications across the cancer care continuum. For example, we developed and launched our post-diagnosis RUO offering and are working closely with biopharmaceutical companies to develop products and services to optimize treatment once a cancer has been diagnosed. Potential applications for our technology in a post-diagnosis setting include pre-treatment prognosis, post-treatment prognosis or MRD, biomarker discovery, detection of recurrence, and clinical monitoring. We are also developing our DAC test to enable faster diagnosis and care for patients presenting with non-specific symptoms that are suspicious for cancer.
- **Our intellectual property portfolio.** We own or license exclusive worldwide commercial rights to intellectual property covering Galleri and our products in development. Specifically, as of March 31, 2024, we have exclusive licenses to more than 530 granted patents globally, and own or co-own more than 130 issued patents, with more than 850 pending patent applications (licensed, owned, or co-owned) covering methylation and other technologies. In addition, our patents, trade secrets, and know-how provide broad intellectual property coverage for our products, including chemistry, bioinformatics, and machine learning algorithms used in Galleri and our product development pipeline. Our exclusively licensed patents will begin to expire in 2027. Our owned or co-owned patents will begin to expire in 2037.

- **Our highly experienced and multidisciplinary team.** Since our founding, we have built an entrepreneurial culture driven to improve outcomes for cancer patients. We are led by a multidisciplinary team with extensive experience across biotechnology, life sciences, public health, genomics, computer science, data science, biostatistics, clinical development, medical affairs, government and regulatory affairs, quality assurance, and laboratory and commercial operations. We believe this confluence of talent from multiple disciplines has enabled us to make significant progress in improving cancer care and will enable us to remain at the forefront of our industry.

Our Strategy

Key elements of our strategy include:

- **Establishing Galleri as the population multi-cancer screening standard and extending commercial leadership in large global markets.** We believe we have an unprecedented opportunity to establish a new standard of care by adding Galleri to existing single-cancer screenings, and establish and maintain the market leading position in cancer detection. The commercial opportunity for Galleri is significant, with more than 300 million individuals globally over the age of 50, including over 100 million individuals in the United States. Our goal is to address cancer screening globally, beginning in large markets with established health systems, such as the United States and United Kingdom, and thereafter extending to other markets. We will continue to engage with key opinion leaders, healthcare providers, advocacy organizations, regulators, and payors to help drive broader scientific and commercial endorsement worldwide. In addition, we believe Galleri's performance will drive clinical outcomes and high patient and provider satisfaction that will lead to further awareness and adoption.
- **Expanding access to our products by pursuing FDA approval and reimbursement and coverage from payors.** Our ability to impact cancer outcomes will be accelerated in markets where we secure reimbursement for our products. Prior to broader coverage and reimbursement in the United States, we will continue our work with clinics and health systems to accelerate utilization, and with self-insured employers and health insurers to offer and cover Galleri. In the United States, we have established private reimbursement from over 80 self-insured employers and multiple payors and health systems as of March 31, 2024, but do not currently have broad coverage and reimbursement by government healthcare programs, such as Medicare. We plan to pursue FDA approval to support broad access for Galleri in the United States. We plan to complete a PMA submission with the FDA in the first half of 2026. We seek to use data from the NHS-Galleri Trial, together with data from our PATHFINDER 2 study, as well as supplemental data from other clinical studies, to support our planned PMA submission for Galleri in the United States. We believe that FDA approval could unlock large commercial payors in the United States and we are working with stakeholders to advance and shape the public reimbursement landscape in the United States to enable coverage of FDA-approved MCED tests by Medicare. Galleri has not been approved or cleared by the FDA and obtaining PMA approval can take several years, if at all, from the time a premarket application is submitted. Moreover, the FDA requirements that will govern MCED tests, as well as the breadth and nature of data we must provide the FDA to support the proposed intended use, may be subject to change, and as such it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use. Following FDA approval, we also expect to pursue inclusion of Galleri in the USPSTF's guideline recommendation, although such inclusion is not certain even with FDA approval. In the United Kingdom, we are working with NHS England to complete our NHS-Galleri Trial. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing limited information from one year out of the three-year trial period to determine whether to commence phased commercial implementation in England. The results of this early analysis represent limited information from only one year out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons.

While no decision has been made by the NHS regarding phased commercial implementation at this time, a phased commercial implementation, if pursued by NHS, would begin with a two-year pilot in England. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. We believe our work with the NHS and the data generated from our NHS-Galleri Trial could facilitate adoption in other single-payor systems around the world and support evidence of clinical utility worldwide. We will continue to invest in clinical evidence generation and work with regulatory bodies and payors in our target markets to expand coverage for early cancer screening and to increase access.

- **Defining, leading, and expanding adoption of MCED.** We coined the term "multi-cancer early detection" and will continue to drive MCED as a solution to one of healthcare's most important challenges. Since our inception in 2016, we have established and maintained a leading voice regarding the early detection of multiple cancer types in peer-reviewed literature. As of March 31, 2024, we have published more than 65 manuscripts, including in high profile journals like *The Lancet*, *Nature*, *Nature Medicine*, *Cancer Cell*, and *The Lancet Oncology*. We have also presented our data in more than 20 podium and 190 poster presentations at renowned medical conferences, including AACR, ASCO, ESMO, and AAFP. We fund medical education programs for MCED and intend to continue to educate healthcare providers, as well as key opinion leaders, regulators, professional societies, and policymakers on the clinical benefits and public health impact of MCED. In addition, we believe this market development strategy will drive adoption of our products and further awareness of the benefits of MCED testing generally.

- **Driving cutting edge science and technology to continuously improve existing products and develop new products.** Our methylation platform and extensive technological infrastructure, together with expansive ongoing data collection, will continue to drive improvements to Galleri and enable the development of additional products. Our technology has broad applicability in cancer detection and management, and findings from our SYMPLIFY study demonstrated the potential of our platform to extend beyond asymptomatic screening, into symptomatic detection. We launched our RUO offering, a part of our precision oncology portfolio, in 2023, which has formed the basis of additional biopharmaceutical partnerships to enable further discovery and execution of new development programs. In addition, these partnerships have generated findings that support expansion into precision oncology applications, including pre-and post-treatment prognosis, recurrence detection, and clinical monitoring. We continually seek to enhance the performance of our products through a comprehensive, rigorous approach to ongoing classifier training, improvement of features, and reduced processing time and cost. Further, we plan to improve our products to enhance performance, offerings, scalability, and/or cost of goods. New products, including enhanced versions of current products, will require the completion of certain clinical development and regulatory activities, such as any required non-inferiority studies using data (for example, clinical data and/or real world evidence data obtained through Galleri's current commercial use) and/or bridging studies, which may be agreed upon with regulatory authorities. We will continue to improve our technologies and launch innovative products across the cancer care continuum.

- **Leveraging our existing infrastructure to enable and scale our growing business.** Over the last several years, we have made significant investments to build a scalable infrastructure capable of meeting significant demand while satisfying stringent certification parameters. Our high-capacity laboratories are accredited by the College of American Pathologists ("CAP") and certified by the Clinical Laboratory Improvement Amendments of 1988 ("CLIA") and the New York Department of Health, which represent one of the most rigorous levels of validation required for laboratory developed tests. Our facilities are able to process a substantial number of tests per year. In addition, we engineered custom technology infrastructure and cloud-based tools to enable scalable data collection and analysis capabilities. Our ability to collect, manage, and integrate high-quality genomic and clinical data is central to our business, and our automated laboratory workflows and processes enable high volumes of tests and samples to be processed automatically with high efficiency and speed and low failure rates.

As demand for our products increases, we expect to leverage the scale efficiencies of our infrastructure and platform technology, which we believe will positively impact margins over time.

- **Sustaining a patient-first corporate culture that champions diversity.** We have built a multi-disciplinary organization of leading scientists, engineers, and clinicians driven to improve outcomes for cancer patients. In our pursuit to improve cancer care and solve one of healthcare's most important challenges, we intend to grow our diversity among employees and will continue to foster an agile and inclusive environment that is a destination for world-class talent. We believe our mission, values, and leadership attributes all contribute to this vibrant and inclusive culture and serve as a powerful magnet for talent.

Risk Factors

Ownership of GRAIL common stock is subject to numerous risks, including risks relating to the Spin-Off. The following list of risk factors is not exhaustive. Please read the information in the section entitled "Risk Factors" beginning on page 31 of this Information Statement for a more thorough description of these and other risks.

Risks Relating to Our Business and Industry

- We operate in a rapidly evolving field and have a limited operating history, which make it difficult to evaluate our current business and predict our future performance.
- We have incurred significant net losses in each period since our inception and anticipate that we will continue to incur net losses for the coming years. We incurred net losses of $218.9 million and $193.7 million for the three months ended March 31, 2024 and April 2, 2023, respectively. Our net losses were $1.5 billion, $5.4 billion, $911.5 million and $336.2 million for fiscal year 2023 (which includes $718.5 million in goodwill and intangible impairment), fiscal year 2022 (which includes $4.7 billion in goodwill impairment), the 2021 successor period, and the 2021 predecessor period, respectively, and as of March 31, 2024, we had an accumulated deficit of $8.0 billion.
- Our products or future products may not perform as expected, and the results of our clinical studies may not support the launch or use of our products or future products and may not comply with the requirements, or be replicated in later studies or in the post-market or real-world setting. This could materially and adversely affect our business, financial condition, results of operations, and growth prospects.
- The clinical study process is lengthy and expensive with uncertain outcomes. We have encountered delays and may encounter future delays in, or unexpected data from, our clinical studies, and may therefore be unable to complete our clinical studies on the timelines we expect, if at all.
- A substantial majority of our revenue is generated from sales of Galleri and we are highly dependent on it for our success.
- If our products do not receive adequate coverage and reimbursement from third-party payors, if at all, our ability to expand access to our products beyond our existing sales channels will be limited and our overall commercial success will be limited.
- Our commercial products may fail to achieve the degree of market acceptance necessary for commercial success.
- We may not be able to generate sufficient revenue to offset our ongoing operating expenses and achieve and maintain profitability, and it may be difficult for us to offset the costs of our royalties, including the high-single-digit royalty in perpetuity that we will be required to pay to Illumina or our royalties payable to the Chinese University of Hong Kong.

- We may be unable to develop and commercialize new products, including enhanced versions of current products, and enhanced versions may require non-inferiority studies and/or bridging studies, which may require prior review and agreement from regulatory bodies.
- If similar third-party products are developed and do not perform as intended or cause harm or injury to patients, the market for our products could be impaired.
- If we fail to obtain additional financing, we may be unable to expand our commercialization efforts with respect to Galleri and any other products that we successfully develop and commercialize, or to develop additional products.
- If our products result in direct or indirect participant or patient harm or injury, we could be subject to significant reputational and liability risks, and our reputation, business, financial condition, results of operations, and growth prospects could be materially adversely affected.
- We rely on Illumina as a sole supplier for our next-generation sequencers and associated reagents, Madison Industries ("Madison") (who acquired our blood collection tube manufacturer Streck, Inc. in 2023) as a sole supplier of our blood collection tubes, and Twist Bioscience Corporation ("Twist") as a sole supplier of our DNA panels. Additionally, we rely on a limited number of suppliers for some of our laboratory instruments and reagents, and we may not be able to immediately find replacements if necessary.
- We have launched Galleri as a laboratory developed test ("LDT"), and plan to launch DAC as an LDT in the United States. If the FDA modifies its current policy of enforcement discretion on LDTs, as it has recently proposed through rulemaking, or if Congress enacts legislation that changes the current requirements or oversight for LDTs, we may lose the ability to commercialize any LDTs unless we have obtained FDA marketing authorization, which could require us to incur substantial costs and delays.
- The regulatory clearance, approval, or certification processes of the FDA and comparable foreign regulatory authorities or notified bodies are lengthy, time-consuming, and unpredictable. If we are ultimately unable to obtain any necessary or desirable regulatory approvals, clearances, or certifications, or if such approvals, clearances, or certifications are significantly delayed, our business will be substantially harmed.
- Our operations and business depend on various third parties, including information technology, sample collection, processing, transfer facilities, and other patient-facing service providers. Any disruption, failure, or interruption at any of these third parties could materially adversely affect our business, results of operations, financial condition, and growth prospects.
- If we are unable to scale our operations successfully to support demand for our products, our business could suffer.
- Our multi-cancer detection tests are a new approach to cancer screening, which present a number of novel and complex issues for FDA review. Because the FDA has never cleared or approved a multi-cancer detection test, it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use, or if we will be able to obtain such approval on a timely basis or at all.
- If we are unable to obtain and maintain intellectual property protection for our technology, or if the scope of the intellectual property protection we obtain is not sufficiently broad, third parties could develop and commercialize technology and tests similar or identical to ours, and our ability to successfully commercialize our products may be impaired.
- If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

- If the Distribution does not qualify as a transaction that is tax-free for U.S. federal income tax purposes, Illumina and its stockholders could be subject to significant tax liability.
- We could have an indemnification obligation to Illumina if the Distribution were determined not to qualify for non-recognition treatment for U.S. federal tax purposes, which could materially adversely affect our business, financial condition and results of operations.
- We intend to agree to numerous restrictions to preserve the non-recognition treatment of the Distribution, which may reduce our strategic and operating flexibility.
- We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off, which could materially adversely affect our business, financial condition and results of operations.
- No market for our common stock currently exists and an active trading market may not develop or be sustained after the Spin-Off. Following the Spin-Off our stock price may fluctuate significantly.
- If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.
- Raising additional capital may cause dilution to our existing stockholders, restrict our operations, or require us to relinquish rights to our technologies or our products.
- We are an emerging growth company and the information we provide shareholders may be different from information provided by other public companies, which may result in a less active trading market for our common stock and higher volatility in our stock price.
- Substantial sales of our common stock may occur in connection with the Spin-Off, including the disposition by Illumina of the shares of our common stock that it retains after the Spin-Off, which could cause our stock price to decline.

The Spin-Off

Illumina acquired the common stock of GRAIL that it did not own and completed its acquisition of GRAIL on August 18, 2021 (the "Acquisition"). The Acquisition has been subject to various legal challenges, including by the U.S. Federal Trade Commission and the European Commission. Pursuant to the binding Hold Separate Commitments (as defined in the section entitled "The Spin-Off—Background" beginning on page 100 of this Information Statement) that Illumina put in place and the various orders of the European Commission related to its review of the Acquisition, Illumina and GRAIL have operated as independent legal entities that transact at arms' length and the day-to-day operation of GRAIL has remained the sole responsibility of GRAIL's management. On July 12, 2023, the European Commission adopted a final decision finding that Illumina breached the EU Merger Regulation (as defined in the section entitled "The Spin-Off—Background" beginning on page 100 of this Information Statement) by, in its view, acquiring the possibility to exert decisive influence over GRAIL and exerting such influence during the pendency of the European Commission's review. On September 26, 2023, Illumina sought the annulment of this decision. On October 12, 2023, the European Commission adopted a decision (the "EC Divestment Decision") requiring Illumina to (among other things) divest GRAIL. On December 22, 2023, Illumina sought the annulment of the EC Divestment Decision. On April 12, 2024, the European Commission approved a divestment plan (the "Divestment Plan") submitted by Illumina pursuant to which Illumina agreed to divest GRAIL on specified terms. The EC Divestment Decision permits Illumina to retain up to a 14.5% ownership interest in GRAIL. See the section entitled "The Spin-Off—Background" beginning on page 100 of this Information Statement for more detail. On December 17, 2023, Illumina announced that it will divest GRAIL. On , 2024, Illumina announced plans for the separation of GRAIL from Illumina via the Spin-Off.

Immediately prior to the completion of the Spin-Off, GRAIL will be converted into a Delaware corporation and will be renamed GRAIL, Inc. To effect the Spin-Off, Illumina will distribute at least 85.5% of the shares of GRAIL's common stock owned by Illumina to Illumina's stockholders, and GRAIL will become an independent,

publicly traded company. Immediately after the Distribution becomes effective, Illumina may retain up to 14.5% of GRAIL's common stock and re-establish the royalty arrangement it previously had in place with GRAIL, which was suspended while GRAIL was owned by Illumina and will continue to be suspended until the earlier of two-and-a-half years or any earlier change of control of GRAIL, at which time royalty payments will resume.

Prior to completion of the Spin-Off, we intend to enter into a Separation and Distribution Agreement and several other agreements with Illumina related to the Spin-Off. These agreements will govern the relationship between Illumina and us after completion of the Spin-Off and allocate between Illumina and us various assets, liabilities and obligations, including those related to employees and compensation and benefits plans and programs and tax-related assets and liabilities. See the section entitled "Certain Relationships and Related Party Transactions" beginning on page 229 of this Information Statement for more detail. No approval of Illumina's stockholders is required in connection with the Spin-Off, and Illumina's stockholders will not have any appraisal rights in connection with the Spin-Off.

Completion of the Spin-Off is subject to the satisfaction, or the waiver by Illumina's board of directors (the "Illumina Board"), of a number of conditions. If the Illumina Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement is a part, and the result of such waiver is material to Illumina stockholders, Illumina will file an amendment to the Registration Statement to revise the disclosure in this Information Statement accordingly. In the event that the Illumina Board waives a condition after the Registration Statement on Form 10, of which this Information Statement is a part, becomes effective and such waiver is material to Illumina stockholders, Illumina will communicate such change to Illumina stockholders by filing a Current Report on Form 8-K describing the change.

In addition, Illumina has the right not to complete the Spin-Off if, at any time, the Illumina Board determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of Illumina or its stockholders or is otherwise not advisable. If the Spin-Off is not completed for any reason, Illumina and GRAIL will have incurred significant costs related to the Spin-Off, including fees for consultants, financial and legal advisors, accountants and auditors, that will not be recouped. Total one-time transaction costs associated with the Spin-Off are preliminarily estimated to range from $ to $ if the Spin-Off is completed. If the Spin-Off is not completed for any reason, the one-time transaction costs will generally be limited to the transaction costs incurred for services rendered as of the date the Spin-Off is abandoned, which will be less than the range noted above. Our management will also have devoted significant time to manage the Spin-Off process, which will decrease the time they will have to manage our business. See the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement for more detail.

Reasons for the Spin-Off

In connection with the EC Divestment Decision and with the goal of enhancing stockholder value, the Illumina Board conducted a process through which it considered a range of potential divestment transactions. After evaluating various factors and other considerations, the Illumina Board concluded that the Spin-Off presented the most attractive alternative for enhancing long-term stockholder value while complying with the requirements of the EC Divestment Decision and that proceeding with the Spin-Off would be in the best interests of Illumina and its stockholders.

Among other things, the Illumina Board considered a number of potential benefits of the Spin-Off, including:

- ***Opportunity for continued ownership of GRAIL by Illumina stockholders.*** The Spin-Off will provide Illumina stockholders the opportunity to determine whether they wish to continue to own an interest in GRAIL despite GRAIL's required separation from Illumina.
- ***Distinct and clear financial profiles and compelling investment cases***. Investment in one or the other company may appeal to investors with different goals, interests and expectations. The Spin-Off will allow investors to make independent investment decisions with respect to Illumina and GRAIL and

may result in greater alignment between the interests of each company's stockholder base and the characteristics of its respective business, capital structure, and financial results.

- ***Separate capital structures and allocation flexibility***. The Spin-Off will permit each of Illumina and GRAIL to allocate its financial resources to meet the unique needs of its own businesses, which will allow each company to focus on its distinct strategic priorities and individual business risk and return profiles.
- ***Creation of independent equity securities and increased strategic opportunities***. The Spin-Off will afford Illumina and GRAIL the ability to offer their independent equity securities to the capital markets and enable each standalone company to use its own industry-focused stock to pursue portfolio enhancing acquisitions or other strategic opportunities that are more closely aligned with each company's strategic goals and expected growth opportunities.

The Illumina Board also considered a number of potentially negative factors in evaluating the Spin-Off, including:

- ***Risk of failure to achieve the anticipated benefits of the Spin-Off***. Illumina and GRAIL may not achieve the anticipated benefits of the Spin-Off for a variety of reasons, including, among others: the Spin-Off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our businesses; there may be dis-synergy costs related to the Spin-Off; and following the Spin-Off, each company may be more susceptible to certain economic and market fluctuations and other adverse events than if GRAIL were still a part of Illumina because each company will be less diversified than Illumina prior to the separation.
- ***Limitations on strategic transactions***. Under the terms of the Tax Matters Agreement that GRAIL will enter into with Illumina, GRAIL expects to be restricted from taking certain transactions that could cause the Distribution or certain related transactions to fail to qualify as tax-free transactions under applicable law. These restrictions may limit for a period of time GRAIL's ability to pursue certain strategic transactions and equity issuances or engage in other transactions that otherwise might increase the value of our business.
- ***Disruptions and costs related to the Spin-Off***. The actions required to separate GRAIL from Illumina could disrupt both Illumina's and GRAIL's operations. In addition, Illumina and GRAIL will incur substantial costs in connection with the Spin-Off and GRAIL's transition to being a standalone public company, which may include accounting, tax, legal and other professional services costs, and recruiting and relocation costs associated with hiring directors and management who are new to GRAIL.
- ***Uncertainty regarding share prices***. We cannot predict the effect of the Distribution on the trading prices of Illumina's and GRAIL's common stock or know with certainty whether the combined market value of the shares of GRAIL common stock to be distributed per share of Illumina common stock in the Distribution and Illumina's common stock following the Distribution will be less than, equal to, or greater than the market value of the shares of Illumina's common stock prior to the Distribution. Furthermore, there is the risk of volatility in each company's stock price following the Distribution due to sales by certain stockholders whose investment objectives may not be met by each company's common stock, and it may take time for each company to attract its optimal stockholder base.

Notwithstanding these costs and risks, the anticipated costs of which are not reasonably quantifiable, and considering the factors discussed above, the Illumina Board determined that the Spin-Off provided the best opportunity to achieve the above benefits and enhance stockholder value. Neither Illumina nor GRAIL can assure you that, following the Spin-Off, any of the benefits described above or otherwise will be realized to the extent anticipated or at all. For additional information, see the sections entitled "Risk Factors" and "The Spin-Off—Reasons for the Spin-Off" beginning on pages 31 and 102, respectively, of this Information Statement.

Emerging Growth Company Status

We are an "emerging growth company," as defined by the Jumpstart Our Business Startups Act of 2012. We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year in which our total annual gross revenues first meet or exceed $1.235 billion (as adjusted for inflation);
- the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt;
- the last day of the fiscal year in which we (i) have an aggregate worldwide market value of common stock held by non-affiliates of $700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (ii) have been a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"), for at least one year (and have filed at least one annual report under the Exchange Act); or
- the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933.

For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002, exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies, reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, and exemptions from the requirement of holding a nonbinding advisory vote on executive compensation and stockholder approval on golden parachute compensation not previously approved. We may choose to take advantage of some or all of these reduced burdens. For example, we have taken advantage of the reduced disclosure obligations regarding executive compensation in this Information Statement. For as long as we take advantage of the reduced reporting obligations, the information we provide stockholders may be different from information provided by other public companies. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in the price of our common stock.

We have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this Information Statement, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

Other Information

We are a Delaware limited liability company. Immediately prior to the completion of the Spin-Off, we will be converted into a Delaware corporation and change our name to GRAIL, Inc. Our headquarters are located in Menlo Park and our principal executive offices are located at 1525 O'Brien Drive, Menlo Park, California 94025. Our telephone number is (833) 694-2553. Our website address is https://grail.com. Information contained on, or connected to, our website or Illumina's website does not and will not constitute part of this Information Statement or the Registration Statement on Form 10, of which this Information Statement is a part, or any other filings with, or any information furnished or submitted to, the Securities and Exchange Commission (the "SEC").

Reasons for Furnishing This Information Statement

We are furnishing this Information Statement solely to provide information to Illumina's stockholders who will receive shares of our common stock in the Distribution. Illumina's stockholders are not required to vote on the Distribution. Therefore, you are not being asked for a proxy and you are not required to send a proxy to Illumina. You do not need to pay any consideration, exchange or surrender your existing shares of Illumina common stock or take any other action to receive your shares of GRAIL common stock to which you are entitled in the Spin-Off. You should not construe this Information Statement as an inducement or encouragement to buy, hold or sell any of our securities or any securities of Illumina. We believe that the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and neither we nor Illumina undertake any obligation to update the information except in the normal course of our and Illumina's respective public disclosure obligations and practices.

QUESTIONS AND ANSWERS ABOUT THE SPIN-OFF

The following provides only a summary of certain information regarding the Spin-Off. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

Q: Why am I receiving this Information Statement?

A: Illumina is making this Information Statement available to you because you are a holder of shares of Illumina common stock. If you are a holder of shares of Illumina common stock as of the Record Date (as defined below), for every share[s] of Illumina common stock that you hold as of the Record Date, you will be entitled to receive share[s] of GRAIL common stock. This Information Statement is intended to help you understand how the Spin-Off will affect your post-Distribution ownership in each of Illumina and GRAIL.

Q: What is the Spin-Off?

A: The Spin-Off is the method by which we will separate from Illumina. In the Spin-Off, Illumina will distribute to its stockholders at least 85.5% of the outstanding shares of our common stock owned by Illumina in a transaction (the "Distribution"). Following the Spin-Off, we will be an independent, publicly traded company, and Illumina may retain up to 14.5% ownership interest in us. Illumina will continue as an independent, publicly traded company.

Q: Will the number of Illumina shares I own change as a result of the Spin-Off?

A: No, the number of shares of Illumina common stock you own will not change as a result of the Spin-Off.

Q: What are the reasons for the Spin-Off?

A: In connection with the EC Divestment Decision and with the goal of enhancing stockholder value, the Illumina Board conducted a process through which it considered a range of potential divestment transactions. After evaluating various factors and other considerations, the Illumina Board concluded that the Spin-Off presented the most attractive alternative for enhancing long-term stockholder value while complying with the requirements of the EC Divestment Decision and that proceeding with the Spin-Off would be in the best interests of Illumina and its stockholders.

Among other things, the Illumina Board considered a number of potential benefits of the Spin-Off, including:

- ***Opportunity for continued ownership of GRAIL by Illumina stockholders.*** The Spin-Off will provide Illumina stockholders the opportunity to determine whether they wish to continue to own an interest in GRAIL despite GRAIL's required separation from Illumina.
- ***Distinct and clear financial profiles and compelling investment cases***. Investment in one or the other company may appeal to investors with different goals, interests and expectations. The Spin-Off will allow investors to make independent investment decisions with respect to Illumina and GRAIL and may result in greater alignment between the interests of each company's stockholder base and the characteristics of its respective business, capital structure, and financial results.
- ***Separate capital structures and allocation flexibility***. The Spin-Off will permit each of Illumina and GRAIL to allocate its financial resources to meet the unique needs of its own businesses, which will allow each company to focus on its distinct strategic priorities and individual business risk and return profiles.

- ***Creation of independent equity securities and increased strategic opportunities***. The Spin-Off will afford Illumina and GRAIL the ability to offer their independent equity securities to the capital markets and enable each standalone company to use its own industry-focused stock to pursue portfolio enhancing acquisitions or other strategic opportunities that are more closely aligned with each company's strategic goals and expected growth opportunities.

The Illumina Board also considered a number of potentially negative factors in evaluating the Spin-Off. Notwithstanding these costs and risks, the anticipated costs of which are not reasonably quantifiable, and considering the factors discussed above, the Illumina Board determined that the Spin-Off provided the best opportunity to achieve the above benefits and enhance stockholder value. Neither Illumina nor GRAIL can assure you that, following the Spin-Off, any of the benefits described above or otherwise will be realized to the extent anticipated or at all. For additional information, see the sections entitled "Risk Factors" and "The Spin-Off—Reasons for the Spin-Off" beginning on pages 31 and 102, respectively, of this Information Statement.

Q: Why is the separation of GRAIL structured as a spin-off?

A: Illumina believes that a tax-free distribution of our shares is the most efficient way to separate our business from Illumina in a manner that will achieve the above benefits.

Q: What will I receive in the Spin-Off in respect of my shares of Illumina common stock?

A: As a holder of Illumina common stock, for every share[s] of Illumina common stock you hold on the Record Date, you will receive a dividend of share[s] of GRAIL common stock. The distribution agent will distribute only whole shares of our common stock in the Spin-Off. See "—How will fractional shares be treated in the Distribution?" beginning on page 21 of this Information Statement for more information on the treatment of the fractional shares you may be entitled to receive in the Distribution. Your proportionate interest in Illumina will not change as a result of the Spin-Off.

Q: What is being distributed in the Spin-Off?

A: Illumina will distribute approximately shares of our common stock in the Spin-Off, based on the approximately shares of Illumina common stock outstanding as of , 2024. The actual number of shares of our common stock that Illumina will distribute will depend on the total number of shares of Illumina common stock outstanding on the Record Date. The shares of our common stock that Illumina distributes will constitute at least 85.5% of the issued and outstanding shares of our common stock immediately prior to the Distribution. For more information on the shares being distributed in the Spin-Off, see the section entitled "Description of Our Capital Stock—Common Stock" beginning on page 234 of this Information Statement.

Q: What is the record date for the Distribution?

A: Illumina will determine record ownership as of the close of business on , 2024 (the "Record Date").

Q: When will the Distribution occur?

A: The Distribution will be effective as of , New York City time, on , 2024 (the "Distribution Date"). On or shortly after the Distribution Date, the whole shares of our common stock will be credited in book-entry accounts for Illumina stockholders entitled to receive the shares in the

Distribution. See "—How will Illumina distribute shares of our common stock?" beginning on page 20 of this Information Statement for more information on how to access your book-entry account or your bank, brokerage or other account holding the GRAIL common stock you receive in the Distribution on and following the Distribution Date.

Q: What do I have to do to participate in the Distribution?

A: All holders of Illumina common stock as of the Record Date will participate in the Distribution. You are not required to take any action in order to participate, but we urge you to read this Information Statement carefully. Holders of Illumina common stock on the Record Date will not need to pay any cash or deliver any other consideration, including any shares of Illumina common stock, in order to receive shares of our common stock in the Distribution. In addition, no stockholder approval of the Distribution is required. We are not asking you for a vote and request that you do not send us a proxy card.

Q: If I sell my shares of Illumina common stock on or before the Distribution Date, will I still be entitled to receive shares of GRAIL common stock in the Distribution?

A: If you sell your shares of Illumina common stock before the Record Date, you will not be entitled to receive shares of GRAIL common stock in the Distribution. If you hold shares of Illumina common stock on the Record Date and decide to sell them on or before the Distribution Date, you may be able to choose to sell your Illumina common stock with or without your entitlement to the GRAIL common stock to be distributed in the Spin-Off. You are encouraged to consult with your bank, broker or other nominee, as applicable, and your financial advisor regarding your options and the specific implications of selling your shares of Illumina common stock prior to or on the Distribution Date. See the section entitled "The Spin-Off—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement for more information.

Q: Is the completion of the Spin-Off subject to the satisfaction or waiver of any conditions?

A: Yes, the completion of the Spin-Off is subject to the satisfaction, or the Illumina Board's waiver, of the following conditions:

- the Illumina Board shall have authorized and approved the Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of our common stock to Illumina stockholders;
- the ancillary agreements contemplated by the Separation and Distribution Agreement shall have been executed by each party to those agreements;
- our common stock shall have been accepted for listing on the Nasdaq Global Select Market ("Nasdaq"), or another national securities exchange approved by Illumina, subject to official notice of issuance;
- the SEC shall have declared effective our Registration Statement on Form 10, of which this Information Statement is a part, under the Exchange Act, and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC;
- the continuing effectiveness and validity of Illumina's private letter ruling from the U.S. Internal Revenue Service ("IRS") and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP each substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the U.S. Internal Revenue Code of 1986, as amended (the "Code").

- no law issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution shall be in effect, and no other event outside the control of Illumina shall have occurred or failed to occur that prevents the consummation of the Distribution;
- no other events or developments shall have occurred prior to the Distribution Date that, in the judgment of the Illumina Board, would make it inadvisable to effect the Distribution or would result in the Distribution not being in the best interests of Illumina or its stockholders;
- prior to the Distribution Date, notice of Internet availability of this Information Statement or this Information Statement shall have been mailed to the holders of Illumina common stock as of the Record Date;
- Illumina shall have duly elected as members of our post-Distribution Board of Directors (the "Board"), the individuals listed in this Information Statement, and such individuals shall be the members of our Board immediately after the Distribution; and
- immediately prior to the Distribution Date, our Certificate of Conversion, Certificate of Incorporation, and Bylaws, each in substantially the form filed as an exhibit to the Registration Statement on Form 10, of which this Information Statement is a part, shall be in effect.

Illumina and GRAIL cannot assure you that any or all of these conditions will be met, or that the Distribution will be consummated even if all of the conditions are met. Illumina may at any time prior to the Distribution Date decide to abandon the Distribution or modify or change the terms of the Distribution, subject to the terms of the Separation and Distribution Agreement. If the Illumina Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement is a part, and the result of such waiver is material to Illumina stockholders, Illumina will file an amendment to the Registration Statement to revise the disclosure in this Information Statement accordingly. In the event that the Illumina Board waives a condition after the Registration Statement on Form 10, of which this Information Statement is a part, becomes effective and such waiver is material to Illumina stockholders, Illumina will communicate such change to Illumina stockholders by filing a Current Report on Form 8-K describing the change. For a complete discussion of the conditions to the Distribution, see the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement.

Q: Can Illumina decide to cancel the Distribution even if all the conditions have been satisfied?

A: Yes. The Illumina Board may, in its sole discretion, subject to the terms of the Separation and Distribution Agreement, and at any time prior to the Distribution Date, decide to terminate or abandon the Distribution even if all the conditions to the Distribution have been satisfied if the Illumina Board determines that the Distribution is not in the best interests of Illumina or its stockholders or is otherwise not advisable. For a more detailed description, see the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement.

Q: How will Illumina distribute shares of our common stock?

A: *Registered stockholders.* If you are a registered stockholder (meaning you own your shares of Illumina common stock directly through Illumina's transfer agent, Computershare Trust Company, N.A. ("Computershare")), our distribution agent will credit the whole shares of our common stock you receive in the Distribution to a new book-entry account with our transfer agent, Computershare, on or shortly after the Distribution Date. Our distribution agent will mail you a book-entry account statement that reflects the number of whole shares of our common stock you own. You will be able to access information regarding your book-entry account holding the GRAIL shares at www.computershare.com/us.com or www-us.computershare.com/Investor/#Home or by calling +1 (781) 575 2879 or (877) 373 6374 (toll free).

"Street name" or beneficial stockholders. If you own your shares of Illumina common stock beneficially through a bank, broker or other nominee, your bank, broker or other nominee will credit your account with the whole shares of our common stock you receive in the Distribution on or shortly after the Distribution Date. Please contact your bank, broker or other nominee for further information about your account.

We will not issue any physical stock certificates to any stockholders, even if requested. See the section entitled "The Spin-Off—When and How You Will Receive GRAIL Shares" beginning on page 104 of this Information Statement for a more detailed explanation.

Q: How will fractional shares be treated in the Distribution?

A: The distribution agent will not distribute any fractional shares of our common stock in connection with the Spin-Off. Instead, the distribution agent will aggregate all fractional shares into whole shares and sell the whole shares in the open market at prevailing market prices on behalf of Illumina stockholders entitled to receive a fractional share. The distribution agent will then distribute the aggregate cash proceeds of the sales, net of brokerage fees and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). We anticipate that the distribution agent will make these sales in the "when-issued" market, and "when-issued" trades will generally settle within two trading days following the Distribution Date. See "—How will GRAIL common stock trade?" beginning on page 22 of this Information Statement for additional information regarding "when-issued" trading and the section entitled "The Spin-Off—Treatment of Fractional Shares" beginning on page 105 of this Information Statement for a more detailed explanation of the treatment of fractional shares. The distribution agent will, in its sole discretion, without any influence by Illumina or us, determine when, how, through which broker-dealer and at what price to sell the whole shares of GRAIL common stock. The distribution agent is not, and any broker-dealer used by the distribution agent will not be, an affiliate of either Illumina or us.

Q: What are the U.S. federal income tax consequences to me of the Distribution?

A: Illumina has received a private letter ruling from the IRS substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code. The completion of the Spin-Off is conditioned on, among other things, the continuing effectiveness and validity of Illumina's private letter ruling and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP. If the Spin-Off qualifies for such treatment, for U.S. federal income tax purposes, no gain or loss will be recognized by, or be includible in the income of, a U.S. Holder (as defined in the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on page 106 of this Information Statement) as a result of the Distribution, except with respect to any cash received by Illumina stockholders in lieu of fractional shares. After the Distribution, Illumina stockholders generally should allocate their aggregate tax basis in their Illumina common stock held immediately before the Distribution between their Illumina common stock and our common stock in proportion to their relative fair market values on the date of the Distribution (subject to certain adjustments). See the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on page 106 of this Information Statement for more information regarding the potential tax consequences to you of the Spin-Off.

We urge you to consult your tax advisor as to the specific tax consequences of the Distribution to you, including the effect of any U.S. federal, state, local or foreign tax laws and of changes in applicable tax laws.

Q: Does GRAIL intend to pay cash dividends?

A: We do not anticipate paying any cash dividends in the foreseeable future. We currently anticipate that we will retain all available funds for use in the operation and expansion of our business. Any future determination to pay dividends on our common stock will be made at the discretion of the Board and will depend upon, among other factors, our financial condition, results from operations, current and anticipated cash needs, plans for expansion, and other factors that our Board may deem relevant. We cannot assure you that we will pay a dividend in the future or continue to pay any dividend if we do commence paying dividends. See the section entitled "Dividend Policy" beginning on page 113 of this Information Statement for more information.

Q: How will GRAIL common stock trade?

A: Currently, there is no public market for our common stock. We intend to list our common stock on Nasdaq under the ticker symbol "GRAL."

We anticipate that trading in our common stock will begin on a "when-issued" basis on or shortly before the Record Date for the Distribution and will continue up to and including the Distribution Date. "When-issued" trading in the context of a spin-off refers to a sale or purchase made conditionally on or before the Distribution Date because the securities of the spun-off entity have not yet been distributed. "When-issued" trades generally settle within two trading days after the Distribution Date. On the first trading day following the Distribution Date, any "when-issued" trading of our common stock will end and "regular-way" trading will begin. "Regular-way" trading refers to trading after the security has been distributed and typically involves a trade that settles on the second full trading day following the date of the trade. See the section entitled "The Spin-Off—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement for more information. We cannot predict the trading prices for our common stock before, on or after the Distribution Date.

Q: What will happen to the listing of Illumina's common stock?

A: Illumina's common stock will continue to trade on Nasdaq under the ticker symbol "ILMN" after the Distribution.

Q: Will the Spin-Off affect the trading price of my Illumina common stock?

A: We expect the trading price of shares of Illumina common stock immediately following the Distribution to be lower than the trading price immediately prior to the Distribution because the trading price will no longer reflect the value of GRAIL. Furthermore, until the market has fully analyzed the value of Illumina without GRAIL, the trading price of shares of Illumina common stock may fluctuate and result in a higher volatility in the price of our common stock. There can be no assurance that, following the Distribution, the combined trading prices of the Illumina common stock and the GRAIL common stock will equal or exceed what the trading price of Illumina common stock would have been in the absence of the Spin-Off.

It is possible that, after the Spin-Off, the combined equity value of Illumina and GRAIL will be less than Illumina's equity value before the Spin-Off.

Q: What will happen to Illumina's equity incentive awards in connection with the Spin-Off?

A: We expect that each Illumina equity incentive award outstanding as of the Distribution Date held by directors and employees that will continue at Illumina will remain outstanding and continue to be subject to the same terms and conditions following the Distribution Date, but with adjustments to the number of shares of Illumina common stock subject to such award in order to preserve its value. We expect that each Illumina

equity incentive award held by current or former GRAIL employees that is outstanding immediately prior to the Distribution Date will be assumed by GRAIL and converted into a GRAIL equity award denominated in shares of GRAIL common stock, but with adjustments to the number of shares of GRAIL common stock subject to such award in order to preserve its value.

Q: What will happen to GRAIL's cash-based equity incentive awards in connection with the Spin-Off?

A: Each GRAIL cash-based equity incentive award (each, a "Cash-Based Equity Award") outstanding as of the Distribution Date will convert into an equity-based award that settles in shares of GRAIL common stock, with the number of shares subject to such award generally determined based on the value of the award (with certain adjustments) at the time of the Distribution, compared to the market capitalization of GRAIL for the four trading days following the Distribution, and will otherwise continue to be subject to the same terms and conditions following the Distribution Date (each such converted award, a "GRAIL RSU"). For additional information regarding such conversion methodology, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina—Employee Matters Agreement" beginning on page 230 of this Information Statement.

Q: What will GRAIL's relationship be with Illumina following the Spin-Off?

A: Following the Distribution, GRAIL and Illumina will be separate companies with separate management teams and separate boards of directors and Illumina may retain up to 14.5% of the outstanding shares of our common stock. GRAIL will enter into a separation and distribution agreement with Illumina to effect the separation and provide a framework for the relationship between GRAIL and Illumina after the Spin-Off (the "Separation and Distribution Agreement"), and will enter into certain other agreements, including a Tax Matters Agreement (as defined below), an Employee Matters Agreement (as defined below), and a Stockholder and Registration Rights Agreement (as defined below) with respect to Illumina's continuing ownership of GRAIL common stock. These agreements will allocate between GRAIL and Illumina the obligations of Illumina and its subsidiaries attributable to periods prior to, at and after the Distribution and govern the relationship between GRAIL and Illumina following the Spin-Off. In addition to the aforementioned agreements, we are also currently party to, or intend to enter into, various other agreements with Illumina and its subsidiaries, including a supply and commercialization agreement and license agreements. For additional information regarding the Separation and Distribution Agreement, Tax Matters Agreement, Employee Matters Agreement, and Stockholder and Registration Rights Agreement, see the sections entitled "Risk Factors—Risks Relating to the Spin-Off" and "Certain Relationships and Related Party Transactions" beginning on pages 88 and 229, respectively, of this Information Statement.

Q: How will Illumina vote any shares of GRAIL common stock it retains?

A: Illumina is expected to agree to vote any shares of GRAIL common stock that it retains in proportion to the votes cast by GRAIL's other stockholders and is expected to grant GRAIL a proxy to vote its shares of GRAIL common stock in such proportion. For additional information on these voting arrangements, see "Certain Relationships and Related Party Transactions—Agreements with Illumina—Stockholder and Registration Rights Agreement" beginning on page 231 of this Information Statement.

Q: What does Illumina intend to do with any shares of GRAIL common stock it retains?

A: Illumina's plan to potentially distribute less than all of GRAIL's common stock to its stockholders in the Spin-Off is motivated by its desire to establish an appropriate capital structure for each of GRAIL and Illumina, including by strengthening Illumina's balance sheet or reducing Illumina's indebtedness, in any case directly or indirectly, following the Spin-Off. The IRS private letter ruling requires that all retained shares be sold or otherwise disposed of by Illumina as soon as warranted consistent with the business reasons for the retention of those shares, but in no event later than five years after the Distribution. Such dispositions could include a sale of its shares for cash, distributions of GRAIL common stock to Illumina

stockholders or securityholders as dividends or in exchange for outstanding shares of Illumina common stock, indebtedness or other securities, or any combination thereof.

Q: Who will manage GRAIL following the Spin-Off?

A: GRAIL is led by Robert Ragusa, who is GRAIL's Chief Executive Officer, and Aaron Freidin, who is GRAIL's Chief Financial Officer. For more information regarding GRAIL's directors and management, see the section entitled "Management" beginning on page 211 of this Information Statement.

Q: Do I have appraisal rights in connection with the Spin-Off?

A: No. Holders of Illumina common stock are not entitled to appraisal rights in connection with the Spin-Off.

Q: Who is the transfer agent and registrar for GRAIL common stock?

A: Computershare is the transfer agent and registrar for GRAIL common stock.

Q: Are there risks associated with owning shares of GRAIL common stock?

A: Yes. Our business faces both general and specific risks and uncertainties. Our business also faces risks relating to the Spin-Off. Following the Spin-Off, we will also face risks associated with being an independent, publicly traded company. Accordingly, you should read carefully the information set forth in the section entitled "Risk Factors" beginning on page 31 of this Information Statement.

Q: Where can I get more information?

A: If you have any questions relating to the mechanics of the Distribution, you should contact the distribution agent at:

Computershare Trust Company, N.A.
150 Royall Street
Canton, MA 02021
Phone: (877) 373-6374
Email: web.queries@computershare.com

Before the Spin-Off, if you have any questions relating to the Spin-Off, you should contact Illumina at:

Illumina, Inc.
5200 Illumina Way
San Diego, CA 92122
Phone: (858) 202-4500
Email: ir@illumina.com

After the Spin-Off, if you have any questions relating to GRAIL, you should contact us at:

GRAIL, Inc.
1525 O'Brien Drive
Menlo Park, California 94025
Phone: (833) 694-2553
Email:

A link to our investor relations website and additional contact information will be made available at https://grail.com. Information contained on, or connected to, our website does not and will not constitute part of this Information Statement or the Registration Statement on Form 10, of which this Information Statement is a part, or any other filings with, or any information furnished or submitted to, the SEC.

	SUMMARY OF THE SPIN-OFF
Distributing Company	Illumina, Inc., or "Illumina," a Delaware corporation that holds all of our common stock issued and outstanding prior to the Distribution. After the Distribution, Illumina will own up to 14.5% of the shares of our common stock.
Distributed Company	GRAIL, LLC, or "GRAIL," a Delaware limited liability company and a wholly owned subsidiary of Illumina. Immediately prior to the completion of the Spin-Off, GRAIL will be converted into a Delaware corporation and will be renamed GRAIL, Inc. After the Spin-Off, we will be an independent, publicly traded company.
Distributed Securities	At least 85.5% of the shares of our common stock owned by Illumina, which will be at least 85.5% of our common stock issued and outstanding immediately prior to the Distribution. Illumina may retain up to 14.5% of the outstanding shares of GRAIL's common stock. The IRS private letter ruling requires that all retained shares be sold or otherwise disposed of by Illumina as soon as warranted consistent with the business reasons for the retention of those shares, but in no event later than five years after the Distribution. Such dispositions could include a sale of its shares for cash, distributions of GRAIL common stock to Illumina stockholders or securityholders as dividends or in exchange for outstanding shares of Illumina common stock, indebtedness or other securities, or any combination thereof. Based on the approximately shares of Illumina common stock outstanding on , 2024, and applying the distribution ratio pursuant to which, for every share[s] of Illumina common stock outstanding, share[s] of GRAIL common stock will be distributed, approximately shares of GRAIL common stock will be distributed in the aggregate. In connection with the Spin-Off, each Cash-Based Equity Award outstanding as of the Distribution Date will convert into GRAIL RSUs.
Record Date	The Record Date is the close of business on , 2024.
Distribution Date	The Distribution Date is , 2024.
Distribution Ratio	For every share[s] of Illumina common stock each Illumina stockholder holds on the Record Date, such stockholder will receive share[s] of our common stock. The distribution agent will distribute only whole shares of our common stock in the Spin-Off. See the section entitled "The Spin-Off—Treatment of Fractional Shares" beginning on page 105 of this Information Statement for more detail. Please note that if you sell your shares of Illumina common stock on or before the Distribution Date, the buyer of those shares may in some circumstances be entitled to receive the shares of our common stock to be distributed in respect of the Illumina shares that you sold. For more information, see the section entitled "The

	Spin-Off—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement.
The Distribution	On the Distribution Date, Illumina will release the shares of our common stock to the distribution agent to distribute to Illumina stockholders. Illumina will distribute our shares in book-entry form and thus we will not issue any physical stock certificates. You will not be required to make any payment, surrender or exchange your shares of Illumina common stock or take any other action to receive your shares of our common stock.
Fractional Shares	The distribution agent will not distribute any fractional shares of our common stock to Illumina stockholders. Instead, the distribution agent will first aggregate fractional shares into whole shares, then sell the whole shares in the open market at prevailing market prices on behalf of Illumina stockholders entitled to receive a fractional share, and finally distribute the aggregate cash proceeds of the sales, net of brokerage fees and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). If you receive cash in lieu of fractional shares, you will not be entitled to any interest on the payments. The cash you receive in lieu of fractional shares generally will, for U.S. federal income tax purposes, be taxable as described under the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on page 106 of this Information Statement.
Conditions to the Spin-Off	Completion of the Spin-Off is subject to the satisfaction, or the Illumina Board's waiver, of the following conditions: • the Illumina Board shall have authorized and approved the Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of our common stock to Illumina stockholders; • the ancillary agreements contemplated by the Separation and Distribution Agreement shall have been executed by each party to those agreements; • our common stock shall have been accepted for listing on Nasdaq or another national securities exchange approved by Illumina, subject to official notice of issuance; • the SEC shall have declared effective our Registration Statement on Form 10, of which this Information Statement is a part, under the Exchange Act, and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC; • the continuing effectiveness and validity of Illumina's private letter ruling from the IRS and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP each substantially to the effect

that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code;

- no law issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution shall be in effect, and no other event outside the control of Illumina shall have occurred or failed to occur that prevents the consummation of the Distribution;
- no other events or developments shall have occurred prior to the Distribution Date that, in the judgment of the Illumina Board, would make it inadvisable to effect the Distribution or would result in the Distribution not being in the best interests of Illumina or its stockholders;
- prior to the Distribution Date, notice of Internet availability of this Information Statement or this Information Statement shall have been mailed to the holders of Illumina common stock as of the Record Date;
- Illumina shall have duly elected the individuals to be listed as members of our post-Distribution Board in this Information Statement, and such individuals shall be the members of our Board immediately after the Distribution; and
- immediately prior to the Distribution Date, our Certificate of Conversion, Certificate of Incorporation, and Bylaws, each in substantially the form filed as an exhibit to the Registration Statement on Form 10, of which this Information Statement is a part, shall be in effect.

The fulfillment of the foregoing conditions will not create any obligation on the part of Illumina to complete the Spin-Off. If the Illumina Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement is a part, and the result of such waiver is material to Illumina stockholders, Illumina will file an amendment to the Registration Statement to revise the disclosure in this Information Statement accordingly. In the event that the Illumina Board waives a condition after the Registration Statement on Form 10, of which this Information Statement is a part, becomes effective and such waiver is material to Illumina stockholders, Illumina will communicate such change to Illumina stockholders by filing a Current Report on Form 8-K describing the change. For a complete discussion of the conditions to the Distribution, see the section entitled “The Spin-Off—Conditions to the Spin-Off” beginning on page 111 of this Information Statement.

In addition, Illumina has the right not to complete the Spin-Off if, at any time, the Illumina Board determines, in its sole and absolute discretion, subject to the terms of the Separation and Distribution Agreement, that the Spin-Off is not in the best interests of Illumina or

	its stockholders, or is otherwise not advisable. If the Spin-Off is not completed for any reason, Illumina and GRAIL will have incurred significant costs related to the Spin-Off, including fees for consultants, financial and legal advisors, accountants and auditors, that will not be recouped. Total one-time transaction costs associated with the Spin-Off are preliminarily estimated to range from $ to $ if the Spin-Off is completed. If the Spin-Off is not completed for any reason, the one-time transaction costs will generally be limited to the transaction costs incurred for services rendered as of the date the Spin-Off is abandoned, which will be less than the range noted above. Our management will also have devoted significant time to manage the Spin-Off process, which will decrease the time they will have to manage the business of GRAIL.
Trading Market and Ticker Symbol	We intend to file an application to list our common stock on Nasdaq under the ticker symbol "GRAL." We anticipate that, on or shortly before the Record Date, trading of shares of our common stock will begin on a "when-issued" basis and will continue up to and including the Distribution Date, and we expect that "regular-way" trading of our common stock will begin the first trading day after the Distribution Date. We also anticipate that, on or shortly before the Record Date, there will be two markets in Illumina common stock: (i) a "regular-way" market on which shares of Illumina common stock will trade with an entitlement for the purchaser of Illumina common stock to receive shares of our common stock to be distributed in the Distribution, and (ii) an "ex-distribution" market on which shares of Illumina common stock will trade without an entitlement for the purchaser of Illumina common stock to receive shares of our common stock. For more information, see the section entitled "The Spin-Off—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement.
Tax Consequences to Illumina Stockholders	Illumina has received a private letter ruling from the IRS substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code. The completion of the Spin-Off is conditioned on, among other things, the continuing effectiveness and validity of Illumina's private letter ruling and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP. If the Spin-Off qualifies for such treatment, for U.S. federal income tax purposes, no gain or loss will be recognized by, or be includible in the income of, a U.S. Holder (as defined in the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on page 106 of this Information Statement) as a result of the Distribution, except with respect to any cash received by

	Illumina stockholders in lieu of fractional shares. After the Distribution, Illumina stockholders generally should allocate their aggregate tax basis in their Illumina common stock held immediately before the Distribution between their Illumina common stock and our common stock in proportion to their relative fair market values on the date of the Distribution (subject to certain adjustments). See the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on page 106 of this Information Statement for more information regarding the potential tax consequences to you of the Spin-Off. We urge you to consult your tax advisor as to the specific tax consequences of the Distribution to you, including the effect of any U.S. federal, state, local or foreign tax laws and of changes in applicable tax laws.
Relationship with Illumina After the Spin-Off	Following the Distribution, Illumina may retain up to 14.5% of the outstanding shares of our common stock. The IRS private letter ruling requires that all retained shares be sold or otherwise disposed of by Illumina as soon as warranted consistent with the business reasons for the retention of those shares, but in no event later than five years after the Distribution. Such dispositions could include a sale of its shares for cash, distributions of GRAIL common stock to Illumina stockholders or securityholders as dividends or in exchange for outstanding shares of Illumina common stock, indebtedness or other securities, or any combination thereof. We intend to enter into several agreements with Illumina related to the Spin-Off, which will govern the relationship between Illumina and us after completion of the Spin-Off and allocate between Illumina and us various assets, liabilities, rights and obligations. These agreements include: • a Separation and Distribution Agreement that will set forth Illumina's and our agreements regarding the principal actions that both parties will take in connection with the Spin-Off and aspects of our relationship following the Spin-Off; • a Tax Matters Agreement that will govern the respective rights, responsibilities and obligations of Illumina and us after the Spin-Off with respect to all tax matters and will include restrictions to preserve the tax-free status of the Distribution; • an Employee Matters Agreement that will address employment, compensation, and benefits matters, including the allocation and treatment of assets and liabilities relating to employees and compensation and benefits plans and programs in which our employees participate, as well as the treatment of the Cash-Based Equity Awards in connection with the Spin-Off; and • a Stockholder and Registration Rights Agreement that will govern the respective rights, responsibilities and obligations of Illumina and us after the Spin-Off with respect to Illumina's continuing ownership of GRAIL common stock.

	In addition to the above agreements, we are also currently party to, or intend to enter into, various other agreements with Illumina and its subsidiaries, including a supply and commercialization agreement and license agreements. We describe these arrangements in greater detail under the section entitled "Certain Relationships and Related Party Transactions" beginning on page 229 of this Information Statement and describe some of the risks of these arrangements under the section entitled "Risk Factors—Risks Relating to the Spin-Off" beginning on page 88 of this Information Statement.
Dividend Policy	We do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends on our common stock will be made at the discretion of our Board and will depend upon certain factors. For more information, see the section entitled "Dividend Policy."
Transfer Agent	Computershare Trust Company, N.A. ("Computershare").
Risk Factors	Our business faces both general and specific risks and uncertainties. Our business also faces risks relating to the Spin-Off. Following the Spin-Off, we will also face risks associated with being an independent, publicly traded company. Accordingly, you should read carefully the information set forth under the section entitled "Risk Factors" beginning on page 31 of this Information Statement.

RISK FACTORS

You should carefully consider the following risks and other information in this Information Statement in evaluating GRAIL and GRAIL common stock. Any of the following risks and uncertainties could materially adversely affect our business, financial condition, and results of operations. The following risks have generally been separated into five groups: risks relating to our business and industry, risks relating to regulation and legal compliance, risks relating to intellectual property, risks relating to the Spin-Off, and risks relating to our common stock. References to "we," "our," "us," and words of similar import in this section refer to GRAIL and, unless otherwise specified, its consolidated subsidiaries.

Risks Relating to Our Business and Industry

We operate in a rapidly evolving field and have a limited operating history, which makes it difficult to evaluate our current business and predict our future performance.

We operate in a rapidly evolving field and, having commenced operations in January 2016, have a limited operating history. We completed our first sale of our multi-cancer early detection test, Galleri, in mid-2021 and our other products and products in development have an even more limited history, with most still not in commercial distribution. We have funded our operations to date primarily with the proceeds from the sale of equity securities and capital contributions from Illumina and, to a lesser extent, revenue derived from sales of Galleri and biopharmaceutical business revenue. Our short operating history as a company, evolving business strategies, and rapid growth may make it difficult to evaluate our current business or our future success and the risks and challenges we may encounter, and may increase the risk that we will not continue to grow at or near historical rates.

If we fail to address the risks and difficulties that we face, including those described elsewhere in this "Risk Factors" section, our business, financial condition, results of operations, and growth prospects could be materially adversely affected. We have encountered in the past, and expect to encounter in the future, risks and difficulties frequently experienced by companies with limited operating histories in new and rapidly evolving fields. If our assumptions regarding these risks and difficulties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks and difficulties, our results of operations could differ materially from our expectations and our business, financial condition, results of operations, and growth prospects could be adversely affected.

We have incurred significant net losses in each period since our inception and anticipate that we will continue to incur net losses for the coming years.

Since our inception, we have incurred significant net losses. We incurred net losses of $218.9 million and $193.7 million for the three months ended March 31, 2024 and April 2, 2023, respectively. Our net loss was $1.5 billion for fiscal year 2023, $5.4 billion for fiscal year 2022, $911.5 million for the 2021 successor period, and $336.2 million for the 2021 predecessor period. Substantially all of our net losses since inception have resulted from our research and development programs, commercialization efforts, investments in our facilities, payments to licensors, and general and administrative costs associated with our operations, as well as intangible asset amortization and the impairments of $718.5 million and $4.7 billion for fiscal year 2023 and fiscal year 2022, respectively, related to the intangible assets and goodwill recorded by Illumina upon the acquisition of GRAIL. As of March 31, 2024, we had an accumulated deficit of $8.0 billion.

We have invested significant financial resources in research and development activities, including to develop our methylation platform, and to develop our products, such as Galleri and our precision oncology portfolio. We have also invested significant resources to conduct large scale clinical studies to improve Galleri and current and future products, including our diagnostic aid for cancer ("DAC") test, and to commercialize Galleri and plan for potential commercial launches of our future and current products in other markets. The amount of our future net losses will depend, in part, on the level of our future expenditures and our ability to

generate additional revenue. Moreover, our net losses may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a good or reliable indication of our future performance.

We expect to continue to incur significant expenses and operating losses as we:

- attract, hire, and retain qualified personnel;
- continue our research and development activities;
- conduct our ongoing clinical studies and initiate and conduct additional clinical studies to support the development and commercialization of our products and future products;
- continue to expand our laboratory capacity and enhance operating capabilities for greater commercial scale;
- seek regulatory approvals, clearances, or certifications, or coverage and reimbursement, that may be necessary or desired for our products and future products;
- maintain and expand sales, marketing, and distribution infrastructure for purchases of our products;
- acquire or in-license additional intellectual property and technologies;
- make milestone, royalty, or other payments due under any license or collaboration agreements;
- obtain, maintain, protect, and enforce our intellectual property portfolio, including intellectual property obtained through license agreements;
- provide additional infrastructure to support our continued research and development operations and any planned commercialization efforts in the future;
- defend against any litigation, including but not limited to any patent disputes, employment matters, product liability claims or other lawsuits related to our products, our marketing, advertising, or labeling, or our clinical research;
- support international commercial expansion of our products;
- continue to engage the medical community and others to drive awareness and adoption of multicancer early detection ("MCED") testing; and
- meet the requirements and demands of being a public company.

Our products or future products may not perform as expected, and the results of our clinical studies may not support the launch or use of our products or future products and may not comply with the requirements, or be replicated in later studies or in the post-market or real-world setting, required to support a commercial opportunity or for any necessary or desirable regulatory clearances, approvals, or certifications, or reimbursement or coverage. This could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Our success depends on our ability to provide reliable, high-quality products that perform as indicated in our product labeling, marketing, and advertising material, as well as our ability to complete clinical studies and comply with applicable regulatory requirements that enable us to commercialize our products and future products. Our commercial product, Galleri, which we have launched as a laboratory developed test ("LDT") in the United States and for which we are pursuing a premarket approval application ("PMA") with the U.S. Food and Drug Administration (the "FDA") and our precision oncology portfolio, which we currently offer on a research-use-only basis, and our future products in development, including DAC, may not perform as expected. Results from our ongoing or future studies, or from the post-market or real-world setting, involving current or future products or our methylation platform may be inconsistent with certain results obtained from our previous studies, or from interim results initially reported on those studies. For example, the NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) in the NHS-Galleri Trial to determine whether to commence phased commercial

implementation in England. The results of this early analysis represent limited information from only one year of results out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons. While no decision has been made by the NHS regarding phased commercial implementation at this time, the phased commercial implementation would begin with a two-year pilot in England. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. The NHS may commence the commercial pilot if it determines that these results are exceptionally compelling, and it is possible that the results of the early analysis or final results will be unsuitable to the NHS, which could have a significant adverse impact on the success of our commercial efforts for Galleri, our ability to achieve FDA authorization at all or within our anticipated timelines, our brand and reputation, our business, and our growth prospects. Furthermore, other studies have been or may be conducted in populations (such as our SUMMIT study which was conducted in a population of tobacco users) or under other circumstances which make their results more complicated to interpret or result in data that is more difficult to compare. In addition, as Galleri and our research-use-only offering are currently available to customers and others, any studies, including those conducted by third parties, that use our current or future products, or that examine elements of our methylation platform, may produce results that are inconsistent to evaluate independently or comparatively from our own studies. If any such inconsistent results were to be produced, either before or after launch of a product or future product, our reputation, business, financial condition, results of operations, and growth prospects would suffer.

Our products require a number of complex and sophisticated biochemical and bioinformatics processes, which could be adversely impacted by a number of different factors. An operational or technological failure in one of these complex processes or fluctuations in external variables may result in performance characteristics, such as sensitivity or specificity rates, that are lower than we anticipate or that vary between test runs or in a higher than anticipated number of tests that fail to produce results. In addition, we continue to evaluate and refine our algorithms and other processes under development. These refinements may inadvertently result in unanticipated issues that may reduce our performance characteristics, such as sensitivity or specificity rates, or otherwise adversely affect the performance of our tests and their results. Galleri was launched in the United States as an LDT in mid-2021. We plan to complete a PMA submission for Galleri, for which the FDA has granted breakthrough device designation. Additionally, following the future launch of DAC as an LDT, we may voluntarily decide to seek clearance or approval from the FDA. The FDA and other regulators may require that we generate additional clinical data to support such clearance, approval, or certification, which could result in delays, increased costs, or other limitations on our ability to receive such clearance, approval, or certification, if at all, including narrowed indication or labeling than expected or desired. For additional information, see "—Risks Relating to Regulation and Legal Compliance—The regulatory clearance, approval, or certification processes of the FDA and comparable foreign regulatory authorities are lengthy, time-consuming, and unpredictable. If we are ultimately unable to obtain any necessary or desirable regulatory approvals, clearances, or certifications, or if such approvals, clearances, or certifications are significantly delayed, our business will be substantially harmed." Our stakeholders include certain third parties, including telemedicine and phlebotomy providers, couriers, storage and data collection management providers, and ordering and results delivery providers, among others, which we refer to as patient-facing service providers. Other important third parties are clinical study providers and collaborators, including clinical research organization ("CRO") and partners. Negative results experiences or outcomes, including those published by third parties, such as patient-facing service providers and other partners, that use our methylation platform, our products, or our offerings may harm our reputation, business, and growth prospects.

Further, we plan to improve our products to enhance performance, offerings, scalability, and/or cost of goods. However, we may not be successful in transitioning our products to a new or enhanced version or iteration. Product development involves a lengthy and complex process and we may be unable to commercialize, validate, or improve performance of any of our products on a timely basis, or at all. For example, to the extent an enhanced version of an existing product is developed, we may be required to conduct a non-inferiority study involving such enhanced version as compared to the relevant then-current version of the test using data (for example, clinical data and/or real world evidence data obtained through Galleri's current commercial use as an LDT). In addition, we intend to undertake one or more bridging studies to measure and evaluate concordance, performance and safety of the subsequent, enhanced version of our product versus the existing product, using

previously collected clinical study data and other samples. Any such bridging study will need to be agreed upon with regulatory authorities and may be unsuccessful or insufficient to support approval of any such subsequent, enhanced version of our products. If unsuccessful or insufficient, we would be required to revert to the prior version of the test and forego, or be delayed in, implementing any perceived or potential enhancements. Our failure to successfully develop new and/or improved products (including new versions of existing products) on a timely basis could have a material adverse effect on our results of operation and business.

Finally, generating the clinical data necessary to validate and support the launch of our products as LDTs and enhanced versions of products and subsequently obtain regulatory clearance, approval, or certification, or coverage and reimbursement, is time-consuming and carries with it the risk of not yielding the desired results. The performance achieved in published studies may not be replicated in later studies that may be required to obtain or maintain premarket clearance, approval, or certification, or coverage and reimbursement. Limited results from earlier-stage studies may not predict results from studies in larger numbers of participants or participants drawn from different populations. Unfavorable results from ongoing or future clinical studies could result in delays in, modifications to, or abandonment of ongoing or future clinical studies, or abandonment of a product development program, or may delay, limit, or prevent regulatory clearances, approvals, or certifications, or coverage and reimbursement of our products.

The clinical study process is lengthy and expensive with uncertain outcomes. We have encountered delays and may encounter future delays in, or unexpected data from, our clinical studies, and may therefore be unable to complete our clinical studies on the timelines we expect, if at all, which could materially and adversely impact our ability to launch our products and seek regulatory clearance or approval, or coverage and reimbursement.

Clinical testing is expensive, time-consuming, and subject to uncertainty. Initiating and completing clinical studies necessary to validate and market our products, and to support regulatory authorizations or certifications and coverage and reimbursement, will be time-consuming and expensive and the outcomes are inherently uncertain. Clinical studies must be conducted in accordance with the laws and regulations of the FDA and other applicable regulatory authorities' legal requirements and regulations, and are subject to oversight by governmental agencies and institutional review boards ("IRBs") or ethics committees at the medical institutions where the clinical studies are conducted.

The results of our development efforts and clinical studies of our products conducted to date and ongoing or future studies of our current or future products may not be predictive of the results of later clinical studies, and interim results of a clinical study do not necessarily predict final results. Our interpretation of data and results from our clinical studies do not ensure that we will achieve similar or favorable results in future clinical studies. In addition, clinical data are often susceptible to various interpretations, analyses, and methodological limitations, and many companies that have believed their products performed satisfactorily in earlier clinical studies have nonetheless failed to replicate results in later clinical studies. Products in later future clinical studies may fail to show the desired safety and efficacy despite having success in previous clinical studies.

In addition, we cannot guarantee that any clinical studies will be conducted as planned or completed on schedule, if at all, or within the anticipated budget. The timely completion of clinical studies in accordance with their protocols and applicable requirements depends, among other things, on our ability to enroll a sufficient number of participants who remain in the study until its conclusion. Many of our clinical studies require enrolling a large number of asymptomatic participants (i.e., individuals without symptoms of cancer) who may not see value in enrollment. Additionally, we may encounter delays as a result of the administrative complexities in managing and recruiting for studies of this scope and size. If we are unable to recruit sufficient participants for our clinical studies, including PATHFINDER 2 and REACH, or if we are unable to maintain sufficient participation of enrolled participants to maintain statistical power for our endpoints, our product development, commercialization activities, and our ability to seek regulatory clearance or approval for our products could be delayed, require modification, or be prevented.

For example, our PMA submission for Galleri requires clinical data, including certain data from our ongoing PATHFINDER 2 study and the NHS-Galleri Trial, both of which we are conducting under an FDA-approved

Investigational Device Exemption ("IDE") application. We may encounter difficulties enrolling or maintaining a sufficient number of participants in our current or future studies, including our PATHFINDER 2 study or NHS-Galleri Trial. Delays in our studies would cause us to delay completion of our PMA submission for Galleri, which would negatively impact our business, financial condition, results of operations, and growth prospects.

The initiation and completion of clinical studies may be prevented, delayed, or halted for numerous reasons, including as a result of the following:

- the inability to generate sufficient data to support the initiation or continuation of clinical studies;
- the inability to rely on previously-collected data on earlier versions of our products, such as Galleri, in support of the launch or submission for marketing authorization (or certification) of the later or enhanced versions of our products, including Galleri, or our other products and future products;
- the requirement to submit an IDE or comparable foreign application to the FDA or comparable foreign regulatory authorities, which must become effective prior to commencing certain human clinical studies of medical devices, and which the FDA or comparable foreign regulatory authorities may disapprove;
- delays caused by participants withdrawing from clinical studies or failing to return for follow-up or by institutions failing to submit data, including follow-up data, to us;
- delays or failure in reaching a consensus or agreement, if required, with regulatory agencies on study design or feedback from regulatory agencies necessitating changes to ongoing or planned clinical study design;
- delays or failure in reaching agreement on acceptable terms with CROs, service providers, and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical study sites;
- delays or failure in obtaining any required IRB approval or ethics committee approval for our clinical study sites;
- delays in amending, or the inability to amend, our IRB- or ethics committee-approved protocols at clinical study sites when necessary or desired;
- difficulty or delays in collaborating with sites, institutions, and investigators;
- failure by us, investigators, sites, or participants to comply with the applicable study protocol or applicable regulatory requirements and standards for data collection, reporting, records maintenance, or data integrity;
- failure by us or any CROs or other third parties to adhere to clinical study requirements, including the applicable protocol;
- failure to perform in accordance with good clinical practice ("GCP") and good laboratory practice ("GLP") requirements, and/or other applicable regulations and requirements of the FDA or other applicable governmental authorities;
- failure to comply with applicable data privacy and security laws, including laws related to clinical studies such as the European Union's (" EU") or United Kingdom's General Data Protection Regulation ("GDPR");
- challenges caused by transferring personal information or biological samples from the EU, United Kingdom, or other countries to our systems or facilities in the United States for processing;
- failure of our products and future products to achieve acceptable performance metrics, such as sensitivity, specificity, positive predictive value, and/or safety endpoints;
- unacceptable safety findings, including findings related to the risk, such as higher likelihood, of false positive test results (which could lead to unnecessary confirmatory testing, such as biopsy, or anxiety)

or false negative test results (which could lead to foregoing standard of care screening, a delay in diagnosis or disease progression);

- termination or suspension of a study or site by us or the data safety monitoring board (or independent data monitoring committee), suspension or termination of a study or site by an IRB, ethics committee, or institution, or clinical hold or termination of a study or site by a regulatory authority, including the FDA;
- our inability to collaborate with clinical investigators, including if they are disqualified, terminated, suspended, or change affiliated institutions;
- adverse inspections of our clinical study sites or results by any applicable regulatory authority, including the FDA, NHS, or United Kingdom Medicines and Healthcare products Regulatory Agency;
- changes in statutory or regulatory requirements or guidance, or clinical guidelines, that require amending existing or designing new clinical protocols, obtaining new IRB or ethics committee approvals, modifying our clinical studies, modifying our consent process or obtaining additional consent from study participants, or altering the pathway to clearance, approval, or certification of our products and future products;
- changes in the standard of care on which a clinical development plan was based, which may require new or additional clinical studies;
- the cost of clinical studies of our products and future products being greater than we anticipate;
- destruction or compromise of, or other inability to access or receive, clinical study samples processed, stored, managed, or otherwise in the control of a clinical site or other third party;
- determination that data from research conducted outside the United States does not meet the FDA's requirements for submission and support of a marketing authorization or future clinical study IDE application, for example because the foreign data are not applicable to the U.S. population and U.S. medical practice, the studies have been performed by clinical investigators of unsuitable competence, or the FDA cannot validate the data through an on-site inspection or other appropriate means;
- clinical studies of our products and future products producing negative or inconclusive results, which may result in our deciding, or regulators requiring us, to conduct additional clinical studies or abandon development programs; and
- lack of adequate funding.

Any such delays could adversely affect the costs, timing, or successful completion of our clinical studies. Moreover, we depend on our collaborators and on medical and clinical institutions and CROs to conduct our clinical studies in compliance with applicable GCP and other regulatory requirements, and while we have agreements governing their committed activities, we have limited influence over their actual performance. To the extent we, our collaborators or the CROs fail to enroll participants for our clinical studies, fail to conduct the study according to applicable GCP or other regulatory requirements, or are delayed for a significant time in the execution of studies, including achieving full enrollment, we may be affected by increased costs, program delays, enforcement actions, or a determination that the data are unusable for regulatory or product development purposes. In addition, clinical studies that are conducted in countries outside the United States may subject us to further delays and expenses.

Any inability to initiate or complete clinical studies successfully could result in additional costs to us, slow down or prevent our product development and receipt of positive reimbursement coverage decisions, or impair our ability to generate revenue. Delays in initiating or completing our planned clinical studies could also allow third parties to bring products to market sooner than expected, which could impair our ability to successfully commercialize our products and future products, if launched, and may harm our business, financial condition, results of operations, and growth prospects. In addition, many of the factors that may cause, or lead to, a delay in initiation or completion of clinical studies may also ultimately lead to the delay or the narrowing or denial of any

regulatory clearance, approval, or certification we may seek with respect to our products and future products. Delays in the initiation or completion of any clinical study of our products or future products in development, such as Galleri, our precision oncology portfolio, or DAC, or seeking broad coverage and reimbursement, will increase our costs, slow down or jeopardize our product development and regulatory clearance, approval, or certification process, and delay or potentially jeopardize broad adoption of our products and future products and their ability to generate revenue.

Our commercial products may fail to achieve the degree of market acceptance necessary for commercial success.

The commercial success of any of our marketed products, including Galleri and our precision oncology portfolio, or future products will depend on the degree of market acceptance by consumers, including self-insured employers, health systems, healthcare providers, life insurance companies, patients, and, over the longer-term, third-party payors. The degree of market acceptance of our products will depend on a number of factors, including:

- the performance, validation, and clinical utility of such products as demonstrated in clinical studies, from real-world use, and published in peer-reviewed journals;
- our ability to demonstrate the clinical validation and utility of our products and their potential advantages to the medical community;
- the ability of our products to demonstrate comparable or non-inferior performance in real-world intended use populations as in clinical studies;
- the willingness of consumers, including self-insured employers, health systems, healthcare providers, life insurance companies, patients, and others in the medical community to utilize our products;
- the willingness of commercial third-party payors and government payors to cover and reimburse our products, the scope and amount of which will affect an individual's or entity's willingness or ability to pay for our products and likely heavily influence healthcare providers' decisions to recommend our products;
- willingness of providers, patients, and others to learn about our products, including Galleri and DAC, and establish a sense of understanding and confidence in the use of our products;
- with respect to Galleri, which was launched as an LDT in the United States for use in an asymptomatic population, the concern that the product could lead to unnecessary medical screening procedures or a high false positive rate and the associated costs of unnecessary workups resulting from false positives;
- the belief of providers, patients, and others that the use of Galleri in its intended use population is clinically appropriate, and not restricting its use to a narrower intended population;
- the introduction or market acceptance of future third-party products, including the expansion of the capabilities of existing products and tests that are reimbursed;
- the ability of our partners and our employees and contractors to ensure the safety and privacy of our patient data;
- publicity (adverse or positive) concerning our products or operations (including third-party partners, patient-facing service providers, vendors, or suppliers) or future third-party products, including adverse publicity resulting from the use of our products or offerings by third parties, including partners; and
- the strength of our marketing and distribution support and patient-facing service providers.

The failure of our products, once introduced, to be listed in physician guidelines or of our studies to produce favorable and consistent results or to be published in peer-reviewed journals could limit the adoption of our products. In addition, healthcare providers and third-party payors, including the Centers for Medicare and Medicaid Services ("CMS"), may rely on physician guidelines issued by industry groups, medical societies, and

other key organizations, such as the United States Preventive Services Task Force ("USPSTF"), an independent, volunteer panel of experts in the field of prevention, evidence-based medicine and primary care, before utilizing or reimbursing the cost of any diagnostic or screening test. Although we have a number of clinical studies underway designed to evaluate the clinical validity of Galleri, our product is not yet, and may never be, listed in any such guidelines, even if approved by the FDA.

Further, if our products or the technology underlying them do not receive sufficient favorable exposure in peer-reviewed publications, the rate of physician and market acceptance of our products and positive reimbursement coverage decisions for our products could be negatively affected. The publication of clinical data in peer-reviewed journals is a crucial step in commercializing and helping obtain reimbursement for products, and our inability to control when, if ever, results are published, if positive, may delay or limit our ability to derive sufficient revenues from any product that is developed using data from a clinical study.

Additionally, we believe that FDA approval for Galleri may provide clinical and regulatory credibility and validation in the view of providers, third-party payors, and others, and our failure to achieve FDA approval, at all or within our anticipated timelines, could limit adoption of Galleri, even if we continue to publish data on its clinical validity and utility in peer-reviewed journals. Our PMA submission and a potential subsequent rejection or material delay (including a requirement to conduct additional studies) may reflect negatively on Galleri and the ongoing and planned clinical studies used to support our PMA submission, which could lead healthcare providers, payors, and others to lose confidence in the utility or benefit of Galleri and our other products and future products.

Failure to achieve broad market acceptance of our products would materially harm our business, financial condition, and results of operations.

We may not be able to generate sufficient revenue to offset our ongoing operating expenses and achieve and maintain profitability, and it may be difficult for us to offset the costs of our royalties, including the high-single-digit royalty that we will be required to pay to Illumina in perpetuity or our royalties payable to the Chinese University of Hong Kong.

Our ability to generate future revenue growth from product sales and achieve profitability depends on our ability to continue commercializing our products. We completed our first sale of Galleri in mid-2021 and as of March 31, 2024 we have sold more than 180,000 Galleri tests through our existing market channels. We also launched our precision oncology portfolio in 2023, which currently comprises a research use only ("RUO") offering, and have partnered with several biopharmaceutical companies to deploy this offering. While we plan to commercially launch DAC in the United States as an LDT, we cannot assure you that we will successfully be able to do so as planned, if at all, and our failure to do so may prevent us from generating increased revenue. Furthermore, even if we are able to launch any future products in a timely manner, we may not be able to generate sufficient revenue to offset our costs and achieve profitability. Our ability to generate future revenue growth from product sales depends heavily on our success in:

- continuing clinical development, validation, and demonstration of the clinical utility of our products and future products and continuing to improve product performance and expand product features over time;
- seeking, obtaining, and maintaining marketing authorizations or certifications that may be necessary or desired for any versions of Galleri, DAC, and any future products that we develop;
- launching and commercializing our products by maintaining and expanding our sales force, marketing, medical affairs, and distribution infrastructure, and collaborating with commercialization partners;
- investing in and enhancing our proprietary methylation platform, and enhancing later versions of our existing and future products and offerings;
- obtaining market acceptance by consumers, including self-insured employers, health systems, healthcare providers, life insurance companies, patients, and third-party payors;

- establishing and maintaining supply and manufacturing relationships with third parties that can timely and consistently provide adequate, in both amount and quality, products and services to support clinical development and the market demand for Galleri, our precision oncology portfolio, and, if launched, future versions of Galleri and DAC;
- achieving adequate coverage and reimbursement from government healthcare programs, health insurance organizations, and other third-party payors for products that we launch;
- achieving sufficient efficiencies and cost management strategies in our laboratory, supply chain, and elsewhere to maintain an appropriate cost of goods sold to offer our products at an acceptable price in a pre-reimbursement environment;
- addressing any technological and market developments;
- negotiating favorable terms in any collaboration, licensing, or other arrangements into which we may enter and maintaining such existing or future arrangements;
- maintaining, protecting, and expanding our portfolio of intellectual property rights, including patents, trade secrets, know-how, and trademarks;
- the potential cost of and delays in product development as a result of any regulatory oversight applicable to our existing and future products and offerings;
- defending against third-party interference, invalidation, or infringement claims, if any; and
- attracting, hiring, and retaining qualified personnel.

We anticipate incurring significant costs to continue commercializing our products. Our expenses could increase beyond expectations if we are required by the FDA or other regulatory agencies, or notified bodies to delay the launch of any new products, narrow or change our intended use or product claims, and modify or expand our clinical studies or to perform additional clinical studies, either pre- or post-approval (or certification), in addition to those that we currently anticipate. Additionally, it may be difficult for us to offset the costs of the high-single-digit royalty that we will be required to pay under our agreement with Illumina in perpetuity. For more information, see "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Material Cash Requirements," and "Certain Relationships and Related Party Transactions—Agreements with Illumina" beginning on pages 123, 206, and 229, respectively, of this Information Statement.

Under the terms of our license agreements with the Chinese University of Hong Kong, we are also required to pay a low single-digit royalty on net sales of our products that use the technology we license from Chinese University of Hong Kong, subject to minimum annual guarantees. Our payment obligations with respect to each license for each product containing any licensed technology extends until the expiration or termination of such license, which shall be the later of a low double-digit number of years from our payment of the license issue fee or expiration of the last-to-expire licensed patent. Although certain provisions in our agreement with Illumina allow us to reduce our royalty to Illumina by up to a low single-digit percentage due to third party royalties actually paid, such as our royalty payment to Chinese University of Hong Kong, our obligation to pay this royalty on our net sales could reduce our gross margins and increase our expenses. See the section titled "Business—Intellectual Property—License Agreements with the Chinese University of Hong Kong" beginning on page 164.

We will need to generate significant additional revenue to achieve and maintain profitability and will need to obtain additional funding to continue operations. Even if we achieve profitability, we cannot be sure that we will remain profitable for any substantial period of time. We may never be able to generate sufficient revenue to achieve or maintain profitability and our recent and historical growth should not be considered indicative of our future performance. If we do not achieve or maintain profitability, it will be more difficult for us to finance our business and accomplish our strategic objectives, either of which could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

A substantial majority of our revenue is generated from sales of Galleri and we are highly dependent on it for our success.

We began selling Galleri in the United States in mid-2021. Sales of Galleri accounted for a substantial majority of our revenue to date and we expect that such sales will continue to account for the substantial majority of our revenue for the foreseeable future. Our ability to execute our growth strategy and become profitable will therefore depend upon the adoption of Galleri as a widely used MCED test. Continued adoption and use of Galleri will depend on several factors discussed in these risk factors, including, among others, the prices we charge for our tests, the scope of coverage and amount of reimbursement available from third-party payors, including managed care organizations, private health insurers, and government healthcare programs, such as Medicare and Medicaid in the United States and similar programs in other countries, the availability of clinical and real-world data that supports the value and impact of our tests, and the extent to which our tests receive FDA authorization or a USPSTF grade A or B recommendation. We cannot assure you that Galleri will continue to maintain or gain market acceptance, and any failure to do so would harm our business and results of operations.

Our goodwill and indefinite lived intangible assets have been subject to impairment and may be subject to further impairment in the future, which could have a material adverse effect on our results of operations, financial condition, or future operating results.

We evaluate goodwill and indefinite-lived intangible assets for impairment annually or more frequently if an event occurs or circumstances change in the interim that would more likely than not reduce the fair value of an asset below its carrying amount. Indicators that are considered include, among others, significant changes in performance relative to expected operating results, significant negative industry or economic trends, or a significant decline in market capitalization or enterprise value for a sustained period of time. Changes in key assumptions in the future, including lowering forecast for revenue and operating margin, selection of guideline public companies, increasing the selected discount rate, reducing the estimated useful lives of intangible assets, abandoning in-process research and development, or lowering the long-term growth rate, could result in additional charges; similarly, one or more changes in these assumptions in future periods due to changes in circumstances could result in additional future impairments. Due to the application of pushdown accounting, our balance sheet includes goodwill and intangible assets recognized by Illumina in connection with their acquisition of us that may be subject to additional impairment over time. As a result of an impairment assessment performed, a goodwill impairment charge of $608.5 million was recorded in the fiscal year 2023 which represents the amount by which the carrying value of GRAIL exceeded the fair value of GRAIL upon performing a quantitative test, primarily due to changes to expected timing of revenue and a higher discount rate. In conjunction with the 2023 impairment assessment, an impairment charge of $110.0 million was recorded to the IPR&D intangible asset, primarily due to a decrease in projected cash flows and a higher discount rate selected for the fair value calculation. As a result of an impairment assessment performed, an impairment charge of $4.7 billion was recorded in 2022 which represented the amount by which the carrying value of GRAIL exceeded the fair value of GRAIL upon performing a quantitative test. This and any additional goodwill impairments, including due to third party review or regulatory scrutiny, could have material adverse effects on our operating results, net assets, or our cost of, or access to, capital, which could harm our business. Further, goodwill impairment assessments are subjective and involve significant estimation, and impairment charges could have material adverse effects on our business and financial condition. We continue to monitor for potential impairment should impairment indicators arise. We could be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or intangible assets is determined, negatively impacting our results of operations. See “Note 2—Summary of Significant Accounting Policies—Goodwill and Intangible Assets” to our Consolidated Financial Statements for more details.

One of the key elements of our strategy is to expand access to our tests by pursuing coverage and reimbursement from third-party payors, both private and government payors. If our products do not receive adequate coverage and reimbursement, if at all, from third-party payors, our ability to expand access to our products beyond our existing sales channels will be limited and our overall commercial success will be limited.

We have established private reimbursement for Galleri from a number of third-party payors in the United States, but do not currently have broader coverage and reimbursement by government healthcare programs, such as Medicare. A key element of our strategy is to expand access to our tests by pursuing broad coverage and reimbursement by third-party payors, including government payors. Coverage and reimbursement by third-party payors, including managed care organizations, private health insurers, and government healthcare programs, such as Medicare and Medicaid in the United States and similar programs in other countries, for early detection tests we offer or are planning to offer, can be limited and uncertain. Healthcare providers may not order our products unless third-party payors cover and provide adequate reimbursement rates for a substantial portion of the price of our products. If we are not able to obtain adequate coverage and an acceptable level of reimbursement for our products from third-party payors, there could be a greater co-insurance or co-payment obligation for any individual for whom a test is ordered. The individual may be forced to pay the entire cost of a test out-of-pocket, which could dissuade physicians from ordering our products and, if ordered, could result in delay in or decreased likelihood of our collection of payment. We believe our revenue and revenue growth will depend on our success in achieving coverage and adequate reimbursement for our products from third-party payors.

Medicare is the single largest U.S. payor and a particularly important payor for many cancer-related laboratory services given the demographics of the Medicare population. Traditional fee-for-service Medicare generally does not cover screening tests, which are considered preventive services, that are performed in the absence of signs or symptoms of illness or injury, unless there is a statutory provision that explicitly authorizes coverage of the test. The Medicare Improvements for Patients and Providers Act of 2008 authorizes the CMS to cover additional preventive services that are not expressly covered by the statute if the service is (a) reasonable and necessary for the prevention or early detection of an illness or disability, (b) recommended with a grade of A or B by the USPSTF, and (c) appropriate for Medicare beneficiaries under Part A or Part B. CMS establishes coverage through a national coverage determination ("NCD") process, which generally requires, or is significantly more likely following, FDA approval. In its discretion, the USPSTF generally waits for FDA authorization before it considers undertaking reviews of novel technology. Galleri and certain other future products could be considered screening tests under Medicare and, accordingly, are and may not be eligible for traditional Medicare fee-for-service coverage and reimbursement unless we pursue substantial additional measures, including, but not limited to, securing FDA authorization of Galleri and other future products, followed by obtaining a grade A or B recommendation from the USPSTF, in an effort to enable CMS to issue an NCD. Medicare coverage can also be changed by statute, and another possible pathway for Medicare reimbursement would be to amend the Medicare statute to cover MCED testing. This process would generally require new legislation to expressly authorize CMS to cover FDA-approved early cancer screening and detection tests. We are working with stakeholders to advance and shape the public reimbursement landscape to reflect that additional scope of coverage. However, even if we are successful in obtaining an NCD on the basis of the new reimbursement landscape envisioned by this legislation, we intend to seek a USPSTF grade for Galleri. If we receive an NCD for Galleri or our other products and subsequently receive a USPSTF grade lower than A or B, it is possible that CMS would rescind the NCD. Further, such legislation may never be enacted, may be significantly delayed in being enacted, or may be enacted in a different form, including narrower or less favorable terms, any of which could have a material adverse effect on our business, financial condition, results of operations, and growth prospects. Any of these efforts, individually and together, require significant investments and resources, and may ultimately be unsuccessful or may take several years, if at all, to achieve.

If the USPSTF does not recommend any of our products with a grade of A or B, CMS declines to initiate an NCD, CMS decides to rescind a prior NCD, or the decision regarding an NCD is negative, the impacted product would not be eligible for fee-for-service Medicare coverage in the absence of a new statutory provision providing for coverage. Even if the USPSTF were to recommend Galleri or other products we are developing, the USPSTF

review process and the ensuing NCD process by CMS could take several years to complete, and coverage for our products would be delayed while review is ongoing. The Affordable Care Act ("ACA") mandates that many private insurance plans cover, among other preventive health services, evidence-based items or services recommended by USPSTF with a grade of A or B, with certain prohibitions on cost-sharing requirements. Accordingly, if USPSTF does not recommend use of Galleri or other products we are developing or requires a substantial amount of time to review such products, our business and results of our operations would be harmed. Coverage and adequate reimbursement under Medicare are also uncertain as discussed further in "Business—Government Regulations—Coverage and Reimbursement", beginning on page 179 of this Information Statement. DAC is intended to be a diagnostic aid, and we believe it could be eligible, with current or additional clinical study data, for Medicare coverage and reimbursement in the next several years, although there can be no assurances that we will be successful in obtaining such coverage, if and when DAC is launched.

If eligible for reimbursement, laboratory tests including ours are generally classified for reimbursement purposes under CMS's Healthcare Common Procedure Coding System ("HCPCS") and the American Medical Association's ("AMA") Current Procedural Terminology ("CPT") coding systems. We and payors must use those coding systems to bill and pay for our diagnostic tests, respectively. These HCPCS and CPT codes are associated with the particular product or service that is provided to the individual. Accordingly, without a HCPCS or CPT code applicable to our products, the submission of claims would be a significant challenge. Once CMS creates an HCPCS code or the AMA establishes a CPT code, CMS establishes payment rates and coverage rules under traditional Medicare, and private payors establish rates and coverage rules independently. Under Medicare, payment for laboratory tests is generally made under the Clinical Laboratory Fee Schedule ("CLFS") with payment amounts assigned to specific HCPCS and CPT codes. In addition, effective January 1, 2018, a new Medicare payment methodology went into effect for clinical laboratory tests, under which laboratory-reported private payor rates are used to establish Medicare payment rates for tests reimbursed via the Medicare Clinical Laboratory Fee Schedule. The new methodology implements Section 216 of the Protecting Access to Medicare Act of 2014 ("PAMA") and requires laboratories that meet certain requirements related to volume and type of Medicare revenues to report to CMS their private payor payment rates for each test they perform, the volume of tests paid at each rate, and the HCPCS code associated with the test. CMS uses the reported information to set the payment rate for each test at the weighted median private payor rate. Most affected tests are revalued every three years. A series of legislative amendments delayed the next PAMA reporting period to January 1, 2024 through March 31, 2024, which will cover the original data collection period of January 1, 2019 through June 30, 2019. New CLFS rates for clinical diagnostic laboratory tests ("CDLTs") will be established based on that data beginning in 2025, subject to phase-in limits. As a result, Medicare payment rates determined by data reported in 2017 will continue through December 31, 2024. In addition, under PAMA, as amended, the payment reduction cap will be 15% per test per year in each of the years 2024 through 2026. PAMA also authorized the adoption of new, temporary billing codes and unique test identifiers for FDA-cleared or approved tests, as well as advanced diagnostic laboratory tests ("ADLTs"). The AMA's CPT Editorial Panel approved a proposal to create a new section of billing codes called Proprietary Laboratory Analyses ("PLA") codes, to facilitate implementation of this section of PAMA. The full impact of the PAMA rate-setting methodology and its applicability to our products remains uncertain at this time.

Coverage and reimbursement by a third-party payor may depend on a number of factors, including a payor's determination that a product is appropriate, medically necessary, and cost-effective. Each payor will make its own decision as to whether to establish a policy or enter into a contract to cover our products and the amount it will reimburse for such products. Any determination by a payor to cover and the amount for which it will reimburse our products would likely be made on an indication-by-indication basis. For example, we may face additional scrutiny in obtaining coverage and reimbursement from third-party payors given the additional costs of further diagnostic workup in the event the test is deployed at scale, as a result of the false positive rate. As a result, obtaining approvals from third-party payors to cover our products and establishing adequate coding recognition and reimbursement levels is an unpredictable, challenging, time-consuming, and costly process and we may never be successful. If third-party payors do not provide adequate coverage and reimbursement for our products, our ability to succeed commercially will be limited.

Even if we establish relationships with payors to provide our products at negotiated rates, such agreements would not obligate any healthcare providers to order our products or guarantee that we would receive reimbursement for our products from these or any other payors at adequate levels. Thus, these payor relationships may not result in acceptable levels of coverage and reimbursement for our products, including Galleri and any current or future products, including future versions of Galleri or DAC. We believe it may take several years to achieve coverage and adequate reimbursement with a majority of third-party payors, including with those payors offering negotiated rates. In addition, we cannot predict whether, under what circumstances, or at what payment levels payors will cover and reimburse our products. Although we do not expect Galleri to have Medicare or other broad third-party coverage or reimbursement in the near term, we will continue to market our product to health systems, large self-insured employers, life insurance providers, physician directed channels, health plans, and additional at-risk groups such as first responders, including firefighters. If we fail to establish and maintain coverage and reimbursement for our products, our ability to expand access to our products, generate increased revenue, and grow our test volume and customer base will be limited and our overall commercial success and growth prospects will be limited.

We may be unable to develop and commercialize new products, including enhanced versions of current products, and enhanced versions may require non-inferiority studies and/or bridging studies, which may require prior review and agreement from regulatory bodies.

We continue to expand our research and development efforts to use our proprietary methylation platform and our large clinical and genomic datasets to develop enhanced versions of our products and future products. The commercialization of any new products, including enhanced versions of current products, will require the completion of certain clinical development activities, regulatory activities, and the expenditure of additional cash resources. We cannot assure you that we can successfully complete these activities for any such products. For example, to the extent an enhanced version of an existing product is developed, we may be required to conduct a non-inferiority study involving such enhanced version as compared to the relevant then-current version of the test using data (for example, clinical data and/or real world evidence data obtained through Galleri's current commercial use as an LDT). In addition, we intend to undertake one or more bridging studies to measure and evaluate concordance, performance and safety of the subsequent, enhanced version of our product versus the existing product, using previously collected clinical study data and other samples. Any such bridging study will need to be agreed upon with regulatory authorities and may be unsuccessful or insufficient to support approval of any such subsequent, enhanced version of our products. If unsuccessful or insufficient, we would be required to revert to the prior version of the test and forego, or be delayed in, implementing any perceived or potential enhancements.

We cannot ensure that we will generate sufficient revenue from products that we successfully commercialize or otherwise mitigate the risks associated with our business to raise enough capital to develop and commercialize new products. In addition, once our development efforts for a product are completed, commercialization efforts, including allocation of resources necessary to comply with applicable laws and regulations, will require significant expenditures. Any failure to develop, obtain necessary marketing authorizations for, or commercialize new products, and meet and continue compliance with applicable laws and regulations, could have a material adverse effect on our ability to implement our strategy and grow our business.

If similar third-party products are developed and do not perform as intended or cause harm or injury to patients, the market for our products could be impaired.

Many companies are attempting to develop competing cancer detection tests and technologies focused on improving cancer care with early cancer detection tests and post-diagnostic products. If any of these tests do not perform to expectations or cause harm or injury to patients, it may result in lower clinical and consumer confidence in early cancer detection and precision medicine in general, which could potentially adversely affect confidence in our products. As a result, the failure of any competing products to perform as expected could significantly adversely affect public perception about cancer detection tests generally, including our products, and could significantly impair our reputation and operating results.

If we fail to obtain additional financing, we may be unable to expand our commercialization efforts with respect to Galleri and any other products that we successfully develop and commercialize, or to develop additional products.

Our operations have required substantial amounts of cash since inception. To date, we have financed our operations primarily through the sale of equity securities and capital contributions from Illumina and, to a lesser extent, revenue derived from Galleri sales and precision oncology portfolio revenue. Our product development and clinical study activities are expensive, and we expect to continue to spend substantial amounts as we expand our commercialization efforts with respect to Galleri, including pursuing broader coverage and reimbursement, prepare for the potential launch and commercialization of DAC, continue to enhance our core technology platform, broaden the applications of our technology platform, and develop new products. In addition, obtaining any necessary or desirable regulatory approvals, clearances, or certifications, as well as coverage and reimbursement, for our products will require substantial additional funding.

As of March 31, 2024, we had $199.7 million in cash and cash equivalents. We believe that our existing cash and cash equivalents, together with the funding obligations of Illumina required by the EC Divestment Decision (as defined in the section titled "The Spin-Off—Background" beginning on page 100 of this Information Statement), will be sufficient to fund our projected operations for at least the next 12 months. Our estimate as to how long we expect our existing cash, cash equivalents, and funding obligations from Illumina to be available to fund our operations is based on assumptions that may prove to be inaccurate, and we could use our available capital resources sooner than we currently expect. In addition, changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may need to raise additional funds sooner than we anticipate.

We will require additional capital to expand the commercialization of Galleri and our precision oncology portfolio for the development and potential commercialization of DAC, and for the development of future products. Our future capital requirements depend on many additional factors, including:

- the cost of development and commercialization activities for our products, including Galleri and our precision oncology portfolio and our future products, such as DAC, including marketing, sales, and distribution costs;
- the cost related to continued scaling operations to support demand for our products, including the cost of operating our laboratory in Durham, North Carolina;
- the timing of, and the costs involved in, obtaining any required or desired regulatory approvals, clearances, or certifications for our products;
- the timing, scope, progress, results, and costs of developing additional products and conducting clinical studies;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending, and enforcing patent and other intellectual property rights and claims, including litigation costs and the outcome of such litigation;
- the timing and amount of sales of our products and collection of related receivables;
- the extent to which our products are eligible for coverage and reimbursement from third-party payors;
- the emergence of new technologies, products, or services and other adverse market developments; and
- other potential adverse developments.

Additional capital may not be available when we need it, on terms acceptable to us or at all. We have no committed source of additional capital, other than the funds to be committed by Illumina as described above. Furthermore, any additional capital raised through the sale of equity or equity-linked securities will dilute

stockholders' ownership interests in us, may require stockholder approval, may have an adverse effect on the price of our common stock, and holders of these securities may have rights, preferences or privileges senior to those of our then-existing stockholders. Debt financing, if available, may include restrictive covenants that could limit how we conduct our business and limit our ability to further raise capital, and if available, may be available only on undesirable terms, particularly as we would borrow as an independent company and not a subsidiary of Illumina. If adequate capital is not available to us on a timely basis, we may be required to significantly delay, scale back, or discontinue the commercialization of our products or research and development programs, or be unable to continue or expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition, results of operations, and growth prospects and cause the price of our common stock to decline.

If our products result in direct or indirect participant or patient harm or injury, we could be subject to significant reputational and liability risks, and our reputation, business, financial condition, results of operations, and growth prospects could be materially adversely affected.

Our success will depend on the market's confidence that our products, including Galleri and, if successfully developed and launched, enhanced versions of Galleri and DAC, and our precision oncology portfolio can provide reliable, high-quality results. We believe that participants, patients, customers, physicians, and regulators are likely to be sensitive to errors in the use of our products or failure of our products to perform as described, and there can be no guarantee that our products will meet expectations. Galleri is intended to be used to detect a cancer signal in individuals, but its results are not intended to be diagnostic. If a cancer signal is detected, the product is used to localize the origin of the cancer signal; a "cancer signal detected" test result must be followed up by appropriate diagnostic workup. Because the product cannot detect all cancer signals, and may not detect signals for all cancer types, a negative test does not rule out the presence of cancer. Additionally, an individual undergoing unnecessary diagnostic tests on the basis of a false positive result or an erroneous cancer signal origin result could expose us to significant liability and reputational risks. Similarly, an individual who receives a cancer diagnosis shortly following a "no cancer signal detected" test result may create negative publicity about our product, which would discourage adoption. Performance failures could establish a negative perception of our products among physicians, patients, customers, and regulators, jeopardize our ability to successfully commercialize our products, impair our ability to obtain marketing authorizations or secure favorable coverage and reimbursement, or otherwise result in reputational harm or enforcement action or inquiry by a regulatory body. These risks may be more pronounced for certain applications in our precision oncology portfolio, such as companion diagnostic development, as our products would be directly involved with the choice to use certain treatments in a particular case. In addition, we may be subject to legal claims arising from any errors in the use, manufacture, design, labeling, marketing, or performance of our products, including false positive or false negative results.

We rely on Illumina as a sole supplier for our next-generation sequencers and associated reagents, Madison Industries ("Madison") (who acquired our blood collection tube manufacturer Streck, Inc. in 2023) as a sole supplier of our blood collection tubes, and Twist Bioscience Corporation ("Twist") as a sole supplier of our DNA panels. Additionally, we rely on a limited number of suppliers for some of our laboratory instruments and reagents, and we may not be able to immediately find replacements if necessary.

We rely on Illumina as the sole supplier of the next-generation sequencers and associated Illumina-supplied reagents we use to perform our genomic tests and as the sole provider of servicing, including maintenance and repair services for these sequencers. Any disruption or interruption in Illumina's operations or breach of our supply-related agreements would impact our supply chain and laboratory operations. We also rely on Madison as the sole supplier of our blood collection tubes and Twist as the sole supplier of our DNA panels. We rely on other vendors as sole suppliers, although we believe we are less reliant on their offerings than the vendors named above. A disruption or interruption in supply from these vendors could delay our ability to continue laboratory operations, and develop and commercialize any other future products. Any such disruption or interruption in supply, quality, or servicing would adversely affect our commercial partnerships, our ability to continue

supporting clinical studies and conduct new studies, our reputation, and could impact our timing for regulatory authorization and coverage and reimbursement.

Further, we are in the process of submitting a PMA for Galleri to the FDA. We may similarly seek FDA authorization for DAC and other products. For products or components supplied to us by Illumina, we have not negotiated the use of all of their products in any product we intend to submit for an FDA marketing authorization. We are cooperating with Madison to obtain FDA clearance or approval for their blood collection tubes for use with our products. In some cases, use of these third-party products in any FDA-cleared or approved product we may seek to commercialize will be conditioned on these suppliers having obtained FDA clearance or approval for their products for the uses of those third-party products as intended with ours. Before we pursue approval for our products that incorporate or use materials supplied to us by these suppliers, we will need to negotiate and execute agreements with these parties and in some cases may need to ensure these products have obtained the requisite clearances or approvals for the intended uses with our products. Any failures or delays in negotiating agreements with our suppliers on reasonable terms, or their inability to obtain any required clearances or approvals, may increase our costs or delay or prevent us from obtaining approval of, and thus successfully commercializing, our products.

Moreover, products supplied to us for use in our LDT products may be currently available to us as RUO products, which means, among other things, that the third-party supplier intends for the products not to be used for clinical use and that the products must be labeled "For Research Use Only. Not for use in diagnostic procedures." If the FDA were to take enforcement action against us or our suppliers for our use of RUO products in connection with our products and future products that we intend to use for clinical purposes, including our launch of LDTs, such action could require us to seek alternative suppliers and thus materially and adversely affect our ability to provide such products to our customers and could significantly increase our costs of conducting business. Products for FDA-approved or cleared *in vitro* diagnostic use generally have significantly higher costs than LDT uses, which, in turn, are more costly than products intended for RUO.

Our current suppliers, including Illumina, Madison, or Twist, may also discontinue or substantially change the specification of products that we utilize or intend to utilize in our products and future products. While we believe other suppliers exist that are capable of supplying and servicing the equipment and materials necessary for our products and laboratory operations, including certain instruments, components, consumables, and reagents, qualifying, contracting with, validating, and transitioning to any such new suppliers could temporarily result in interruptions in or otherwise affect our ability to manufacture and commercialize products or the performance specifications of our laboratory operations and sample processing or, if we receive FDA authorization for our current or future products, could require that we revalidate such products or submit such changes for regulatory authorization by the FDA. For example, we have used, currently use and expect to continue to use Madison blood collection tubes for all of our prior, ongoing, and planned clinical studies that support product development and validation. It may be difficult to engage with another supplier who can provide the same products and with the same quality and availability as Madison, which could significantly delay our clinical studies and ability to process tests, and materially adversely impact our business. In addition, we purchase certain products on a purchase order basis and cannot guarantee a consistent source of supply. The use of equipment or materials provided by a replacement supplier could require us to alter our laboratory operations and sample collection and processing and related procedures. In the case of attempting to obtain an alternative supplier for Illumina, Madison, or Twist, replacement instruments and associated reagents, tubes, and panels that meet our quality control and performance requirements may not be immediately available. If we encounter delays or difficulties in securing, reconfiguring or revalidating the equipment, reagents, and other materials that we require for our tests, laboratory operations and sample collection and processing, we would likely face significant delays in ongoing clinical studies or conducting new studies, commercializing our products and our reputation, business, financial condition, results of operations, and growth prospects would be adversely affected.

If our facilities become inoperable, our ability to provide our products will be significantly impaired and our business will be harmed.

We currently perform all research and development, and conduct commercial testing work, for our products, including Galleri, in our laboratories located in Menlo Park, California and Durham, North Carolina. We also have offices in Washington D.C. and the United Kingdom, which is important to our international operations. The facilities may be harmed, rendered inoperable by physical damage or otherwise become partially or completely unusable due to fire, floods, earthquakes, power loss, telecommunications failures, break-ins, accidents, pandemics, and similar events, which may render it difficult or impossible for us to provide our products for some period of time. Our laboratories and the equipment we use to perform our research and development or commercialization work could be unavailable or costly and time-consuming to repair or replace. It would be difficult, time-consuming, and expensive to rebuild our facilities, particularly in light of the licensure, permits, and accreditation requirements for clinical laboratories like ours. For example, the development and commercial test processing activities for Galleri, and future potential commercial launch of DAC, are dependent on the operation of our Durham, North Carolina laboratory, which received Clinical Laboratory Improvement Amendments of 1988 ("CLIA") certification to perform high-complexity training, and College of American Pathologists ("CAP") accreditation. A disruption at this facility could materially adversely impact our business and operations. Although we carry insurance for damage to our properties and the disruption of our business, this insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all.

Our operations and business depend on various third parties, including information technology, sample collection, processing, transfer facilities, and other patient-facing service providers. Any disruption, failure, or interruption at any of these third parties could materially adversely affect our business, results of operations, financial condition, and growth prospects.

We depend on third parties for information technology, telecommunication systems, the collection, processing, transport, and storage of sample, and other patient-facing services. Any disruption in these services or operations could materially adversely harm our business and operations.

We depend on information technology and telecommunications systems, including those provided by third parties and their vendors, for significant elements of our operations, such as our laboratory information management systems, including test validation, specimen tracking, and quality control; personal information collection, storage, maintenance, and transmission; our report production systems; and our billing and reimbursement, research and development, scientific, and medical data analysis; and general administrative activities. In connection with becoming a public company, we expect to expand and strengthen a number of enterprise software systems that affect a broad range of business processes and functions, including, for example, systems handling human resources, financial controls and reporting, customer relationship management, regulatory compliance, security controls, and other infrastructure operations. These expansions may prove more difficult than we expect and could cause disruptions in our operations or additional expense. Information technology and telecommunications systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts, and natural disasters. Moreover, despite network security and back-up measures, some of our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive events. Any disruption or loss of information technology or telecommunications systems on which critical aspects of our operations depend could have an adverse effect on our business, reputation, results of operation, financial condition, and growth prospects.

Our business also depends on our ability to reliably sequence blood samples that we collect, which are transported to our Menlo Park or Durham facility for analysis. Within the United Kingdom, our samples are initially collected, processed, frozen, and stored at several off-site facilities. Any disruption to the operations of these facilities could compromise the integrity of our samples and impede our ability to access and accurately sequence the data. For example, Event Marketing Solutions Ltd ("EMS") is responsible for collection of our

NHS-Galleri Trial samples and ships those samples to UK Biocentre Ltd ("UKBC") for, among other things, receipt, storage, and management. If any natural or man-made disaster, accident, or break-in were to affect the UKBC facility or EMS' collection or shipping operations, our NHS-Galleri samples could be lost, destroyed, compromised, or otherwise adversely affected. In addition, we maintain samples from our clinical studies for several years. It is possible that the long-term stability of these samples may not be maintained with the passage of time, which could negatively impact our ability to use such samples to validate our products. Further, interruptions in collection, processing, freezing, or transportation of samples performed by patient-facing service providers and other third parties, whether due to labor disruptions, bad weather, natural disaster, terrorist acts, threats, or for other reasons could adversely affect the samples and our ability to process the samples in a timely manner, which could negatively affect our ongoing research studies and harm our business. This is particularly true for transport of our samples, which generally must be delivered to our facilities for processing within seven days of blood draw.

We also depend on third-party telemedicine providers for certain referrals and follow up services with patients. Third-party phlebotomists also provide patient-facing services in collecting samples and shipping samples to our facilities for processing. If these telemedicine or phlebotomist vendors fail to perform services, or if services are performed poorly or perceived to be performed poorly, we may suffer reputational harm, need to replace a provider, limit our ability to reach patients, result in loss of samples, failure to receive samples in a timely manner, insufficient quality of samples, or other harms.

Finally, the facilities of any of our third-party collaborators, consultants, contractors, vendors, suppliers, and service providers could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, tornadoes, hurricanes, fires, extreme weather conditions, medical epidemics, pandemics, and other natural or man-made disasters or business interruptions. In addition, they may be affected by government shutdowns, changes to applicable laws, regulations, and policies, or funding shortages. The occurrence of any of these business disruptions could seriously harm their ability to complete their contracted services to us, which may adversely impact our operations and financial condition.

Failure of, or defects in, our machine learning algorithms, artificial intelligence, and cloud-based computing infrastructure, including interruptions of service through our key provider, Amazon Web Services, or increased regulation in the machine learning or artificial intelligence space, could impair our ability to process our data, develop products, or provide test results, and harm our business and results of operations.

We depend on technology systems for significant elements of our business operations. These technology systems support a variety of functions, including manufacturing operations, laboratory operations, data analysis, quality control, partner service and support, billing, research and development activities, and scientific and general administrative activities. The design, development, maintenance, and operation of our technology over time is expensive and complex, and may involve unforeseen difficulties including performance problems, undetected defects, or errors. Overcoming technical obstacles and correcting defects or errors could prove to be impossible or impracticable, and the costs incurred may be substantial and adversely affect our results of operations. Additionally, regulation in the machine learning and artificial intelligence space is constantly evolving and limitations placed on the use of data, including personal information, health data, or genetic/genomic data in such systems may make it difficult for us to continue using our machine learning algorithms. If our technology does not function reliably, fails to meet expectations in terms of performance, or cannot be fully utilized due to increasing regulation, including regulation by the FDA or comparable regulatory authorities of artificial intelligence or medical device software, we may be unable to provide, or our customers may stop using, our products.

We currently host all of our data on, and conduct a significant portion of our data analysis through, Amazon Web Services ("AWS") cloud-based hosting facilities. In addition, certain functions of our laboratory operations and business functions use or leverage AWS. Any technical problems or outages that may arise in connection with AWS, including its data center hosting facilities, could result in operational disruption, loss of data or

delayed or ineffective data processing. A variety of factors, including infrastructure changes, human or software errors, viruses, malware, security attacks, fraud, spikes in customer usage, or denial of service issues could cause interruptions in our service. Such service interruptions may reduce or inhibit our ability to provide our products, process tests, operate our laboratory, delay our clinical studies, and damage our relationships with our customers. We could also be exposed to potential lawsuits, liability claims, reputational impact, or regulatory actions, for example if AWS experienced a data privacy breach. If we were required to transfer to another service provider, including the transfer of data to an alternative hosting provider, the transfer and acclimation to the new provider could result in significant business delays and require additional resources.

If we are unable to scale our operations successfully to support demand for our products, our business could suffer.

As and to the extent test volumes grow, we will need to continue to ramp up laboratory capacity, including increasing the processing of Galleri in our Durham, North Carolina facility. This includes the transition of operations from 16 hours of operation seven days a week to 24 hours of operation seven days a week. While we have heavily invested in our scalability, including by expanding our Durham facility laboratory capacity, further buildout of our Durham facility will be needed, as well as further new infrastructure, data processing capabilities, customer service, billing and systems processes, and expanding our internal quality assurance program and information technology to support testing on a larger scale. We will also need additional equipment, and certified and licensed laboratory personnel to process higher volumes of tests. Our ability to hire personnel to scale may be more challenging for our 24/7 operations when we will require night shift work. We may face difficulties increasing the scale of our operations, including implementing changes in infrastructure or programs or acquiring additional equipment or personnel, as well as any additional regulatory, licensing, permitting, or certificate obligations that need to be met at the local, state, or federal level. As we refine our products, develop additional products, and enhance existing products, we may need to bring new equipment on-line, comply with additional applicable laws and regulations, implement new systems, technology, controls and procedures, and hire personnel with different qualifications, licenses, or certifications.

The value of Galleri, our precision oncology portfolio, DAC, and any future products will depend, in part, on our ability to perform tests and return results to providers on a timely basis and at an appropriate quality standard, and on our reputation for such timeliness and quality. Failure to implement necessary procedures, to transition to new equipment or processes, or to hire the appropriate, qualified personnel could result in higher costs of processing, longer turnaround times or an inability to meet market demand. There can be no assurance that we will be able to perform tests on a timely basis at a level consistent with demand, that we will be able to maintain the quality of our test results as we scale our commercial operations, or that we will be successful in responding to the growing complexity of our laboratory operations, including the related data analysis requirements.

We may also experience difficulties scaling in international markets in which we are required under law or contract, or decide to, construct and operate a laboratory in that market. For example, we may be required or decide to build and operate a laboratory in the United Kingdom if and when we have a commercial presence in that country. This may be challenging due to significant startup costs, difficulty recruiting, and lack of familiarity with the local jurisdiction, among other reasons. If we are unable to build and operate laboratories internationally, our ability to expand internationally may be limited, and have a negative impact on our business and results of operations.

In addition, our growth may place a significant strain on our management, operating and financial systems, research and development, and our sales, marketing, and administrative resources. As a result of our growth, our operating costs may escalate even faster than planned, and some of our internal systems may need to be enhanced or replaced. If we cannot effectively manage our expanding operations and our costs, we may not be able to grow successfully or we may grow at a slower pace, and our business could be adversely affected.

Our business and results of operations will suffer if we fail to perform effectively.

There are market participants in the cancer detection space both in the United States and abroad, including Adela, Inc., DELFI Diagnostics, Inc., Exact Sciences Corporation, Freenome Inc., Guardant Health, Inc., and Harbinger Health within the United States and AnchorDx, Anpac Bio-Medical Science Co., Ltd., Burning Rock Biotech Limited, Datar Cancer Genetics, Elypta AB, Gene Solutions JSC, Singlera Genomics, Inc. and Seekin, Inc. outside of the United States, among others, that have stated that they are attempting to develop tests designed to detect certain types of cancer, including some that will use cell free DNA ("cfDNA") analyses. The precision oncology market includes companies such as Roche/Foundation Medicine, Inc., Natera, Inc., Guardant, Inc., Tempus Labs, Inc., Invitae Corp., NeoGenomics Laboratories, Personalis, Inc., Twist Bioscience Corp. and Adaptive Biotechnologies Corp., among others. These companies have or may have greater financial, technical, and other resources, such as larger research and development staff, well-established marketing and sales forces, existing integrated systems connected to health practices' electronic health or medical records to facilitate product ordering and results delivery, or may operate in jurisdictions where lower standards of evidence are required to bring products to market. These companies may succeed in developing, acquiring, or licensing, on an exclusive basis or otherwise, tests or services that are more effective, have higher performance, or are less costly than our products. In addition, established medical technology, biotechnology, or pharmaceutical companies may invest to accelerate discovery and development of tests that could make our products less successful than we anticipate. For example, large and long-tenured healthcare, life sciences, or technology companies may initiate research and development of MCED and bring significant resources and disruption to the cancer detection space.

Our ability to perform successfully will depend largely on our ability to:

- successfully expand commercialization efforts for our products;
- demonstrate compelling advantages in the performance and convenience of our products, including on a cost efficient basis;
- achieve market acceptance of our products by healthcare providers and patients, including through our reputation;
- achieve adequate coverage and reimbursement by third-party payors for our products;
- differentiate our product from future tests and products of and third parties;
- attract qualified scientific, data science, clinical development, product development, and commercial personnel;
- obtain, maintain, defend, and enforce patent and other proprietary protection as necessary for our products;
- obtain and maintain any necessary or desirable marketing authorizations or certifications from regulators in the United States and other jurisdictions, and notified bodies;
- integrate product ordering and results delivery into practices' electronic health or medical records systems;
- successfully collaborate with institutions in the discovery, development, and commercialization of our products; and
- successfully expand our operations and implement a successful sales and marketing strategy to support commercialization.

We may not be able to perform effectively if we are unable to accomplish one or more of these or similar objectives.

If we cannot maintain our current collaborations or partnerships and enter into new collaborations or partnerships in a timely manner and on acceptable terms, our efforts to develop and commercialize our products could be delayed or adversely affected.

We rely, and expect to continue to rely, on collaborative partners to help us develop our products and enhance our research and development efforts. For example, we have collaborated with pharmaceutical companies, research institutions, and academic centers. Additionally, our RUO offering has formed the basis of biopharmaceutical partnerships with several leading oncology companies. These partnerships leverage our RUO offering to test applications of biomarkers with the goal of optimizing the use of therapeutic interventions. Partnerships may also include development of customized applications to support clinical studies and companion diagnostic development and commercialization. Our reliance on certain of these third parties reduces our control over our product development activities.

If any of our collaborators or partners were to breach or terminate their agreements with us or otherwise fail to conduct the contracted activities successfully and in a timely manner, the research and development activities of certain of our products could be delayed or terminated. Further, our collaborators or partners may fail to properly protect our intellectual property rights, may infringe the intellectual property rights of third parties, may misappropriate our trade secrets, or may use our proprietary information or others' in such a way as to expose us to litigation and potential liability. Disagreements or disputes with our collaborators or partners, including disagreements over proprietary rights, funding, or contract interpretation, might cause delays or termination of the research, development or commercialization of our products, might lead to additional responsibilities for us with respect to these products or activities or might result in litigation or arbitration, any of which would divert management attention and resources and be time-consuming and expensive. We may not be able to renew our current agreements with collaborators or partners or negotiate additional collaboration or partnership agreements on acceptable terms, if at all, and these collaborations and partnerships may not be successful. Any transition from a current collaborator to a new collaborator could be costly and result in significant product development delays.

From time to time, we expect to engage in discussions with potential development and/or commercial collaborators that may or may not lead to collaborations. However, we cannot guarantee that any discussions will result in development or commercial collaborations. Further, once news of discussions regarding possible collaborations are known in the general public, regardless of whether the news is accurate, failure to announce a collaboration agreement, or the entity's announcement of a collaboration with an entity other than us, could result in adverse speculation about us, our products, or our technology, resulting in harm to our reputation and our business. In addition, establishing collaborations is difficult, time-consuming and may require our significant financial investment. Potential collaborators may elect not to work with us based on their assessment of our financial, regulatory, or intellectual property position. Even if we establish new collaborations, they may not result in the successful development or commercialization of our products or technology.

We will need to grow the size and capabilities of our organization, and we may experience difficulties in managing this growth. If we are unable to maintain and expand sales and marketing capabilities in particular, we may not be successful in increasing sales of Galleri or commercializing new products.

As of March 31, 2024, we had approximately 1,360 employees, substantially all of whom were full-time. As our development plans and strategies develop, and as we transition into operating as a public company, we may require a significant number of additional managerial, operational, financial, and other personnel. Moreover, despite our progress made in driving commercial implementation to date, we may not be able to market, sell, or distribute Galleri, or any future products that we may develop and commercialize, effectively enough to support our planned growth.

Factors that may inhibit our efforts to commercialize any of our products include:

- our inability to recruit and retain adequate numbers of effective sales, marketing, reimbursement, customer service, medical affairs, and other support personnel;

- the inability of sales personnel to generate an adequate numbers of customers, including healthcare systems and healthcare providers, to use our products;
- the inability to price our products at a sufficient price point to ensure an adequate and attractive level of gross margin and profitability;
- our inability to effectively market to, collaborate with, and secure coverage and reimbursement from third-party payors;
- our failure to comply with applicable regulatory requirements governing the sale, marketing, reimbursement, and commercialization of our products; and
- unforeseen costs and expenses associated with maintaining a commercialization organization.

Future growth will impose significant added responsibilities on members of management besides those related to our efforts to commercialize, which will include: managing our internal development efforts effectively, including creating compliant programs and processes, such as a compliant laboratory and manufacturing quality system, and managing the regulatory requirements for our products, while complying with our contractual obligations to contractors and other third parties, including patient-facing service providers; expanding our operational, financial and management controls, reporting systems, and procedures; and managing the increasing complexity associated with a larger organization and expanded operations.

Our future financial performance and our ability to commercialize our products will depend, in part, on our ability to effectively manage any future growth. Our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to manage these growth activities. Our ability to successfully manage our expected growth is uncertain given the fact that we have been in operation as a company only since 2016, and have grown significantly in recent years.

If we are not able to effectively expand our organization by hiring new employees, we may not be able to successfully implement the tasks necessary to commercialize our products, which would have a negative impact on our business and results of operations.

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

Our ability to perform in the biotechnology industry depends upon our ability to attract, motivate, and retain highly qualified personnel. We are highly dependent on our executive management team and our scientific, medical, technological, and engineering personnel. The loss of the services provided by any of our executive officers, other key employees, and other scientific and medical advisors, and our inability to find suitable replacements in a timely manner, could result in delays in commercialization of our products and harm our business.

We are headquartered in Menlo Park, California, a region in which many other healthcare companies, technology companies, and academic and research institutions are headquartered. In addition, we operate a laboratory facility in Durham, North Carolina, where there is also demand for skilled personnel, especially engineering and laboratory personnel. Competition for personnel is intense and the turnover rate can be high, which may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. We expect that we may need to recruit talent from outside of these regions, and doing so may be costly and difficult.

To induce valuable employees to join or remain at our company, in addition to salary and periodic cash incentives, we have generally granted Cash-Based Equity Awards that vest over time. The value to employees of these grants that vest over time may at any time be insufficient to counteract more lucrative offers from other companies. Although we have employment agreements with certain key employees, these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. If we are unable to attract and incentivize highly qualified personnel on acceptable terms in a timely manner, or at all, our business and results of operations may suffer.

Our business is subject to economic, political, regulatory, and other risks associated with international operations.

Our business is subject to risks associated with conducting business internationally. For example, some of our suppliers and parties with whom we have collaborative relationships are located outside the United States, including in the United Kingdom and Israel. Accordingly, our future results could be harmed by a variety of factors, including:

- economic weakness, including inflation, or political instability, in particular non-U.S. economies and markets;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign jurisdictions that do not respect and protect intellectual property rights to the same extent as the United States;
- trade protection measures, import or export controls and licensing requirements (including possible restrictions on licensing intellectual property to certain non-U.S. persons) or other restrictive actions by U.S. or non-U.S. governments;
- changes in non-U.S. laws, regulations and customs, tariffs, and trade barriers;
- changes in non-U.S. laws, regulations, and policies related to data privacy, data protection, and cybersecurity in the transfer or transmittal of data across boundaries and geographies;
- exchange rate risk we may face from denominating a portion of our transactions in currencies other than the U.S. dollar;
- changes in a specific country's or region's political or economic environment;
- negative consequences from changes in tax laws;
- negative consequences from changes in U.S. national security laws, including those governing non-U.S. investors' ownership of U.S. biotech and other technology companies and U.S. companies' ability to enter into joint ventures with non-U.S. entities;
- compliance with tax, employment, immigration, and labor laws for employees living or traveling abroad;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- difficulties associated with staffing and managing international operations, including differing labor relations;
- potential liability under the Foreign Corrupt Practices Act ("FCPA") or comparable foreign laws; and
- business interruptions resulting from geo-political actions, including war and terrorism, such as recent conflicts in the Middle East, pandemics, or natural disasters, including earthquakes, typhoons, floods, and fires.

In addition, in recent years, U.S. administrations have publicly supported potential trade proposals that may affect U.S. trade relations with other countries. It is unclear at this point how, if at all, such actions or other potential actions would impact our business or operations, but the uncertainty surrounding these matters could create difficulties in our efforts to partner with certain healthcare providers, suppliers, and insurance carriers. Moreover, future operational expansion into other geographies will subject us to additional political and regulatory regimes that will require us to invest in compliance efforts and may result in additional risks, including, among others, exposure to various and potentially conflicting regulations, international sanctions and compliance rules, country-specific requirements for testing, approval, and processing of patient information and biological samples, as well as the risks associated with political and macroeconomic climates in any such geographies. For example, the implementation of a pilot under our agreement with the NHS, and further

commercialization of Galleri with the NHS after that pilot, could be delayed or otherwise impacted if there is a change in the government in the United Kingdom. These and other risks associated with our planned international operations may materially and adversely affect our business, costs and growth prospects.

Our ability to successfully and efficiently conduct any required in-country studies in other countries or regions in which we seek to expand may also be impacted, or may be impossible, due to the regulatory requirements of such countries. Some countries may require that we carry out testing of our products or future products through government partnerships, which may be difficult to navigate or which may limit our ability to deliver the results we intend. Moreover, the demographics in other countries or regions may differ vastly, such that study results may not appear as successful, due to, for example, a lower incidence of cancer in the local population. Such outcomes may adversely impact demand for our products in other countries. Finally, our ability to expand internationally may be limited by the availability of international laboratory space or requirements that will permit us to store, collect, and analyze biological samples required for current or future products, including space that could be made available through potential partners in such countries or regions. These and other unknown risks make it difficult for us to assess the potential success of our international expansion and the costs associated therewith. We are also subject to a number of risks relating to regulations and legal compliance. For additional information, see "— Risks Relating to Regulation and Legal Compliance" beginning on page 57 of this Information Statement.

Our information technology systems, or those used by our third-party collaborators or other contractors or consultants, may fail or suffer security breaches or cyberattacks.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store, and transmit large amounts of confidential information, including intellectual property, proprietary business information, personal, financial, and health information of patients and personal and financial information of our employees and contractors. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information.

Despite the implementation of security and back-up measures, our information technology systems as well as those of our third-party collaborators, consultants, contractors, suppliers, and service providers, may be vulnerable to attack, damage, or interruption from physical or electronic break-ins, computer viruses, malware, malicious code, ransomware, denial or degradation of service, hacking, phishing attacks, and other cyber-attacks, natural disasters, terrorism, war, telecommunication and electrical failures, instructions and attacks from sophisticated nation-state and nation-state-supported actors (including advanced persistent threat intrusions), or other disruptive incidents that could result in unauthorized access to, use or disclosure of, corruption of, or loss of sensitive, and/ or proprietary data, including personal information, protected health information, and other sensitive information, and could subject us to significant liabilities and regulatory and enforcement actions, and reputational damage. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased and evolved. If we or our third-party vendors were to experience a significant cybersecurity breach of our or their information technology systems or data, the costs associated with the investigation, remediation, and potential notification of the breach to counter-parties and data subjects could be material, in addition to any money required to resolve a ransomware attack. For example, laws in the European Economic Area ("EEA"), the United Kingdom, and all 50 U.S. states may require businesses to notify regulators within specific timeframes that a breach affecting personal information has occurred and/or to provide notice to individuals whose personal information has been impacted as a result of such breach. Complying with such numerous and complex regulations in the event of a data security breach would be expensive and difficult, and failure to comply could subject us to regulatory scrutiny and additional liability. In addition, our remediation efforts may not be successful. Even if we do allocate and effectively manage the resources necessary to build and sustain the proper technology and cybersecurity infrastructure, we could nevertheless suffer significant business disruption,

including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss, or the loss of or damage to intellectual property or other proprietary information.

Companies with whom we engage in data sharing, including our service providers, are from time to time subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident, or security breach to date, we may nonetheless be a target of such an attack, and if such an event were to occur and cause interruptions in our operations, or any of our third-party collaborators' operations, it could result in a material disruption of our development programs, reputation, and business operations whether due to a loss, corruption, or unauthorized disclosure of our trade secrets, personal information, financial information, health information, or other proprietary or sensitive information, or other similar disruptions. For example, the loss of clinical study data from completed or ongoing clinical studies could result in delays in any regulatory clearance, approval, or certification efforts and significantly increase our costs to recover or reproduce the data, and subsequently commercialize our products. If we or our third-party collaborators, consultants, contractors, suppliers, or service providers were to suffer an attack or breach, for example, that resulted in the unauthorized access to or use or disclosure of personal or health information, we may have to notify physicians, patients, partners, collaborators, government authorities, and the media, and may be subject to investigations, civil penalties, administrative and enforcement actions, and litigation, any of which could harm our business and reputation. Likewise, we rely on our third-party research institution collaborators and other third parties to conduct clinical studies, and similar events relating to their computer systems could also have a material adverse effect on our business. It could also expose us to risks, including an inability to provide our services and fulfill contractual demands, and could cause management distraction and the obligation to devote significant financial and other resources to mitigate such problems, which would increase our future information security costs, including through organizational changes, deploying additional personnel, reinforcing administrative, physical, and technical safeguards, further training of employees, changing third-party vendor control practices, and engaging third-party subject matter experts and consultants and reduce the demand for our technology and services. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate or unauthorized access to or disclosure or use of confidential, proprietary, or other sensitive, personal, or health information, we could incur liability, we could be exposed to the risk of litigation, our market position could be harmed, we could suffer reputational harm, and the development and commercialization of our products could be delayed. Furthermore, federal, state, and international laws and regulations can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties, fines, and significant legal liability, if our information technology security efforts fail or if there are material findings regarding data security or data integrity deficiencies by us or our critical partners, vendors, or suppliers.

Attacks on information technology systems are increasing in their frequency, levels of persistence, sophistication, and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security incidents that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

Our insurance policies may not be adequate to compensate us for the potential losses arising from such disruptions, failure, or security breach. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and defending a suit, regardless of its merit, could be costly, divert management attention, and harm our reputation.

If we are sued for product or professional liability, we could face substantial liabilities that exceed our resources and insurance coverage.

Actual or perceived errors resulting from laboratory or reporting errors, false positive or false negative test results, or the manufacture, design, marketing, or labeling of our products, could subject us to product liability or professional liability claims. A product liability or professional liability claim against us could result in substantial damages and be costly and time-consuming to defend. These risks may be more pronounced for certain applications in our precision oncology portfolio, such as companion diagnostic development, as our products would be directly involved with the choice to use certain treatments in a particular case. Although we maintain liability insurance, including for errors and omissions, our insurance may not fully protect us from the financial impact of defending against these types of claims or any judgments, fines, or settlement costs arising out of any such claims. Any liability claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. Additionally, any liability lawsuit could damage our reputation or force us to suspend sales of our products. The occurrence of any of these events could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

Our quarterly results of operations may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause our stock price to fluctuate or decline.

We expect our results of operations to be subject to quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including:

- our ability to successfully develop, market, and sell our products, including Galleri and our future products, such as our precision oncology portfolio and DAC, if and when launched;
- the prices at which we are able to sell our products;
- the impact of market developments or our response thereto;
- disruptions in our business due to manufacturing, supply, security breaches, outages, or other issues;
- the cost of performing next-generation sequencing;
- the extent to which our products are deemed eligible or ineligible for coverage and reimbursement from third-party payors;
- changes in coverage and reimbursement or in reimbursement-related laws directly affecting our business;
- our ability to obtain regulatory approval for our products, and the degree of impact of those approvals on perceptions of our products and market demand;
- regulatory developments affecting our products or any future competing products;
- timing of investments in our laboratories and other infrastructure;
- timing of expenditures in connection with our clinical studies;
- the success of our international expansion efforts; and
- non-routine cash and non-cash expenses and write-offs, whether associated with acquisitions, restructuring activities, litigation, investigations, or otherwise.

If our quarterly results of operations fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly fluctuations in our results of operations, which could be caused by any number of factors including seasonality of prescribing our products, may, in turn, cause the price of our stock to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

Acquisitions or other strategic transactions may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

We have in the past engaged in and may in the future engage in acquisitions and strategic partnerships, including licensing or acquiring complementary intellectual property rights, technologies, or businesses. Any acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of indebtedness or contingent liabilities;
- the issuance of our equity securities that would result in dilution to our stockholders;
- assimilation of operations, intellectual property, and products of an acquired company;
- difficulties associated with integrating new personnel;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such an acquisition or strategic partnership;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing or future products and regulatory approvals or certifications, and the validity and enforceability of their intellectual property;
- inability to consummate acquisitions on which we spend a significant amount of time and resources;
- possible write-offs or impairment charges relating to acquired businesses; and
- our inability to generate revenue from acquired intellectual property, technology, or tests sufficient to meet our objectives or offset the associated transaction costs.

In addition, as our strategy evolves, we may opt to discontinue, deprioritize, or dispose of assets, technologies, or acquired businesses.

Risks Relating to Regulation and Legal Compliance

We have launched Galleri as an LDT, and plan to launch DAC as an LDT in the United States. If the FDA modifies its current policy of enforcement discretion on LDTs, as it has recently proposed through rulemaking, or if Congress enacts legislation that changes the current requirements or oversight for LDTs, we may lose the ability to commercialize any LDTs unless we have obtained FDA marketing authorization, which could require us to incur substantial costs and delays.

While we plan to complete our PMA submission seeking regulatory approval from the FDA for Galleri, we launched Galleri in the United States as an LDT and intend to initially launch DAC in the United States as an LDT. LDTs are *in vitro* diagnostic ("IVD") tests that are intended for clinical use and are designed, manufactured, and used within a single laboratory certified for high complexity testing under CLIA. Although LDTs are classified by the FDA as medical devices and the FDA has asserted statutory authority to ensure that medical devices, including LDTs, are safe and effective for their intended uses, the FDA has historically exercised enforcement discretion and has not enforced certain otherwise applicable FDA requirements, including premarket review, with respect to LDTs, with certain exceptions such as in the case of tests for public health emergencies, where the tests are available directly to the consumer, where the tests represented a significant public health concern, or where the FDA has concerns that a company's performance claims related to its tests are not sufficiently validated by clinical data.

Even under its current enforcement discretion policy, the FDA has issued warning letters to and safety communications about IVD device manufacturers for commercializing laboratory tests that were purported to be LDTs but that the FDA alleged failed to meet the definition of an LDT or otherwise were not subject to the FDA's enforcement discretion policy.

The FDA has for a number of years stated its intention to modify its enforcement discretion policy with respect to LDTs and impose applicable medical device requirements to LDTs more broadly. Most recently, the FDA proposed an amendment to its regulations in October 2023 that, if finalized, would clarify the FDA's historical view that LDTs are medical devices subject to the requirements applicable to other IVDs, and to phase out its enforcement discretion policy over a period of four years from issuance of the final rule. If this proposed rule or a similar rule is finalized and goes into effect, it would subject our products currently marketed as LDTs and any future products that we may market as LDTs in the future to the FDA's standard regulatory requirements applicable to medical devices, including the potential requirement for FDA approval. In such case, we may be required to cease marketing any products that we market as LDTs if we do not obtain marketing authorization, or have a market authorization pending with the FDA, prior to any relevant effective or enforcement date. In addition, efforts by the FDA to actively regulate LDTs could create a negative public perception about the validity, safety, effectiveness, or performance of LDTs, including our products, that could adversely affect patient, provider, and customer perception about, and confidence in, our products.

Moreover, even if the FDA does not finalize its proposed rule or otherwise modify its current policy of enforcement discretion, the FDA may disagree that we are marketing our LDTs within the scope of its policy of enforcement discretion and may take enforcement action against us and/or require premarket review and marketing authorizations. The FDA may request that we provide additional analyses and information beyond that which we intend to produce based on the designs of our current and planned clinical studies, or that we modify or narrow our intended use or product claims. In addition, the FDA may choose not to exercise enforcement discretion with respect to the products we market or intend to market as LDTs. It is possible that the FDA, among other things, may disagree with our interpretation of data we have relied on to support our LDT launches for our intended uses. If we are required to provide additional analyses or additional data or perform additional clinical studies beyond those we currently contemplate to support the intended uses of our products or future products, our planned commercial launches may be delayed and we may be required to cease commercialization of any products we currently market as LDTs. A delay in the launch of our products, or significantly narrowing their intended uses, could negatively impact our financial condition and results of operations.

In addition, Congress has, for over the past decade, considered a number of proposals, which if enacted, would subject LDTs to additional regulatory requirements. For example, in recent years, Congress has worked on legislation to create a novel regulatory framework governing a new category of FDA-regulated products, referred to as *in vitro* clinical tests ("IVCTs"), which would govern LDTs and would be separate and distinct from the existing medical device regulatory framework. For example, most recently, in March 2023, the Verifying Accurate Leading-edge IVCT Development Act of 2023 (the "VALID Act") was introduced. The bill would have established a risk-based approach to imposing requirements related to premarket review, quality systems, and labeling requirements on all IVCTs, including LDTs, but would grandfather certain LDTs marketed before the effective date of the bill and exempt them from certain requirements. It is unclear whether the VALID Act or any other or similar legislative proposals (including any proposals that would, in contrast, reduce FDA oversight of LDTs) will be passed by Congress or signed into law by the President. Depending on the approach adopted under any potential legislation, certain LDTs (likely those of higher risk) may be required to undergo some form of premarket review, potentially with a transition period for compliance and a grandfathering provision. Any such legislation could substantially alter our commercial offering and marketing of LDTs and negatively impact our financial condition and results of operations.

If the FDA changes its policy of enforcement discretion for LDTs as recently proposed, or because it withdraws its enforcement discretion for our specific products or for classes of products within which our products fall, or if LDTs become subject to affirmative FDA oversight through legislation, we may be required to obtain marketing authorization for our LDT products from the FDA prior to initially launching our future products or may be required to cease marketing any commercially marketed products that are marketed as LDTs until such marketing authorization is obtained or the applications are submitted. There can be no assurance that we will be able to obtain such marketing authorization or that any labeling claims will be consistent with the claims we have made or intend to make for such products when launched as LDTs, or that such claims will be

adequate to support continued adoption of and reimbursement for our products. Even if our products are allowed to remain on the market prior to any required marketing authorization, demand or reimbursement for our products may decline if there is uncertainty about our products, if we are required by the FDA to label our products as investigational, or if the FDA limits the labeling claims we are permitted to make for our products. As a result, we could experience significantly increased development costs and a delay in generating additional revenue from our products, or from other future products now in development, which could reduce our revenues or increase our costs and adversely affect our business, results of operations, financial condition, or growth prospects.

The regulatory clearance, approval, or certification processes of the FDA and comparable foreign regulatory authorities or notified bodies are lengthy, time-consuming, and unpredictable. If we are ultimately unable to obtain any necessary or desirable regulatory approvals, clearances, or certifications, or if such approvals, clearances, or certifications are significantly delayed, our business will be substantially harmed.

We have not yet obtained FDA clearance or approval for any of our products or products in development. We are in the process of seeking PMA approval from the FDA for Galleri, while we market Galleri as an LDT. We may also seek FDA approval or clearance for other products in the future, such as DAC. The time required and ability to obtain clearance or approval by the FDA and comparable foreign regulatory authorities is unpredictable, typically takes several years following the commencement of clinical studies, and depends upon numerous factors, including the type, complexity, and novelty of our products and future products. In addition, policies, laws, regulations, or the type and amount of clinical data necessary to gain clearance or approval may change during the course of a test's clinical development and may vary among jurisdictions, which may cause delays in the clearance or approval of, or the decision not to approve, an application. Regulatory authorities have substantial discretion in the premarket review process and may refuse to accept any application, decide that all or part of our data are unusable or insufficient for clearance or approval, require additional clinical or other data, including analytical validation data, determine that our manufacturing and quality systems are insufficient or in violation of applicable requirements, or determine that our clinical research program is insufficient or in violation of applicable good clinical practice or other requirements related to research compliance, human subject protections, or data integrity. Even if we believe our data are sufficient to support marketing authorization, regulatory authorities may disagree, or may require the generation and submission of additional data or analyses, which could significantly delay or preclude marketing authorization.

Before a new medical device can be marketed in the United States, a company must first submit an application for and receive 510(k) clearance pursuant to a premarket notification submitted under Section 510(k) of the FDCA, approval of a PMA application, or grant of a de novo classification request from the FDA, unless an exemption applies. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed prior to May 28, 1976 (pre-amendments device), a device that was originally on the U.S. market pursuant to an approved PMA and later down-classified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data are sometimes required to support substantial equivalence. In the process of obtaining PMA approval, which we are pursuing for Galleri, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, analytical validation, pre-clinical, clinical trial, manufacturing, and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. In the de novo classification process, a manufacturer whose novel device under the FDCA would otherwise be automatically classified as Class III and require the submission and approval of a PMA prior to marketing is able to request down-classification of the device to Class I or Class II on the basis that the device presents a low or moderate risk. If the FDA grants the de novo

classification request, the applicant will receive authorization to market the device. This device type may be used subsequently as a predicate device for future 510(k) submissions.

The PMA approval, 510(k) clearance and de novo classification processes can be expensive, lengthy and uncertain. The FDA's 510(k) clearance process usually takes from three to 12 months, but can take longer. The process of obtaining a PMA is much more costly and uncertain than the 510(k) clearance process and generally takes from one to three years, or even longer, from the time the application is submitted to the FDA, including if an Advisory Committee is needed to evaluate a novel technology, which could occur for the review of a PMA for Galleri. In addition, a PMA generally requires the performance of one or more clinical trials. Despite the time, effort and cost, a device may not obtain marketing authorization by the FDA. Any delay or failure to obtain necessary regulatory marketing authorizations could harm our business. Furthermore, even if we are granted such marketing authorizations, they may include significant limitations on the indicated uses for the test, which may limit the potential commercial market for the test.

In the United States, any modification to a product for which we receive clearance or approval may require us to submit a new 510(k) notification and obtain clearance, to submit a PMA and obtain FDA approval, or to submit a de novo request prior to implementing the change. For example, any modification to a 510(k)-cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, generally requires a new 510(k) clearance or other marketing authorization. The FDA requires every manufacturer to make such determinations in the first instance, but the FDA may review any manufacturer's decision. The FDA may not agree with a manufacturer's decisions regarding whether new clearances or approvals are necessary. If we obtain clearances or approvals from the FDA, we may make modifications or add additional features in the future that we believe do not require a new 510(k) clearance, de novo request or approval of a PMA application or supplement. If the FDA disagrees with our determination and requires us to seek new marketing authorizations for the modifications for which we have concluded that new marketing authorizations are unnecessary, we may be required to cease marketing and/or to recall the modified product until we obtain such marketing authorization, and we may be subject to significant regulatory fines or penalties. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, product introductions or modifications could be delayed or canceled, which could adversely affect our business.

In addition, we are or may become subject to new laws, regulations, and industry standards concerning medical devices proposed and enacted in various foreign jurisdictions. The EU regulatory landscape concerning IVDs recently evolved. On May 26, 2022, the EU In Vitro Diagnostic Medical Devices Regulation ("EU IVDR") entered into force, which repeals and replaces the EU In Vitro Diagnostic Medical Devices Directive ("EU IVDD"). Subject to the transitional provisions (i.e., a tiered system extending the grace period for many devices (depending on their risk classification) before they have to be fully compliant with the EU IVDR) and in order to sell our products in the EU member states, our products must comply with the general safety and performance requirements of the EU IVDR. Compliance with these requirements is a prerequisite to be able to affix the European Conformity ("CE") mark to our products, without which they cannot be sold or marketed in the EU. All medical devices placed on the market in the EU must meet the general safety and performance requirements laid down in Annex I to the EU IVDR including the requirement that a medical device must be designed and manufactured in such a way that, during normal conditions of use, it is suitable for its intended purpose. Medical devices must be safe and effective and must not compromise the clinical condition or safety of patients, or the safety and health of users and – where applicable – other persons, provided that any risks which may be associated with their use constitute acceptable risks when weighed against the benefits to the patient and are compatible with a high level of protection of health and safety, taking into account the generally acknowledged state of the art. To demonstrate compliance with the general safety and performance requirements, manufacturers must undergo a conformity assessment procedure, which varies according to the type of in vitro diagnostic medical device and its (risk) classification. A conformity assessment procedure generally requires the intervention of a notified body. The notified body would typically audit and examine the technical file and the quality system for the manufacture, design and final inspection of our devices. If satisfied that the relevant product conforms to the relevant general safety and performance requirements, the notified body issues a

certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE mark to the device, which allows the device to be placed on the market throughout the EU.

If we fail to comply with applicable laws and regulations, we would be unable to affix the CE mark to our products, which would prevent us from selling them within the EU. The aforementioned EU rules are generally applicable in the EEA (which consists of the 27 EU member states plus Iceland, Norway and Liechtenstein). Non-compliance with the above requirements would also prevent us from selling our products in these three countries.

Following Brexit, EU laws such as the EU IVDR do not apply directly in Great Britain, however under the terms of the Protocol on Ireland/Northern Ireland, the EU IVDR does apply in Northern Ireland. Consequently, there are currently different regulations in place in Great Britain as compared to both Northern Ireland and the EU, respectively. Ongoing compliance with both sets of regulatory requirements may result in increased costs for our business.

Furthermore, the U.K. government is currently drafting amendments to the U.K. MDR which is likely to result in further changes to the Great Britain regulations in the near future. For example, subject to transitional periods for validly certified devices, the new Great Britain regulations are expected to require IVDs placed on the Great Britain market to be "UKCA" certified by a U.K. Approved Body in order to be lawfully placed on the market. The U.K. government has stated that the core elements of the new regime are likely to apply from July 1, 2025 but that IVDs in compliance with either the EU IVDD or EU IVDR can continue to be placed on the Great Britain market until the sooner of certificate expiration or June 30, 2030; understanding and ensuring compliance with any new requirements is likely to lead to further complexity and increased costs to our business. If there is insufficient U.K. approved body capacity, there is a risk that our product certification could be delayed which might impact our ability to market products in Great Britain after the respective transition periods.

It is currently unclear to what extent the U.K. government will seek to align its regulations with the EU. The EU laws that have been transposed into U.K. law through secondary legislation remain applicable in Great Britain, however the U.K. government is expected to introduce changes to the applicable requirements in Great Britain and the full extent of these changes remains uncertain and may cause additional cost to our business.

Significant political and economic uncertainty remains about how much the relationship between the United Kingdom and EU will differ as a result of the U.K.'s withdrawal. These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition, and results of operations and reduce the price of our common stock.

The FDA, other regulators or notified bodies can delay, limit, or deny clearance, approval, or certification of a product for many reasons, including but not limited to the following:

- the FDA, comparable foreign regulatory authorities or notified bodies may disagree with the design, implementation, or results of, or interpretation of the data from, our clinical studies;
- the FDA, comparable foreign regulatory authorities or notified bodies may determine that our product has not been shown to be safe and effective or substantially equivalent to a predicate device, or has other characteristics that preclude us from obtaining marketing authorization or certification, or prevent or limit its commercial use (for example, a narrowed indication for use claim);
- the population studied in the clinical program may not be sufficiently broad, generalizable, or representative of the intended target population of our product to assure effectiveness and safety in the population for which we seek approval, clearance, or certification;

- the FDA, comparable foreign regulatory authorities or notified bodies may disagree with our interpretation of data from clinical studies or may fail to accept data from clinical studies (or clinical sites), including if we fail to establish the integrity of our data;
- the FDA, comparable foreign regulatory authorities or notified bodies may determine that our clinical studies otherwise fail to comply with applicable regulations, including good clinical practice requirements;
- serious or unexpected adverse effects or other performance issues are identified with our existing or future products;
- the FDA, comparable foreign regulatory authorities or notified bodies may determine that our manufacturing or quality system fails to comply with applicable regulations or otherwise fails to meet the standards necessary to support approval or certification; and
- the approval (or certification) policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval or certification.

We are engaged in ongoing discussions with the FDA regarding the clinical studies and data that will be needed to support a successful PMA for a multi-cancer test for our planned indications, based on the designs of our current and planned clinical studies. There can be no assurance that our existing or future products for which we may seek clearance, approval, or certification will be approved, cleared, or certified by the FDA, a comparable foreign regulatory authority or a notified body on a timely basis, if at all. If our products or future products receive clearance, approval, or certification but there is uncertainty about such products among providers or payors, reimbursement may be adversely affected and we may not be able to sell our products. Compliance with FDA or comparable foreign regulations will require substantial costs, and subject us to heightened scrutiny by regulators and substantial penalties for failure to comply with such requirements or the inability to market our products, if and when cleared, approved, or certified. The lengthy and unpredictable clearance, approval, and certification processes, as well as the unpredictability of the results of our clinical studies, may result in our failing to obtain regulatory clearance, approval, or certification to market our products, which would significantly harm our business, results of operations, reputation, and prospects.

Regulatory approval by the FDA or other regulatory authorities is limited to those specific indications and conditions for which approval has been granted, and we may be subject to substantial fines, criminal penalties, injunctions or other enforcement actions if we are determined to be promoting the use of our products for unapproved or "off-label" uses, or in a manner inconsistent with the approved labeling, resulting in damage to our reputation and business.

We must comply with requirements concerning advertising and promotion for any product candidates for which we obtain marketing approval from the FDA. When the FDA or other regulatory authorities issue regulatory approval for a product, the regulatory approval is limited to those specific uses and indications for which a product is approved.

There can be no assurance that labeling claims will be consistent with our anticipated claims or current claims or marketing statements, including with respect to Galleri as an LDT and its current marketing as an MCED test in its intended use population, or adequate to support adoption of, or reimbursement for, our products. If the approved, cleared, or certified indication or other labeling claims the FDA or a comparable foreign regulatory authority or notified body allows us to make are more limited than we expect, or are more limited than current claims made with respect to Galleri, our business, prospects, and growth may be adversely affected and we may be limited in our ability to sell, or unable to sell, our products. If we are not able to obtain FDA approval for desired uses or indications for our current and future products, we may not market or promote them for those indications and uses, and our business, financial condition, results of operations, stock price and prospects could be materially harmed. We also must sufficiently substantiate any claims that we make for any

products, including claims comparing those products to other companies' products, and must abide by the FDA's strict requirements regarding the content of promotion and advertising.

Our multi-cancer detection tests are a new approach to cancer screening, which present a number of novel and complex issues for FDA review. Because the FDA has never cleared or approved a multi-cancer detection test, it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use, or if we will be able to obtain such approval on a timely basis or at all.

Our multi-cancer detection tests represent a new approach to cancer screening, and obtaining FDA approval for Galleri presents a number of novel issues. The FDA has never granted marketing authorization for a multi-cancer detection test. Additionally, in March 2020, the FDA held a public workshop to discuss the clinical, scientific, and regulatory challenges associated with circulating tumor DNA cancer screening tests, and we expect the FDA to continue to gather input from a variety of industry, academic, and clinical stakeholders to inform its thinking on how to assess these types of tests, including potentially convening an Advisory Committee meeting during review of a PMA for Galleri (or another company's PMA for a multi-cancer early detection test, should it precede ours). In fact, the FDA recently announced a November 29, 2023 meeting of the Molecular and Clinical Genetics Panel of the Medical Devices Advisory Committee to discuss and make recommendations on the design of multi-cancer detection in vitro diagnostic devices (tests) as well as potential study designs and study outcomes of interest that could inform the assessment of the probable benefits and risks of multi-cancer detection screening tests. The FDA stated that the committee's discussion and recommendations from this meeting will help inform future FDA regulatory efforts for these novel tests. As such, the FDA requirements that will govern multi-cancer detection tests, as well as the breadth and nature of data we must provide the FDA, to support the proposed intended use, may be subject to change.

As part of our ongoing discussions with the FDA regarding the data that will be needed to support a PMA for a multi-cancer detection test based on a proposed intended use, the FDA has provided preliminary, nonbinding feedback regarding how it potentially plans to assess the safety and effectiveness of Galleri based on potential intended use statements.

In addition, we have made pre-submissions to the FDA detailing the clinical and analytical studies intended to support our PMA submission for Galleri, including related to limit of detection, reproducibility, repeatability and other analytical validation studies. Subsequent to these pre-submissions, we met with the FDA and the FDA provided written and verbal feedback, documented in minutes, confirming the use of certain of our proposed studies in our PMA submission and requesting or suggesting changes to certain of our proposed studies, for which we have reached mutual agreement. For example, the FDA stated that an analytical accuracy study would not be relevant to be performed due to the unique nature of our methylation-based signature assay and lack of precedent approved diagnostic assays. In addition, the FDA stated that we can perform our LoD studies using samples from known cancer cell lines instead of clinical samples due to the nature of the methylation-based functions and mechanics of the assay. While we plan to continue discussions with the FDA and provide the FDA with additional information, the FDA may raise additional questions or request additional information in connection with the submission of a marketing application.

Given the novel nature and complexity of our multi-cancer detection tests, we cannot be certain whether we will receive FDA approval for Galleri and whether the studies we have conducted, are currently conducting, or plan to conduct, will be sufficient to provide the data that the FDA requires to support a proposed intended use. For example, we plan on providing evidence from our PATHFINDER 2 study and NHS-Galleri Trial premarket to support a PMA as our pivotal study data, as well as supplemental data from other clinical studies, and certain clinical data in the post-approval setting. The FDA may require us to perform new analyses of our clinical data or perform additional clinical trials in addition to those we are contemplating. We may be required to undertake significant efforts to address the FDA's requests, which could delay or prevent approval, lead to a more limited intended use statement or approved labeling, and/or lead to significant post-approval limitations or restrictions, if approval is obtained at all.

Our use and disclosure of personal information, including individually identifiable health information, and biologic samples and related data are subject to federal, state and foreign privacy and security regulations. Data privacy rules are evolving and new legislation concerning privacy and data use may limit our ability to use such data and specimens. Our actual or perceived failure to comply with privacy and security requirements or to adequately secure such information could result in significant liability, administrative or governmental penalties, and/or reputational harm and, in turn, substantial harm to our business, financial condition and results of operations.

The global data protection landscape is rapidly evolving and we and our partners are or may be subject to federal, state, and foreign data protection laws and regulations (i.e., laws and regulations that address data privacy and security). Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer, use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, consents and authorizations, our internal or publicly facing policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations and enforcement actions, claims by third parties and damage to our reputation, any of which could have a material adverse effect on our business, results of operation, and financial condition.

We receive, store, process and use personal information as part of our business and as our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. In the United States, numerous state and federal laws and regulations govern the collection, dissemination, use, disclosure, privacy, confidentiality, security, availability and integrity of personal information, including health related information. We are a covered entity under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and the regulations that implement both laws (collectively, "HIPAA"). HIPAA establishes, among other things, a set of national privacy and security standards relating to the privacy, security, transmission, and breach reporting of individually identifiable health information, by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, the business associates with whom such covered entities contract for services that involve creating, receiving, maintaining, or transmitting protected health information, and the subcontractors of such business associates. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA.

HIPAA requires covered entities and business associates to develop and maintain policies with respect to the protection of, use and disclosure of protected health information ("PHI"), including the adoption of administrative, physical and technical safeguards to protect such information, and certain notification requirements in the event of a breach of unsecured PHI. Additionally, under HIPAA, covered entities must report breaches of unsecured PHI to affected individuals without unreasonable delay, not to exceed 60 days following discovery of the breach by a covered entity or its agents. Notification also must be made to the U.S. Department of Health and Human Services Office for Civil Rights ("OCR") and, in certain circumstances involving large breaches, to the media. Business associates must report breaches of unsecured PHI to covered entities within 60 days of discovery of the breach by the business associate or its agents. A non-permitted use or disclosure of PHI is presumed to be a breach under HIPAA unless the covered entity or business associate establishes that there is a low probability the information has been compromised consistent with requirements enumerated in HIPAA.

Entities that are found to be in violation of HIPAA as the result of a breach of unsecured PHI, a complaint about privacy practices or an audit by the U.S. Department of Health and Human Services ("HHS"), may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and

oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. HIPAA also authorizes state Attorneys General to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

Certain states have also adopted comparable privacy and security laws and regulations which govern the privacy, processing and protection of health-related and other personal information, such as the California Confidentiality of Medical Information Act; these laws are not preempted by HIPAA to the extent that they are more stringent than HIPAA. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, the California Consumer Privacy Act ("CCPA"), which went into effect on January 1, 2020, creates individual privacy rights for California consumers and increases privacy and security obligations on entities handling certain personal information. The CCPA provides for fines and penalties for violations, as well as a private right of action for data breaches that is expected to increase the likelihood of, and risks associated with, data breach litigation. Further, the California Privacy Rights Act ("CPRA") generally went into effect on January 1, 2023, and significantly amends the CCPA. It imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also created a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential business process changes may also be required. Although there are limited exemptions for certain health-related data, including clinical trial data and protected health information subject to HIPAA, the CCPA (including as amended by CPRA) may increase our compliance costs and potential liability. Other states have passed or are considering similar privacy laws and the federal government may seek to enact a similar federal privacy law, reflecting a trend toward more stringent privacy legislation in the United States.

We also expect that there will continue to be new laws, regulations and industry standards concerning privacy, data protection and information security proposed and enacted in various jurisdictions. For example, Washington State has enacted a broadly applicable law to protect the privacy of personal health information known as the "My Health My Data Act," which generally requires affirmative consent for the collection, use, or sharing of any "consumer health data." Consumer health data is defined to include personal information that is linked or reasonably linkable to a consumer and that identifies a consumer's past, present, or future physical or mental health status; consumer health data also includes information that is derived or extrapolated from non-health information, such as algorithms and machine learning. Other states, including Connecticut and Nevada, have also passed consumer health data laws, and given the increased focus on the use of health data by entities that are not subject to HIPAA, additional states are expected to pass consumer health privacy laws. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. We could be adversely affected if HIPAA, the CCPA (including as amended by CPRA) and other state or federal legislation or regulations applicable to GRAIL require changes in our business practices, our use, receipt, or transfer of health information, or our privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations.

The Federal Trade Commission ("FTC") also has authority to initiate enforcement actions against entities that mislead customers about HIPAA compliance, make deceptive statements about privacy and data sharing in privacy policies, fail to limit third-party use of personal health information, fail to implement policies to protect personal health information or engage in other unfair practices that harm customers or that may violate Section 5 of the Federal Trade Commission Act ("FTC Act"). Even when HIPAA does not apply, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of the FTC Act. The FTC also

expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Personal health information is considered sensitive data that merits stronger safeguards.

We strive to comply with applicable laws, regulations, policies and other legal obligations relating to privacy, data protection and information security. However, the various regulatory frameworks for privacy and data protection are, and are likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules and subject our business practices to uncertainty.

In addition, the actual or perceived compromise of, lax oversight of, irresponsible or unauthorized use of, or unauthorized access to or release of, patient data or information by GRAIL, our partners, suppliers, contractors, consultants, or vendors, could erode provider, patient, and customer confidence, which could impact our business, financial condition, and results of operation.

We seek to utilize biological samples and data from participants in accordance with applicable law, IRB stipulations, and participant permissions (through consent forms and HIPAA authorizations). If we are unable or significantly restricted in using participant samples and data for secondary research purposes, our ability to develop additional products and/or improve or refine existing products will be limited, which may impact our business and prospects.

In addition, we are or may in the future be subject to a range of laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in various foreign jurisdictions. In Europe, we are subject to the United Kingdom General Data Protection Regulation and the Data Protection Act 2018 ("UK GDPR") and the EU General Data Protection Regulation ("EU GDPR") (the UK GDPR and EU GDPR together referred to as the "GDPR"). The GDPR imposes a comprehensive data privacy compliance regime including: maintaining a record of data processing; providing detailed disclosures about how personal information is collected and processed (in a concise, intelligible and easily accessible form); demonstrating that appropriate legal bases are in place to justify data processing activities; complying with rights for data subjects in regard to their personal information (including data access, erasure (the right to be "forgotten") and portability); ensuring appropriate safeguards are in place where personal information is transferred out of the EEA and the UK; and complying with the principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit. The applicability of the specific requirements depends on whether an organization acts as controller or processor.

Some of the personal information we process, for example in respect of clinical trial participants, is special category data under the GDPR, and subject to additional compliance obligations and to local law derogations. We may be subject to diverging requirements under national UK laws and EU member state laws, such as the legal basis we can rely on when processing health data of clinical trial participants as controller or the roles, responsibilities and liabilities as between CROs. As these laws develop, we may need to make operational changes to adapt to these diverging rules, which could increase our costs and adversely affect our business. Further, the regulatory landscape of data and digital laws in the UK and EU is under constant development, and in the future we may be required to adapt our processes, or change the way we engage with health data (for example, if proposed legislation such as the Data Governance Act and the Data Act is enacted and applies to our operations).

Among other requirements, the GDPR regulates the transfer of personal information outside of the EEA and the UK. Case law from the Court of Justice of the European Union ("CJEU") states that reliance on the standard contractual clauses–a standard form of contract approved by the European Commission as an adequate personal information transfer mechanism–alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. On October 7, 2022, President Biden signed an Executive Order on

'Enhancing Safeguards for United States Intelligence Activities' which introduced new redress mechanisms and binding safeguards to address the concerns raised by the CJEU in relation to data transfers from the EEA to the United States and which formed the basis of the new EU-US Data Privacy Framework ("DPF"), as released on December 13, 2022. The European Commission adopted its Adequacy Decision in relation to the DPF on July 10, 2023, rendering the DPF effective as an EU GDPR transfer mechanism to United States entities self-certified under the DPF. On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a UK GDPR data transfer mechanism to United States entities self-certified under the UK Extension to the DPF. We currently rely on the EU standard contractual clauses, the UK Addendum to the EU standard contractual clauses, and the UK International Data Transfer Agreement, as relevant, to transfer personal information outside the EEA and the UK, including to the United States, with respect to both intragroup and third-party transfers. We expect the existing legal complexity and uncertainty regarding international transfers of personal information to continue. In particular, we expect the DPF Adequacy Decision to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could suffer additional costs, complaints and/or regulatory investigations or fines; we may have to stop using certain tools and vendors and make certain operational changes, including to implement other/revised relevant documentation for data transfers within required time frames; and/or it could otherwise affect the manner in which we provide our services, and could adversely affect our business, operations and financial condition.

Penalties and fines for failure to comply with the GDPR are significant, including fines of up to €20 million/ £17.5 million or 4% of a noncompliant company's global turnover for the preceding year, whichever is higher. Since we are subject to the supervision of relevant data protection authorities under both the UK GDPR and the EU GDPR, we could be fined under each of those regimes independently in respect of the same non-compliance. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business. Noncompliance with applicable foreign privacy laws, such as the GDPR, would also adversely affect public perception of GRAIL's data stewardship practices and policies, which could impair our business and prospects with other foreign health systems and governments.

If we or our partners fail to comply with federal, state, and foreign laboratory and other applicable licensing and registration requirements, we could be prevented from performing our tests or experience disruptions to our business.

CLIA is a federal law that regulates clinical laboratories that perform testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention, or treatment of disease, or impairment of, or the assessment of the health of, human beings. CLIA regulations require, among other things, clinical laboratories to obtain a certificate and mandate specific standards in the areas of personnel qualifications, administration, participation in proficiency testing, test management, and quality assurance. CLIA certification is also required for us to be eligible to bill state and federal healthcare programs, if such reimbursement is otherwise available, as well as many third-party payors, for our products. To renew these certifications, we are and will be subject to routine surveys and inspections. Moreover, CLIA inspectors may make random or "for cause" inspections of our clinical laboratories.

We hold CLIA certificates from CMS for our laboratories in Menlo Park, California and Durham, North Carolina to conduct high complexity testing, subject to inspection to determine compliance with the CLIA regulations. We also hold CAP accreditations for our Menlo Park and Durham facilities. While we have completed validation studies for the version of Galleri currently marketed as an LDT, we are continuing our validation efforts for the version of Galleri that we intend to submit for PMA approval. We may not successfully complete such validation. Certain product additions to our test menu require notification to the regulatory and accrediting bodies that regulate our laboratories (e.g., CMS, the California Department of Public Health Laboratory Field Services ("CALFS") and CAP) that we are adding a new specialty to our assay offerings. At their discretion, any regulatory or accrediting body may come on-site to inspect our laboratories at any time. Any

failure to pass inspections, maintain our CLIA certificates, CAP accreditation, or state licenses, or add new validated products to our laboratory assay offerings could significantly harm our business, results of operations, and prospects.

In addition to obtaining federal certification for a laboratory under CLIA, we are also required to obtain and maintain state licenses to conduct testing in our laboratories. We have obtained a Clinical Laboratory Certificate of Deemed Status from the State of California Department of Public Health for our Menlo Park facility. The California licensure law establishes standards for the day-to-day operation of a clinical laboratory, including the training and skills required of personnel and quality control. In addition, California law mandates proficiency testing, which involves testing of specimens that have been specifically prepared for the laboratory. Further, if we test specimens originating from other states and return patient-specific results, our clinical laboratory must satisfy such states' licensure laws as well to the extent that such laws regulate out-of-state laboratories that test specimens originating in such states. For example, to be able to receive specimens originating from New York, we must maintain a New York State Department of Health clinical laboratory permit and obtain approval of Galleri, which we achieved. Research testing, however, does not require licensure if patient-specific results are not generated and/or returned for diagnostic purposes. We have obtained New York State Department of Health clinical laboratory permits for our Menlo Park facility and our Durham facility, which authorize us to accept and generate for diagnosis or treatment purposes patient-specific results on specimens originating from New York at the applicable facility, as well as having obtained New York State Department of Health approval to offer Galleri to residents of the State of New York. Applicable New York laws and regulations establish standards for day-to-day operation of a clinical laboratory, including training and skill levels required of laboratory personnel, physical requirements of a facility, equipment, and validation and quality control. There can be no assurance that we will be able to maintain New York clinical laboratory permits or approval of Galleri, or maintain licenses or permits from any other states where we are required to be licensed or hold a permit. Failure to maintain such licenses or permits could expose us to fines and other penalties, or limit our potential testing population.

In connection with CLIA certification and state laboratory licensing and permitting, we remain subject to a number of risks in the event of noncompliance. Any sanction imposed under CLIA, its implementing regulations, or state or foreign laws or regulations governing licensure or permitting, or our failure to renew or maintain a CLIA certificate, a state license or permit, or accreditation (including CAP), could have a material adverse effect on our business and reputation as certain actions are public. CMS also has the authority to impose a wide range of sanctions, including suspension, limitation, or revocation of the CLIA certification, termination of Medicare and Medicaid participation, civil money penalties, and a bar on the ownership or operation of a CLIA-certified laboratory by any owners or operators of the deficient laboratory. If we fail to obtain any required state licensure, or lose CLIA certification, CAP accreditation, or licensure, we would not be able to operate our clinical laboratories and offer our products in full or in particular states, which would adversely impact our business and results of operations. Even if we were able to bring our laboratory back into compliance, we could incur significant expenses and potentially lose revenue in doing so.

In addition to state laboratory licensing laws, we may also be subject to state registration and/or licensing requirements that apply to companies that manufacture medical devices. Certain states require such registrations or licenses before the products are commercialized, including while manufacturers are evaluating the devices in clinical studies. Violations of these laws may result in the denial, suspension, or revocation of the registration or license, as well as other fines and penalties, including imprisonment.

Data from our clinical trials that we announce or publish from time to time before our trials are complete may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or topline data from our clinical studies, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study. We also

make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline and preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the topline or preliminary data we previously published. As a result, topline and preliminary data should be viewed with caution until the final data are available. Audits, internal or external, including by the FDA's Bioresearch Monitoring ("BIMO") program, of our studies or associated data, can require substantial amounts of time, personnel, and other resources to comply with, and may not be anticipated.

From time to time, we may also disclose interim data from our clinical studies. Interim data from these studies that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as subject enrollment continues and more data become available. Adverse differences between interim data and top-line, preliminary, or final data could significantly harm our business prospects. Further, disclosure of interim data by us or by third parties could result in volatility in the price of our common stock.

In particular, in the United Kingdom, we are working with NHS England to complete our NHS-Galleri Trial. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing limited information from one year out of the three-year trial period to determine whether to commence phased commercial implementation in England. The results of this early analysis represent limited information from only one year out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons. No decision has been made by the NHS regarding phased commercial implementation at this time. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. It is possible that any publicly disclosed interim or final data may not be as we expect, may be inconsistent with prior NHS-Galleri data, or with other studies we have conducted, or may be unsuitable to the NHS, any of which could have a significant adverse impact on the success of our commercial efforts for Galleri, our ability to achieve FDA authorization at all or within our anticipated timelines, our brand and reputation, our business, and our growth prospects.

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

Any product for which we obtain a regulatory certificate, permit, license, clearance, or approval will be subject to extensive ongoing regulatory requirements, and we may be subject to penalties if we or our partners fail to comply with regulatory requirements or if we experience unanticipated problems with our products.

Any product for which we obtain a regulatory certificate, permit or license from a local, state, federal, or foreign regulatory authority, or notified body, or clearance or approval from the FDA or other comparable regulators, along with the manufacturing processes, post-market surveillance, labeling, packaging, advertising, and promotion, distribution, storage, import, export, reporting, and recordkeeping for such product, will be subject to continued regulatory review, oversight, requirements, and periodic inspections by the FDA and comparable foreign regulatory authorities, as well as our laboratory processes and practices will be subject to continued review, oversight,

requirements, and inspections by CMS, CALFS, and CAP. These requirements include submissions of safety and other post-marketing information and reports; registration and listing requirements; requirements relating to quality control, quality assurance, and corresponding maintenance of records and documents; requirements relating to recalls, removals, and corrections; and requirements relating to product labeling, advertising and promotion, and recordkeeping. The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. The FDA and comparable foreign regulatory authorities enforce regulatory requirements through, among other means, periodic unannounced inspections. We do not know whether we will be found compliant in connection with any future regulatory inspections.

Regulatory clearance, approval, or certification of a test or device may be subject to limitations by the regulatory body or notified body as to the indicated uses for which the product may be marketed or to other conditions of clearance, approval, or certification. In addition, clearance, approval, or certification may contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the test or device. After clearance, approval, or certification, discovery of problems with our product, suppliers, vendors, or contract manufacturers, or manufacturing processes (including software validation), and/or failure to comply with regulatory requirements, may result in actions such as:

- restrictions on operations of our laboratories;
- restrictions on manufacturing processes;
- restrictions on marketing of a product;
- Untitled or Warning letters;
- withdrawal or recall of the product from the market or seizure of the product;
- refusal to approve applications or supplements to approved applications that we may submit;
- fines, restitution or disgorgement of profits or revenue;
- suspension, limitation or withdrawal of regulatory approvals, clearances, or certifications;
- exclusion from participation in U.S. federal or state healthcare programs, such as Medicare and Medicaid;
- safety communications;
- refusal to permit the import or export of our product;
- injunctions; or
- imposition of civil or criminal penalties.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and have a material adverse effect on our reputation, business, financial condition and results of operations.

In addition, the FDA may change its clearance or approval policies, adopt additional regulations or revise existing regulations, or take other actions. For example, on February 23, 2022, the FDA issued a proposed rule to amend the Quality System Regulation (“QSR”), which establishes current good manufacturing practice requirements for medical device manufacturers, to align more closely with the International Organization for Standardization standards. This proposal has not yet been finalized or implemented. Accordingly, it is unclear the extent to which this or any other proposals, if adopted, could impose additional or different regulatory requirements on us that could increase the costs of compliance or otherwise create market pressure that may negatively affect our business. Such changes may also occur in foreign jurisdictions where we intend to market our products or future products. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain clearances or approvals, increase the costs of compliance or restrict our ability to maintain any clearances or approvals we have obtained.

In addition, we are or may become subject to new laws, regulations, and industry standards concerning medical devices proposed and enacted in various foreign jurisdictions. The EU regulatory landscape concerning IVDs recently evolved. On May 26, 2022, the EU IVDR became applicable, and repealed and replaced the EU IVDD. Unlike directives, which must be implemented into the national laws of the EU member states, regulations are directly applicable (i.e., without the need for adoption of EU member state laws implementing them) in all EU member states and are intended to eliminate current differences in the regulation of medical devices among EU member states. The EU IVDR, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EU for in vitro diagnostic medical devices and ensure a high level of safety and health while supporting innovation.

These modifications may have an effect on the way we intend to develop our business in the EU and the EEA. For example, as a result of the transition towards the new regime, notified body review times have lengthened, and product introductions could be delayed or canceled, which could adversely affect our ability to grow our business.

For any of our products that are approved or cleared by the FDA, we will be required to report to the FDA certain information about adverse medical events or malfunctions, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition, results of operations, and growth prospects. The discovery of serious safety issues with our products, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

For products for which we obtain FDA clearance or approval or that are otherwise subject to affirmative FDA oversight, we will be subject to the FDA's medical device reporting regulations and similar foreign regulations, which require us to report to the FDA when we receive or become aware of information that reasonably suggests that one or more of our products may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, it could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the product. If we fail to comply with our reporting obligations, the FDA could take action, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device clearance or approval, seizure of our products or delay in clearance or approval of future products. Similar risks exist in foreign jurisdictions.

The FDA and foreign regulatory bodies have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that the device could cause serious injury or death. We may also choose to voluntarily recall a product if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. Product defects or other errors may occur in the future.

Depending on the corrective action we take to redress a product's deficiencies or defects, the FDA or comparable foreign regulatory authorities may require, or we may decide, that we will need to obtain new clearances, approvals, or certifications for the device before we may market or distribute the corrected device. Seeking such clearances, approvals, or certifications may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including FDA or comparable foreign regulatory authorities warning letters, product seizure, injunctions, administrative penalties or civil or criminal fines.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. We may initiate voluntary withdrawals or corrections for our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

To obtain and maintain FDA approvals or clearances, our products will need to be manufactured in accordance with federal and state regulations, and we could be forced to recall our devices or terminate production if we or our partners fail to comply with these regulations.

For the FDA to approve or clear a medical device marketing application, the methods used in, and the facilities used for, the manufacture of our products must comply with the FDA's QSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. Furthermore, to obtain FDA clearance or approval, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality standards and applicable regulatory requirements. The FDA enforces the QSR through periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors. Similar state regulations and various laws and regulations of foreign countries governing manufacturing also apply to our products.

Our third-party manufacturers may not take the necessary steps to comply with applicable regulations, which could cause delays in the availability of our products or a delay in obtaining FDA authorization of our marketing application. In addition, the FDA has issued a proposed rule to amend the QSR to align more closely with the International Organization for Standardization standards. Although this proposal has not yet been finalized or implemented and it is unclear the extent to which this or any other proposals, if adopted, could impose additional or different regulatory requirements on us or our third-party manufacturers, the amendment could increase the costs of compliance or otherwise create market pressure that may negatively affect our business. Failure to comply with applicable FDA requirements or later discovery of previously unknown problems with our products or manufacturing processes could result in, among other things: warning letters or untitled letters; fines, injunctions or civil penalties; suspension or withdrawal of approvals; seizures or recalls of our products; total or partial suspension of production or distribution; administrative or judicially imposed sanctions; the FDA's refusal to grant pending or future clearances or approvals for our products; clinical holds; refusal to permit the import or export of our products; and criminal prosecution of us, our suppliers, or our employees.

Any of these actions could significantly and negatively affect supply of our products. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we could lose customers and experience reduced sales and increased costs.

The misuse or off-label use of our products may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

Any marketing authorization or certification we may receive or obtain for our products by the FDA, comparable foreign regulatory authorities, or notified bodies will include specified indications for use and approved (or certified) labeling. Upon receipt of FDA authorization, or certification, we will continue to train our marketing personnel and direct sales force to not promote our authorized (or certified) tests for uses outside of

FDA-authorized (or certified) indications for use, known as "off-label uses." We cannot, however, prevent a physician from using our products off-label, when in the physician's independent professional medical judgment he or she deems it appropriate. There may be increased risk of injury to patients if physicians attempt to use our products off-label, which could harm our reputation in the marketplace among physicians and patients.

If, after FDA authorization or certification, the FDA or any foreign regulatory body determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

In addition, physicians may misuse our products or use improper techniques if they are not adequately trained, potentially leading to injury and an increased risk of product liability. If our devices are misused or used with improper technique, we may become subject to costly litigation by our customers or their patients. As described above, product liability claims could divert management's attention from our core business, be expensive to defend and result in sizeable damage awards against us that may not be covered by insurance.

Misleading, untruthful, or unsubstantiated labeling, advertising, marketing, or promotional practices could cause significant harm to our business, operations, and financial conditions. The FTC has instituted enforcement actions against certain healthcare testing companies for making false or misleading advertising claims and for failing to adequately substantiate claims made in advertising. These enforcement actions may result in warning letters, consent decrees, and the payment of civil penalties and/or restitution by the companies involved. Should the FTC determine that our claims are false or misleading or unsubstantiated, we could be subject to FTC enforcement action and may face significant penalties which may result in a material adverse effect on our reputation, business, financial condition, results of operations, and growth prospects.

The labeling, advertising, marketing, and promotional practices of GRAIL related to our products is governed by numerous state and federal regulators, including the FDA and the FTC, as well as subject to third-party claims. Any statements related to our products that could be construed as misleading, untruthful, or unsubstantiated, could subject GRAIL to regulatory enforcement action, third-party lawsuits, or plaintiffs' complaints. Any of these actions could significantly and negatively affect our reputation, expose us to liability claims, and we could lose customers and experience reduced sales and increased costs.

Healthcare reform and data protection measures, including legislation reforming the U.S. healthcare system, could cause significant harm to our business, operations and financial condition.

Healthcare systems are subject to ongoing reform in the United States and abroad. For example, in the United States, the Affordable Care Act ("ACA") made a number of substantial changes to the way healthcare is financed both by governmental and private insurers. The ACA, among other things, included provisions governing enrollment in federal and state healthcare programs, reimbursement matters, and fraud and abuse. Since its enactment, there have been executive, judicial and Congressional challenges to certain aspects of the ACA. Most recently, on June 17, 2021 the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Other legislative changes have also been proposed and adopted in the United States since the ACA. For example, through the process created by the Budget Control Act of 2011, there are automatic reductions of Medicare payments to providers, which went into effect in April 2013 and will remain in effect until 2032 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

In April 2014, Congress passed PAMA, which included substantial changes to the way in which clinical laboratory services are paid under the CLFS. Under PAMA, certain clinical laboratories are required to periodically report to CMS private payor payment rates and volumes for their tests, and laboratories that fail to report the required payment information may be subject to substantial civil monetary penalties. Medicare reimbursement for CDLTs is based on the weighted-median of the payments made by private payors for these tests, rendering private payor payment levels even more significant than in the past. As a result, future Medicare payments may fluctuate more often and become subject to the willingness of private payors to recognize the value of diagnostic tests generally and any given test individually. The impact of this payment system on rates for our tests, including any current or future tests we may develop, is uncertain. For more information, see above and the section entitled "Risks Relating to Our Business and Industry—One of the key elements of our strategy is to expand access to our tests by pursuing coverage and reimbursement from third-party payors, both private and government payors. If our products do not receive adequate coverage and reimbursement from third-party payors, if at all, our ability to expand access to our products beyond our existing sales channels will be limited and our overall commercial success will be limited" beginning on page 41 of this Information Statement.

We cannot predict whether or when these or other recently enacted healthcare initiatives will be implemented at the federal or state level or in foreign jurisdictions or how any such legislation or regulation may affect us. For instance, the payment reductions imposed by the ACA and the changes to reimbursement amounts paid by Medicare for tests based on the procedure set forth in PAMA, could limit the prices we will be able to charge or the amount of available reimbursement for our tests, which would reduce our revenue. Additionally, these healthcare policy changes could be amended or additional healthcare initiatives could be implemented in the future.

Similar developments may occur in the EU. For instance, on December 13, 2021, Regulation No 2021/2282 on Health Technology Assessment ("HTA") amending Directive 2011/24/EU, was adopted. While the regulation entered into force in January 2022, it will only begin to apply from January 2025 onwards, with preparatory and implementation-related steps to take place in the interim. Once the regulation becomes applicable, it will have a phased implementation depending on the concerned products. This regulation intends to boost cooperation among EU member states in assessing health technologies, including certain high-risk medical devices, and providing the basis for cooperation at the EU level for joint clinical assessments in these areas. The regulation will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

Further, the impact on our business of the expansion of the federal and state governments' role in the U.S. healthcare industry generally, including the social, governmental and other pressures to reduce healthcare costs while expanding individual benefits, is uncertain. Any future changes or initiatives could have a materially adverse effect on our business, financial condition, results of operations and cash flows.

Obtaining and maintaining regulatory authorization of our products in one jurisdiction does not mean that we will be successful in obtaining regulatory authorization of our products in other jurisdictions.

Obtaining and maintaining regulatory authorization or certification of products in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory authorization or certification in any other jurisdiction, but a failure or delay in obtaining regulatory authorization or certification in one jurisdiction may have a negative effect on the regulatory authorization or certification process in others. For example, even if the FDA or a comparable foreign regulatory authority grants clearance or approval for our products, comparable regulatory authorities or notified bodies in foreign jurisdictions may also need to authorize or certify the products

in those countries. Premarket authorization and certification processes vary among jurisdictions and can involve requirements and administrative review periods different from those in the United States, including additional clinical studies, because clinical studies conducted in one jurisdiction may not be accepted by regulatory authorities or notified bodies in other jurisdictions or the data may not be considered applicable to the jurisdiction's intended patient population based on demographic, medical practice, genetic, or other differences. In some cases, the price that we intend to charge for our products may also be subject to approval.

Obtaining foreign regulatory authorization or certification and maintaining compliance with foreign regulatory requirements could result in significant delays, difficulties, and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in other jurisdictions, or we fail to receive necessary or desirable marketing authorizations or certification in other jurisdictions, our target market will be reduced and our ability to realize the full market potential of our products will be harmed.

Our employees, independent contractors, consultants, commercial partners, and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of fraud, misconduct, or other illegal activity by our employees, independent contractors, consultants, commercial partners, and vendors. Misconduct by these parties could include intentional, reckless and negligent conduct that fails to: comply with applicable rules and regulations of the CMS, the FDA, and other comparable foreign regulatory authorities; provide true, complete and accurate information to such regulatory authorities; comply with manufacturing and clinical laboratory standards; comply with healthcare fraud and abuse laws in the United States and similar foreign fraudulent misconduct laws; or report financial information or data accurately or to disclose unauthorized activities to us. For example, in June 2023, our third-party telemedicine provider experienced a software issue that resulted in erroneous test reports being delivered to patients. Since we began commercializing Galleri in the United States, our potential exposure under such laws has increased significantly, and our costs associated with compliance with such laws have, and will likely continue to, increase. In particular, research, sales, marketing, education, and other business arrangements in the healthcare industry are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing, and other abusive practices, as well as off-label product promotion. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, educating, marketing and promotion, sales and commission, certain customer incentive programs, and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of participant recruitment for clinical studies, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions. Even if it is later determined after an action is instituted against us that we were not in violation of these laws, we may be faced with negative publicity, incur significant expenses defending our actions, and have to divert significant management resources from other matters. We expect our exposure to and costs associated with compliance with healthcare fraud and abuse laws to increase significantly if we commercialize additional products in the future.

If we fail to comply with healthcare and other applicable laws and regulations, we could face substantial penalties and our business, reputation, and operations and financial condition could be adversely affected.

Our operations are subject to various U.S. federal and state fraud and abuse laws. In addition, the commercialization of our products outside the United States would also subject us to foreign equivalents of the

healthcare laws described below, among other foreign laws. The laws that may, currently or in the future, impact our operations include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering, or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item, or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation, and many courts have interpreted that statute as being violated if merely one purpose of any arrangement is to induce referrals or purchases. In 2018, Congress enacted the Eliminating Kickbacks in Recovery Act of 2018 ("EKRA"), which establishes an all-payor anti-kickback prohibition for, among other things, knowingly and willfully paying or offering any remuneration directly or indirectly to induce a referral of an individual to a clinical laboratory. Violations of EKRA may result in fines, imprisonment, or both, for each occurrence;
- the federal physician self-referral prohibition, commonly known as the Stark Law, which, in the absence of an applicable exception, prohibits a physician from making a referral for certain designated health services covered by the Medicare or Medicaid program, including clinical laboratory services, if the physician or an immediate family member of the physician has a financial relationship with the entity providing the designated health services. The Stark Law also prohibits the entity furnishing the designated health services from billing, presenting or causing to be presented a claim for the designated health services furnished pursuant to the prohibited referral;
- federal civil and criminal false claims laws, including the False Claims Act, which impose criminal and civil penalties, including through civil "qui tam" or "whistleblower" actions, against individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other third-party payors that are false or fraudulent. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute or Stark Law constitutes a false or fraudulent claim for purposes of the False Claims Act;
- healthcare fraud and false statements laws, which prohibit, among other things, knowingly making a false statement to improperly avoid, decrease, or conceal an obligation to pay money to the federal government. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them in order to have committed a violation;
- the federal Civil Monetary Penalties Law, which, subject to certain exceptions, prohibits, among other things, the offer or transfer of remuneration, including waivers of copayments and deductible amounts (or any part thereof), to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state healthcare program;
- the federal Physician Payment Sunshine Act, created under the ACA, and its implementing regulations, which require manufacturers of drugs, devices, biologicals, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to the U.S. Department of Health and Human Services under the Open Payments Program, information related to payments or other transfers of value made to physicians (as defined by statute), teaching hospitals, and other healthcare practitioners, as well as ownership and investment interests held by such physicians and their immediate family members;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and

- analogous state and foreign laws and regulations, such as state and foreign anti-kickback, false claims, consumer protection, and unfair competition laws that may apply to our business practices, including, but not limited to, research, distribution, sales and marketing arrangement, as well as submitting claims involving healthcare items or services reimbursed by any third-party payor, including commercial insurers; state laws that require healthcare companies to comply with the medical device industry's voluntary compliance guidelines, the relevant compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to healthcare providers, and other potential referral sources or state-specific standards on financial interactions with healthcare providers; state laws that require healthcare companies to file reports with states regarding pricing and marketing information, such as the tracking and reporting of gifts, compensation, and other remuneration and items of value provided to healthcare professionals and entities; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available and lack of clear guidance, it is possible that some of our business activities could, despite our efforts to comply, be subject to challenge under one or more of such laws. Efforts to ensure that our business arrangements will comply with applicable healthcare and other applicable laws may involve substantial costs. In the future, it is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or then-existing statutes, regulations, or case law interpreting applicable fraud and abuse or other healthcare or applicable laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal, and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid, and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

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

We and any contract manufacturers and suppliers we engage are subject to numerous federal, state, and local environmental, health, and safety laws, regulations, and permitting requirements, including those governing laboratory procedures; the generation, labeling, handling, use, storage, transport, treatment, and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air, and water; and employee health and safety. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources or insurance coverage. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties. If the handling, use, labeling, storage, or transport of hazardous or biohazardous materials by us or our contract manufacturers or suppliers fail to comply with applicable requirements, we could incur significant costs, be subject to civil or criminal fines and penalties, experience disruption and delays in our operations, and face destruction of any non-compliant materials, which could include clinical and biological samples.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research, product development, and manufacturing efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific biological or hazardous waste insurance

coverage. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical studies or regulatory approvals or certifications could be suspended, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Changes in funding or disruptions at the FDA, other government agencies, and notified bodies caused by funding shortages, global health concerns, government shutdowns, or other causes could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved, certified, or commercialized in a timely manner or at all, or otherwise prevent those agencies and notified bodies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA, foreign regulatory agencies, and notified bodies to review and clear, approve, or certify new products or changes to existing products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's, foreign regulatory agencies', and notified bodies' ability to hire and retain key personnel and accept the payment of user fees, government shutdowns, and other events that may otherwise affect the FDA's foreign regulatory agencies' and notified bodies' ability to perform routine functions. Average review times at the FDA, foreign regulatory agencies, and notified bodies have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA, other agencies, and notified bodies may also slow the time necessary for new medical devices or modifications to cleared, approved, or certified medical devices to be reviewed and/or approved, or certified by necessary government agencies or notified bodies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. In addition, during the COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has resumed standard inspection operations of domestic facilities where feasible, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates, and any resurgence of COVID-19 or emergence of new variants may lead to further inspectional delays. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA, other regulatory authorities, or notified bodies from conducting their regular activities, it could significantly impact the ability of the FDA, other regulatory authorities, or notified bodies to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

In the EU, for example, notified bodies must be officially designated to certify products and services in accordance with the EU IVDR. Only a few notified bodies have been designated so far and the COVID-19 pandemic has significantly slowed down their designation process. Without EU IVDR designation, notified bodies may not yet start certifying devices in accordance with the EU IVDR. As only a few notified bodies have been EU IVDR-designated, they are facing a heavy workload and their review times have lengthened. This situation may impact the way we are conducting or intend to conduct our business in the EU and the EEA and the ability of the applicable notified body to timely review and process our regulatory submissions and perform its audits.

Our business activities are subject to the FCPA and similar anti-bribery and anti-corruption laws.

Our business activities are subject to the FCPA and similar anti-bribery or anti-corruption laws, regulations, or rules of other countries in which we operate, including the U.K. Bribery Act. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the healthcare providers who administer diagnostic tests are employed by their government, and the purchasers of diagnostics tests are government entities; therefore, our dealings with these providers and purchasers are subject to regulation under the FCPA. The SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of our facilities, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, and financial condition.

Risks Relating to Intellectual Property

If we are unable to obtain and maintain intellectual property protection for our technology, or if the scope of the intellectual property protection we obtain is not sufficiently broad, third parties could in the future develop and commercialize technology and tests similar or identical to ours, and our ability to successfully commercialize our products may be impaired.

Our ability to perform successfully will depend in part on our ability to obtain and enforce patent protection for our products, preserve our trade secrets, and operate without infringing the proprietary rights of third parties. Filing, prosecuting, and defending patents on our products and other technologies in all countries throughout the world would be prohibitively expensive and time-consuming, and the laws of some foreign countries may not protect our rights to the same extent as the laws of the United States. We may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patents or patent applications at a reasonable cost or in a timely manner, or in all jurisdictions. Furthermore, in some cases, we have only filed provisional patent applications on certain aspects of our products and technologies and each of these provisional patent applications, or any future provisional patent application on certain aspects of our products and technologies, is not eligible to become an issued patent until, among other things, we file a non-provisional patent application within 12 months of the filing date of the applicable provisional patent application. In cases where we have not obtained, or decided not to obtain, patent protection for certain of our inventions, we may not be able to prevent third parties from practicing our inventions or from selling or importing tests made using our inventions in and into the United States or other jurisdictions.

Moreover, while we have applied for patents that protect aspects of our technology in the United States and numerous other countries, we cannot assure you that our intellectual property position, including our owned and exclusively licensed pending and issued patents, will not be challenged or that all patents for which we have applied will be issued on a timely basis or at all, or that such patents will protect our technology, in whole or in part, or be issued in a form that will provide us with meaningful protection.

Although patents are presumed valid and enforceable upon issuance, a patent may be challenged as to its inventorship, scope, validity, or enforceability, and certain of our owned or exclusively in-licensed patents have been, and others in the future may be, challenged in the courts or patent offices in the United States or abroad. For example, certain of our in-licensed and owned European patents have been subject to oppositions in Europe, as described below. As a result of such challenges, our pending or future patent applications may not result in issued patents, or the scope of existing or future patents may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours, or our issued patents may be held invalid or unenforceable. It is also possible that we may fail to identify patentable technologies in a timely fashion, which could impair our ability to obtain patent protection on such technology at all. Third parties may be able to

circumvent our owned or exclusively in-licensed patents by developing similar or alternative technologies or tests in a non-infringing manner. Third parties could in the future also set up laboratories outside the countries in which we have filed patent applications in order to compete without infringing upon our intellectual property, even if they process samples from countries in which we do have patent protection. In addition, to the extent we have granted, or may grant in the future, licenses or sublicenses of our intellectual property rights to third parties, we cannot provide any assurance that such intellectual property rights will not be used by those third parties in a manner that could compete with our business or otherwise negatively impact any competitive advantage provided by such intellectual property rights.

Publications of discoveries in scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are uncertain. Given the amount of time required for the development, testing, and regulatory review of new tests, patents protecting such tests might expire before or shortly after such products are commercialized. As a result, our owned or exclusively in-licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If a third party obtains an issued patent on inventions we use in our products, that party could prevent us from using those inventions, and we may not be able to design around the third party's patents or obtain a license on commercially reasonable terms, if at all. Third-party patents or other intellectual property may exist that our current technology, manufacturing methods, products, or future methods or tests infringe or will infringe, which could result in litigation, the imposition of injunctions preventing our use of the foregoing, or require us to obtain licenses or pay royalties and/or other forms of compensation to third parties, which could be significant and could harm our results of operations.

Periodic maintenance fees, renewal fees, annuity fees, and various other government fees on patents and applications will be due to be paid to the U.S. Patent and Trademark Office ("USPTO") and various government patent agencies outside of the United States over the lifetime of our owned or in-licensed patents and applications. In certain circumstances, we rely on our licensing partners to pay these fees due to U.S. and non-U.S. patent agencies and to take the necessary actions to comply with other requirements to maintain such in-licensed patents during their term. In some cases, non-compliance can result in abandonment or lapse of the patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market with similar or identical tests or technology, which could have a material adverse effect on our market position.

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

We have agreements with Illumina and license agreements with others that provide rights to certain technologies related to assays used in our products. We may need to obtain additional licenses from others to advance our research or allow commercialization of our products or technology, either globally or in certain geographies, without infringing the intellectual property of third parties. It is possible that we may be unable to obtain such additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to expend significant time and resources to redesign our technology or to develop or license replacement technology, any of which may not be feasible on a technical or commercial basis. If we are unable to obtain or maintain applicable licenses, we may be unable to commercialize certain of our products, either globally or in certain geographies, or continue to utilize our technology, which could harm our business, financial condition, results of operations, and growth prospects.

In addition, our in-licenses impose various development, diligence, commercialization, and other obligations on us, and we expect that our future license or development agreements will contain similar types of obligations. Certain of our license agreements also require us to meet development timelines, or to exercise commercially reasonable efforts to develop and commercialize licensed products. Despite our efforts, our licensors might conclude that we have materially breached our obligations under such license agreements or our sublicensees may fail to fulfill their obligations to us or materially breach our related sublicense agreements, and our licensors might therefore terminate the license agreements or otherwise modify our rights under those agreements, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements or resulting in litigation. If these in-licenses are terminated, or if the underlying patents fail to provide the anticipated market exclusivity, other third parties may have the freedom to seek regulatory approval of, and to market, tests highly similar to ours or we may be required to cease commercialization of our products or use of our technology. Any of the foregoing could have a material adverse effect on our position, business, financial condition, results of operations, and growth prospects.

In addition, the agreements under which we currently license or otherwise obtain rights to intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations, which may lead to disputes between us and our licensor, including:

- the scope of rights granted under the license agreement;
- the extent to which our product and technology infringe on intellectual property of the licensor that is not subject to the license agreement;
- the right to sublicense patent and other rights under our collaborative development relationships;
- our diligence and other obligations under the license agreement; and
- the ownership of inventions and know-how resulting from the joint invention of intellectual property by us and our licensors and our partners.

The resolution of any contract disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and growth prospects. If we are required to engage in litigation to enforce or defend our rights under our license or development agreements, even if we are successful, such litigation could require significant financial resources, divert the attention of management and harm our business. Moreover, if disputes over intellectual property that we have licensed or otherwise obtained rights to prevent or impair our ability to maintain our current arrangements on commercially acceptable terms, or at all, we may be unable to successfully commercialize the affected product or technology, which could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

Our use of open-source software could subject our proprietary technology to unwanted open-source license conditions that could negatively impact our business.

A portion of our technology capabilities incorporates open-source software, and we may incorporate open-source software into other offerings or products in the future. If an author or other third party that distributed such open-source software to us were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to remediate our open source vulnerabilities or defend against such allegations. In addition, if we combine our proprietary software with open-source software in a certain manner and make it available to others, under some open-source licenses, we could be required to license or make available the source code of our proprietary software, which could help our third parties develop products that are similar to ours and harm our business; thus, we could be required to remediate any such open source vulnerabilities.

Developments in patent law could have a negative impact on our business.

From time to time, the U.S. Supreme Court, other federal courts, the U.S. Congress, the USPTO, or applicable authorities in other jurisdictions may change the standards of patentability and any such changes could have a negative impact on our business. The scope of patent coverage available for medical diagnostics continues to evolve and uncertainty remains around the patentability of certain diagnostic-based method claims. U.S. Supreme Court and Federal Circuit decisions interpreting and/or limiting the scope of patentable subject matter under 35 U.S.C. § 101, in addition to examination guidelines from the USPTO, have made it more difficult for patentees to obtain and/or maintain patent claims in the United States that are directed to medical diagnostics, as claims to that subject matter are sometimes perceived to recite or involve laws of nature, natural phenomena, and/or natural products.

Several precedential decisions regarding patentable subject matter are of particular relevance to patents in the medical diagnostics and computer-implemented applications space. The 2012 decision in *Mayo Collaborative v. Prometheus Laboratories* (*Prometheus*) concerns patent claims directed to optimizing the amount of drug administered to a specific patient based on certain diagnostic measurements. The U.S. Supreme Court held that the applicable patent's claims were directed to a law of nature (i.e., a natural correlation between drug levels and efficacy or toxicity) and failed to incorporate a sufficiently inventive concept above and beyond routine and conventional method steps to allow the claimed methods of treatment to qualify as patent eligible. The 2013 decision in *Association for Molecular Pathology v. Myriad Genetics* (*Myriad*) concerns the patentability of isolated DNA sequences that were related to methods of diagnosing genetic predisposition to cancer. The U.S. Supreme Court held that isolated fragments of naturally occurring genetic material are not patent eligible, but non-naturally occurring fragments can be patented. The 2014 decision in *Alice Corporation Pty. Ltd. v. CLS Bank International* (*Alice*) concerns computer-implemented inventions. The U.S. Supreme Court held that an abstract idea could not be patented just because it is implemented on a computer, thus providing guidance on the patentability of computer-implemented applications. The 2015 decision in *Ariosa v. Sequenom* (*Sequenom*) concerns the patentability of claims directed to a method of detecting fetal DNA in a mother's serum or plasma samples. Although the U.S. Supreme Court recognized that the discovery of cell-free fetal DNA present in a mother's bloodstream was a scientific breakthrough, it held that the claims were not patent eligible since they were primarily directed to a natural phenomenon. The Federal Circuit's 2020 decision in *Illumina v. Ariosa* concerns the patentability of claims directed to preparing a fraction of DNA enriched in cell-free fetal DNA. The Federal Circuit held the claims were patent eligible and distinguished them from the claims in Sequenom as method of preparation claims, rather than diagnostic claims. The court further explained that the claimed DNA fragment size thresholds were human-engineered parameters, suggesting that claims based on natural phenomena, but not exclusively directed to such phenomena, may be patent eligible. In short, our efforts to seek patent protection for our technologies and products may be impacted by the evolving case law and guidelines/procedures issued by the USPTO, or authorities in other jurisdictions based on such changes in the law.

We cannot fully predict the impact that the evolving case law on patentable subject matter will have on the ability to obtain or enforce patents relating to DNA, genes, genomic-related discoveries, or computer-implemented tests, including such tests that use machine learning or rely on software pipelines, in the future, as the contours of whether claims are patent eligible (or instead recite laws of nature, natural phenomena, natural products, or abstract ideas) are not clear and may take years to develop via interpretation at the USPTO and in the courts. There are many patents claiming nucleic acids and diagnostic methods based on natural correlations that issued before the court decisions summarized above and, although some of these patents may be invalid under the standards set forth in these decisions, these patents are presumed valid and enforceable until they are successfully challenged. Thus, third parties holding these patents could allege that we infringe, or request that we obtain a license under, these patents, even if these patents are not likely enforceable under current U.S. laws. Whether based on patents issued prior to or after these precedential decisions, we could be forced to defend against claims of patent infringement or obtain license rights, if available on commercially reasonable terms or at all, under these patents. In jurisdictions other than the United States, gene-related patent claims may remain valid and may be enforced against us.

Additionally, on June 1, 2023, the European Union Patent Package ("EU Patent Package") regulations were implemented with the goal of providing a single pan-European Unitary Patent and a new European Unified Patent Court ("UPC") for litigation involving European patents. As a result, European patents, including those issued prior to ratification of the EU Patent Package, now by default automatically fall under the jurisdiction of the UPC. It is uncertain how the UPC will impact granted European patents in the biotechnology and pharmaceutical industries. Our European patent applications, if issued, could be challenged in the UPC. During the first seven years of the UPC's existence, the UPC legislation allows a patent owner to opt its European patents out of the jurisdiction of the UPC. We can elect to opt out from the UPC in some of our future European patents, but doing so may preclude us from realizing the potential benefits of the UPC. Moreover, if we do not meet all of the formalities and requirements for opting out under the UPC, our future European could remain under the jurisdiction of the UPC. The UPC could provide our third parties with a new forum to centrally revoke our European patents, and allow for the possibility of a third party to obtain a pan-European injunction—such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize our technology and future products and, resultantly, on our business, financial condition, prospects, and results of operations.

Further, the U.S. Congress has periodically sought to pass bills concerning subject matter eligible for patent protection. We cannot fully predict the impact that such new laws may have on our ability to obtain patent protection for our products and technologies, and our ability to operate in view of the patents controlled by third parties. These and other substantive changes to U.S. and foreign patent law could affect our susceptibility to patent infringement claims and our ability to obtain patents and, if obtained, to enforce or defend them, any of which could have a material adverse effect on our business.

Patent terms may be inadequate to protect our position on our products for an adequate amount of time.

Patents have a limited lifespan in all jurisdictions around the world. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product are obtained, once the patent life has expired for a product, we may be open to competition. Given the amount of time required for the development, testing and regulatory review of new products, patents protecting such products might expire before or shortly after such products are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing future products similar or identical to ours for a meaningful amount of time, or at all. Such an inability to exclude third parties from commercializing similar or identical products could have a material adverse impact on our reputation, business, financial condition, results of operations, and growth prospects.

Issued patents covering our products and other technologies could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States and abroad.

Third parties may challenge the validity or enforceability of our owned or in-licensed patents in court or before administrative bodies in the United States or abroad. If we or one of our licensors initiated legal proceedings against a third party to enforce a patent, the defendant could counterclaim that our asserted patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of subject matter eligibility, lack of written description, and non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a material misleading statement, during prosecution. Third parties have raised, and in the future may raise, claims challenging the validity or enforceability of our owned or in-licensed patents before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (such as opposition proceedings). Such proceedings could result in the revocation of,

cancellation of, or amendment to our patents in such a way that they no longer cover Galleri, DAC, or our other technologies or products.

For example, in 2021, we faced an opposition in Europe with respect to European patent number EP 3 363 901 B1 in-licensed from the Fred Hutchinson Cancer Center. The opposition proceeding filed against EP 3 363 901 B1 concluded with the claims being maintained in amended form and corresponds to technology that is not currently being used in Galleri, DAC, or our precision oncology portfolio. The opponents have filed an appeal. This opposition proceeding does not affect our patents outside Europe.

If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products or other technologies. Such a loss of patent protection could have a material adverse impact on our business, financial condition, results of operations, and growth prospects.

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

Various companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology and pharmaceutical products, which could make it difficult for us to stop the infringement of our or any future licensors' patents or marketing of products in violation of our proprietary rights. Certain countries outside the United States have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. As a result, a patent owner may have limited remedies in certain circumstances, which could materially diminish the value of such patent. If we or any future licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our position may be impaired, and our business, financial condition, results of operations, and growth prospects may be adversely affected. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Certain countries outside the United States also have laws that may impact a patent owner's right to claim priority or require a patent applicant to obtain a foreign filing license or first file patent applications in a foreign jurisdiction to the extent foreign nationals are involved in the development of the claimed subject matter of the resulting patent. Our pending and future patent applications may not result in patents being issued that comply with the law of each foreign jurisdiction. Pending applications and issued patents may be challenged in various jurisdictions for failure to comply with local laws, which could result in the rejection of pending applications or invalidation of issued patents. Further, the standards applied by foreign patent offices in granting patents are not always applied uniformly or predictably. As such, we do not know the degree of future protection that we will have on our future products. While we will endeavor to try to protect our existing products and products with in development with intellectual property rights, such as patents, as appropriate, the process of obtaining patents is time consuming, expensive, and unpredictable.

In addition, geo-political actions in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement, or defense of our issued patents or those of any current or future licensors. For example, the United States and foreign government actions related to Russia's conflict in Ukraine may limit or prevent filing, prosecution, and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in Russia. If such an event were to occur, it could have a material adverse effect on our business. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees from the United States without consent or compensation. Consequently,

we would not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. If we are not able to protect our intellectual property rights throughout the world, our position may be impaired, and our business, financial condition, results of operations, and growth prospects may be adversely affected.

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

Our former, current, and future employees may have been previously employed at universities or other biotechnology, diagnostic, laboratory, technology, or pharmaceutical companies, including, for example, potential competitors and strategic partners. We train our employees not to bring or use proprietary information or technology from former employers to us or use it in their work. Although we try through such training and other measures to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we have been in the past, and in the future may be, subject to claims that an employee or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of such employee's former employer. Litigation, which would be expensive, time-consuming, a distraction to management, and uncertain of outcome, may be necessary to defend against these claims.

In addition, while it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing or enforcing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may be breached, and we may be forced to bring claims against third parties or current or former employees, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

If we fail to prevail on any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, or be required to obtain a license, which may not be available to us on commercially reasonable terms or at all. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management, which could harm our business.

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

In addition to seeking patents for our products and other technologies, we also rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology, data, and other proprietary information, and to maintain our market position. Trade secrets and know-how can be difficult to protect. We expect some of our trade secrets and know-how to over time be disseminated within the industry through independent development, the publication of journal articles describing the methodology, and the movement of personnel.

We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, directors, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, suppliers, service providers, consultants, advisors, and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants, and remind departing employees when they leave their employment of their continuing confidentiality obligations. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Despite our efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult,

expensive, and time-consuming, and the outcome is unpredictable. Some courts outside the United States are less willing or unwilling to protect trade secrets, and the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws within the United States. For example, in China, claims regarding infringement or misappropriation of trade secrets are more difficult to prove, and consequently plaintiffs are rarely successful in bringing these claims. If any of our trade secrets were to be lawfully obtained or independently developed by a third party, we would have no right to prevent them from using that technology or information. If any of our trade secrets were to be misappropriated by, disclosed to, or independently developed by a third party, our market position could be materially and adversely harmed.

We have and may enter into collaboration, license, contract research, and/or manufacturing relationships with contract organizations that operate in certain countries that are at heightened risk of theft of technology, data, and intellectual property through direct intrusion by private parties or foreign actors, including those affiliated with or controlled by state actors. Accordingly, our efforts to protect and enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license, and we may be at heightened risk of losing our proprietary intellectual property rights around the world, including outside of such countries, to the extent such theft or intrusion destroys the proprietary nature of our intellectual property.

Our success depends on our ability to develop and commercialize our technology without infringing, misappropriating, or otherwise violating the intellectual property of third parties. Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, and if they prevail, could block sales of our products and force us to make large damages and/or royalty payments, which could have a material adverse effect on the success of our business.

Our commercial success in part depends upon our ability, and the ability of our collaborators, to market, sell, and distribute our products and use our proprietary technologies without infringing, misappropriating, or otherwise violating the proprietary rights of third parties. There is considerable intellectual property litigation in the medical technology, biotechnology, diagnostic, and pharmaceutical industries. In addition, there is ongoing intellectual property litigation in the circulating nucleic acid analysis and cancer nucleic acid space, the outcome of which could also impact potential future litigation involving our intellectual property or our ability to commercialize our products. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products, including interference proceedings before the USPTO and similar bodies in other jurisdictions. Third parties may assert infringement claims against us based on existing patents or patents that may be issued in the future.

If we are found to infringe, misappropriate, or otherwise violate a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing, marketing, selling, and distributing our products, or to cease using the infringing technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving third parties access to the same technologies licensed to us. In addition, we could be found liable for monetary damages, including treble damages if we are found to have willfully infringed a patent and attorneys' fees if the court finds the case to be exceptional. A finding of infringement, misappropriation, or other violation could prevent us from commercializing our products or force us to cease some of our operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

Even if resolved in our favor, litigation, or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some third parties may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their

greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to perform in the marketplace.

Intellectual property litigation may lead to unfavorable publicity that harms our reputation and causes the market price of our common stock to decline.

During the course of any intellectual property litigation, there could be public announcements of the initiation of the litigation as well as results of hearings, rulings on motions, and other interim proceedings in the litigation. If securities analysts or investors regard these announcements as negative, the perceived value of our existing products, programs, or intellectual property could be diminished. Accordingly, the market price of shares of our common stock may decline. Such announcements could also harm our reputation or the market for our future products, which could have a material adverse effect on our business.

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

Third parties may infringe our patents or trademarks or misappropriate or violate our other intellectual property rights. To counter infringement, misappropriation, or unauthorized use of our intellectual property, we or any future licensors may be required to file infringement or misappropriation claims, which can be expensive and time-consuming and divert the time and attention of our management and scientific personnel. Our or any future licensors' pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents or any future licensors' patents are invalid or unenforceable, or both.

Our patents and any patents that we in-license may be challenged, narrowed, invalidated, or circumvented. If our patents are invalidated or otherwise limited or will expire prior to the commercialization of our products, other companies may be better able to develop products that could adversely affect our market position, business, financial condition, results of operations, and growth prospects.

The following are examples of litigation and other adversarial proceedings or disputes that we could become a party to involving our patents or patents licensed to us:

- we or our collaborators may initiate litigation or other proceedings against third parties to enforce our patent rights;
- third parties may initiate litigation or other proceedings seeking to invalidate patents owned by us or that are licensed to us or to obtain a declaratory judgment that their product or technology does not infringe our patents or patents licensed to us or that such patents are invalid or unenforceable;
- third parties have initiated, and in the future may initiate, oppositions, *inter partes* review, post-grant review, or reexamination proceedings challenging the validity or scope of our patent rights, requiring us or our collaborators and/or licensors to participate in such proceedings to defend the validity and scope of our patents;
- there may be a challenge or dispute regarding inventorship or ownership of patents currently identified as being owned by or licensed to us;
- at our initiation or at the initiation of a third party, the USPTO may initiate an interference between patents or patent applications owned by or licensed to us and those of third parties, requiring us or our collaborators and/or licensors to participate in an interference proceeding to determine the priority of invention, which could jeopardize our patent rights; or

- third parties may seek approval to market products similar to our future approved products prior to expiration of relevant patents owned by or licensed to us, requiring us to defend our patents, including by filing lawsuits alleging patent infringement.

These lawsuits and proceedings would be costly and could affect our results of operations and divert the attention of our managerial, legal, and scientific personnel. There is a risk that a court or administrative body would decide that our owned or exclusively in-licensed patents are invalid or not infringed by a third party's activities, or that the scope of certain issued claims must be limited. An adverse outcome in a litigation or proceeding involving our owned or exclusively in-licensed patents could limit our ability to assert our patents against third parties, affect our ability to receive royalties or other licensing consideration from our licensees or sublicensees, and may curtail or preclude our ability to exclude third parties from making, using and selling similar products. We may become more susceptible to these types of lawsuits and proceedings given the proliferation of organizations pursuing intellectual property protections in the cancer detection and cfDNA space. Any of these occurrences could adversely affect our business position, business, financial condition, results of operations, and growth prospects.

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

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

Risks Relating to the Spin-Off

If the Distribution does not qualify as a transaction that is tax-free for U.S. federal income tax purposes, Illumina and its stockholders could be subject to significant tax liability.

Illumina has received a private letter ruling from the IRS substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code. The completion of the Spin-Off is conditioned on, among other things, the continuing effectiveness and validity of Illumina's private letter ruling and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP.

The private letter ruling does not address, and the opinion of counsel will not address, any U.S. state or local or foreign tax consequences of the Spin-Off. The private letter ruling assumes, and the opinion will assume, that the Spin-Off will be completed according to the terms of the Separation and Distribution Agreement and will rely on the facts as stated in the Separation and Distribution Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the other ancillary agreements, this Information Statement, and certain other documents. In

addition, the private letter ruling is based on, and the opinion will be based on, certain representations as to factual matters from, and certain covenants by, Illumina and us. The private letter ruling and the opinion cannot be relied on if any of the assumptions, representations, or covenants is incorrect, incomplete, or inaccurate or is violated in any material respect.

The opinion of counsel is not binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. Although a private letter ruling from the IRS is generally binding on the IRS, the ruling is based on certain facts and representations and undertakings from Illumina and us that certain necessary conditions to obtain tax-free treatment under the Code have been satisfied.

If the Spin-Off were determined not to qualify for non-recognition of gain and loss under Section 355 and 368 of the Code, Illumina and its shareholders could be subject to tax. In this case, each U.S. Holder (as defined in "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off") who receives our common stock in the Distribution would generally, for U.S. federal income tax purposes, be treated as receiving a distribution in an amount equal to the fair market value of our common stock received, which would generally result in (i) a taxable dividend to the U.S. Holder to the extent of that U.S. Holder's pro rata share of Illumina's current and accumulated earnings and profits; (ii) a reduction in the U.S. Holder's basis (but not below zero) in Illumina common stock to the extent the amount received exceeds the shareholder's share of Illumina's earnings and profits; and (iii) a taxable gain from the exchange of Illumina common stock to the extent the amount received exceeds the sum of the U.S. Holder's share of Illumina's earnings and profits and the U.S. Holder's basis in its Illumina common stock. For more information, see below and the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on page 106 of this Information Statement.

We could have an indemnification obligation to Illumina if the Distribution were determined not to qualify for non-recognition treatment for U.S. federal tax purposes, which could materially adversely affect our business, financial condition, and results of operations.

If it were determined that the Spin-Off did not qualify for non-recognition of gain and loss under Section 355 and 368 of the Code, we expect that we could, under certain circumstances, be required to indemnify Illumina for the resulting taxes and related expenses. Any such expected indemnification obligation could materially adversely affect our business, financial condition, and results of operations. For a description of such indemnification obligation, see "Certain Relationships and Related Party Transactions—Agreements with Illumina—Tax Matters Agreement" beginning on page 230 of this Information Statement.

We intend to agree to numerous restrictions to preserve the non-recognition treatment of the Distribution, which may reduce our strategic and operating flexibility.

We expect to agree in the Tax Matters Agreement to certain covenants and indemnification obligations that address compliance with Section 355(e) of the Code. These covenants and indemnification obligations may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that may otherwise maximize the value of our business, and might discourage or delay a strategic transaction that our shareholders may consider favorable. For more information, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina—Tax Matters Agreement" beginning on page 230 of this Information Statement.

We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off, which could materially adversely affect our business, financial condition, and results of operations.

We believe that, as a separate, publicly traded company, we will be able to, among other things:

- design and implement corporate strategies and policies that are targeted to our business;
- better focus our financial resources on our specific business;

- create effective incentives for our management and employees that are more closely tied to our business performance;
- more effectively articulate a clear investment proposition to attract a long-term investor base suited to our business, growth profile, and capital allocation priorities; and
- maintain a capital structure designed to meet our specific needs.

However, we may not achieve these and other anticipated benefits for a variety of reasons, including, among other things:

- the Spin-Off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business and may disrupt our operations;
- due to the application of pushdown accounting, our balance sheet includes goodwill and intangible assets recognized by Illumina in connection with their acquisition of us that may be subject to additional impairment over time;
- following the Spin-Off, our obligation to pay to Illumina a royalty will resume, which was suspended while we were owned by Illumina and will continue to be suspended until the earlier of two-and-a-half years or any earlier change of control of GRAIL, at which time royalty payments will resume;
- following the Spin-Off, we may be more susceptible to market fluctuations, the risk of takeover by third parties and other adverse events because our business will be less diversified than Illumina's businesses prior to the Spin-Off;
- the Spin-Off may require us to incur significant costs, including accounting, tax, legal, and other professional services costs and recruiting and relocation costs associated with hiring key senior management personnel who are new to our company, and costs to retain key management personnel;
- certain costs and liabilities that were otherwise less significant to Illumina as a whole will be more significant for us and Illumina as separate companies after the separation; and
- under the terms of the Tax Matters Agreement that we will enter into with Illumina, we expect to be restricted from taking certain actions that could cause the Spin-Off or other related transactions to fail to qualify as a tax-free transaction and these restrictions may limit us for a period of time from pursuing certain strategic transactions and equity issuances or engaging in other transactions that might increase the value of our business.

If we fail to achieve some or all of the benefits expected to result from the Spin-Off, or if such benefits are delayed, our business, financial condition, and results of operations could be materially adversely affected.

We have no history of operating as a separate, publicly traded company, and our historical financial data is not necessarily representative of the results that we would have achieved if we had been a separate, publicly traded company and may not be a reliable indicator of our future results.

From January 2016 until our acquisition by Illumina on August 18, 2021, we operated as an independent privately held company. Although we are a wholly owned subsidiary of Illumina, in connection with the legal and regulatory matters described under the section entitled "The Spin Off," our business is held and operated separately and independently from Illumina and Illumina must fund our operations and development. We derived the historical financial data included in this Information Statement from our consolidated financial statements and accounting records prepared as a wholly owned subsidiary of Illumina, and this data does not necessarily reflect the financial condition, results of operations, or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future. This is primarily because of the following factors:

- the historical financial data may not fully reflect the costs associated with the Spin-Off, including the costs related to being an independent public company;

- our historical financial data does not reflect our obligations under the various transitional and other agreements we will enter into with Illumina in connection with the Spin-Off;
- since Illumina acquired us in August 2021, our working capital requirements and capital for our general corporate purposes, including capital expenditures, have been satisfied by Illumina. Following the Spin-Off, we will need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships, or other arrangements, which may or may not be available or may be available only on less attractive terms than we may have received as a part of Illumina; and
- following the Spin-Off, we expect that the cost of capital for our business will be higher than Illumina's cost of capital prior to the Spin-Off.

Other significant changes may occur in our cost structure, management, financing, and business operations as a result of operating as a separate, publicly traded company. As such, our historical financial data may not be indicative of our future performance as a separate, publicly traded company. For additional information about our past financial performance and the basis of presentation of our financial statements, see "Selected Historical Financial Data," "Unaudited Pro Forma Condensed Consolidated Financial Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 115, 117, and 184, respectively, of this Information Statement and our Consolidated Financial Statements and the notes thereto included in "Index to Consolidated Financial Statements" beginning on page F-1 of this Information Statement.

Our customers, prospective customers, suppliers, or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them.

Some of our customers, prospective customers, suppliers, or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them, or may require us to provide additional credit support, such as letters of credit or other financial guarantees. Any failure of parties to be satisfied with our financial stability could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

The unaudited pro forma condensed consolidated financial statements included in this Information Statement are presented for informational purposes only and may not be an indication of our financial condition or results of operations in the future.

The unaudited pro forma condensed consolidated financial statements included in this Information Statement are presented for informational purposes only and are not necessarily indicative of what our actual financial condition or results of operations would have been had the Spin-Off been completed on the date indicated. The assumptions used in preparing the pro forma financial statements may not prove to be accurate and other factors may affect our financial condition or results of operations. Accordingly, our financial condition and results of operations in the future may not be evident from or consistent with such pro forma financial statements.

Until the distribution occurs, the Illumina Board may change the terms of the Spin-Off in ways that may be unfavorable to us.

Until the Distribution occurs, we will continue to be a wholly owned subsidiary of Illumina. Accordingly, Illumina has the discretion to determine and change the terms of the Spin-Off, including the establishment of the Record Date (as defined below) and the Distribution Date, and these changes could be unfavorable to us. In addition, the Illumina Board may decide not to proceed with the Spin-Off at any time prior to the Distribution.

No vote of Illumina shareholders is required in connection with the Spin-Off. As a result, if the Spin-Off occurs and you do not want to receive our common stock in the Distribution, your sole recourse will be to divest yourself of your Illumina common stock prior to the Record Date or in the "regular-way" trading market during the period prior to the Distribution.

No vote of Illumina shareholders is required in connection with the Spin-Off. Accordingly, if the Distribution occurs and you do not want to receive our common stock in the Distribution, your only recourse will be to divest yourself of your Illumina common stock prior to the Record Date or in the "regular-way" trading market during the period prior to the Distribution.

After the distribution, certain of our executive officers may have actual or potential conflicts of interest because of their equity interests in Illumina.

Because of their former positions with Illumina, certain of our executive officers own equity interests in Illumina. Continuing ownership of shares of Illumina common stock and equity awards (assuming such awards do not convert to GRAIL awards) could create, or appear to create, potential conflicts of interest if we and Illumina face decisions that could have implications for both Illumina and us after the separation.

Risks Relating to Our Common Stock

No market for our common stock currently exists and an active trading market may not develop or be sustained after the Spin-Off. Following the Spin-Off our stock price may fluctuate significantly.

There is currently no public market for our common stock. We intend to apply to list our common stock on Nasdaq. We anticipate that before the Distribution Date, trading of shares of our common stock will begin on a "when-issued" basis and this trading will continue up to and including the Distribution Date. However, an active trading market for our common stock may not develop as a result of the Spin-Off or may not be sustained in the future. The lack of an active market may make it more difficult for shareholders to sell our shares and could lead to our share price being depressed or volatile.

We cannot predict the prices at which our common stock may trade after the Spin-Off. The market price of our common stock may fluctuate widely, depending on many factors, some of which may be beyond our control, including:

- the commercial success of Galleri and the degree to which it meets the expectations for securities analysts and investors;
- the timing of launch of our other products, including DAC, and the degree to which the launch and commercialization thereof meets the expectations for securities analysts and investors;
- the timing and results of clinical studies for our products;
- commencement or termination of collaborations for our product development and research programs;
- failure or discontinuation of any of our product development and research programs;
- the overall establishment of the MCED testing field and the success of future third-party tests, services, or technologies;
- results of clinical studies, or regulatory approvals (or certifications) of future diagnostic tests of third parties, or announcements about new research programs or diagnostic tests of third parties;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents, or other proprietary rights;
- the recruitment or departure of key personnel;

- the level of expenses related to any of our research programs or clinical development programs;
- actual or anticipated changes in our estimates as to our financial results or development timelines;
- whether our financial results, forecasts, and development timelines meet the expectations of securities analysts or investors;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders, Illumina, or other stockholders;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in estimates or recommendations by securities analysts, if any, that cover our stock;
- changes in the structure of healthcare payment systems, including changes that would affect coverage and reimbursement by third-party payors;
- market conditions in the healthcare sector;
- general economic, industry, and market conditions; and
- the other factors described in this "Risk Factors" section.

Furthermore, our business profile and market capitalization may not fit the investment objectives of some Illumina shareholders and, as a result, these Illumina shareholders may sell their shares of our common stock after the Distribution. See "—Substantial sales of our common stock may occur in connection with the Spin-Off, including the disposition by Illumina of the shares of our common stock that it retains after the Spin-Off, which could cause our stock price to decline" beginning on page 95 of this Information Statement. Low trading volume for our stock, which may occur if an active trading market does not develop, among other reasons, would amplify the effect of the above factors on our stock price volatility.

Additionally, in recent years, stock markets in general, and the market for healthcare companies in particular (including companies in the biotechnology, diagnostics, and related sectors), have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. Following periods of such volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. See "—We could be subject to securities class action litigation" beginning on page 98 of this Information Statement.

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

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

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

We expect to seek additional capital, and may pursue fundraising paths that could include public and private equity offerings, debt financings, strategic partnerships, and alliances and licensing arrangements. We, and

indirectly, our stockholders, will bear the cost of issuing and servicing securities issued in any such transactions. Because our decision to issue debt or equity securities will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future financings. To the extent that we raise additional capital through the sale of equity or debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. The incurrence of indebtedness would result in increased fixed payment obligations and could involve restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell, or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Additionally, we may pursue collaborations with third parties that could provide capital in the near term but limit our potential revenues or cash flows in the future. If we raise additional funds through strategic partnerships, alliances, or licensing arrangements with third parties, we may have to trade valuable rights to our technologies or our products. Certain of the foregoing transactions may require us to obtain stockholder approval, which we may not be able to obtain.

In addition, your ownership interest may be diluted in the future because of the settlement or exercise of equity-based awards that we expect to grant to our directors, officers, and other employees. Prior to completion of the Spin-Off, we expect to approve an equity incentive plan that will provide for the grant of equity-based awards to our directors, officers, and other employees, including equity grants that are expected to be made upon completion of the Spin-Off. In addition, each Cash-Based Equity Award outstanding as of the Distribution Date will convert into GRAIL RSUs, as described in the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina—Employee Matters Agreement" beginning on page 230 of this Information Statement. For more information, see "Executive Compensation—Equity-Linked Compensation" beginning on page 217 of this Information Statement.

We are an emerging growth company and the information we provide shareholders may be different from information provided by other public companies, which may result in a less active trading market for our common stock and higher volatility in our stock price.

We are an "emerging growth company" as defined by the Jumpstart Our Business Startups Act of 2012. We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year in which our total annual gross revenues first meet or exceed $1.235 billion (as adjusted for inflation);
- the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt;
- the last day of the fiscal year in which we (i) have an aggregate worldwide market value of common stock held by non-affiliates of $700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (ii) have been a reporting company under the Exchange Act for at least one year (and filed at least one annual report under the Exchange Act); or
- the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933 (the "Securities Act").

For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to:

- not being required to comply with the auditor attestation requirements of the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002 ("SOX");
- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies;

- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements, and registration statements; and
- exemptions from the requirement of holding a nonbinding advisory vote on executive compensation and shareholder approval on golden parachute compensation not previously approved.

We may choose to take advantage of some or all of these reduced burdens. For example, we have taken advantage of the reduced disclosure obligations regarding executive compensation in this Information Statement. For as long as we take advantage of the reduced reporting obligations, the information we provide shareholders may be different from information provided by other public companies. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in our stock price.

In addition, we have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this Information Statement, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

Substantial sales of our common stock may occur in connection with the Spin-Off, including the disposition by Illumina of the shares of our common stock that it retains after the Spin-Off, which could cause our stock price to decline.

Illumina shareholders receiving shares of our common stock in the Distribution generally may sell those shares immediately in the public market. It is likely that some Illumina shareholders, including some of its larger shareholders, will sell their shares of our common stock received in the Distribution if, for reasons such as our business profile or market capitalization as an independent company, we do not fit their investment objectives, or, in the case of index funds, we are not a participant in the index in which they are investing.

Following the Distribution, Illumina will retain up to a 14.5% ownership interest of our common stock. We expect to enter into a Stockholder and Registration Rights Agreement with Illumina, pursuant to which we will provide Illumina registration rights with respect to the shares of our common stock it will retain following the Distribution. In addition, Illumina will agree to vote any shares of our common stock that it retains in proportion to the votes cast by our other stockholders and to grant us a proxy to vote its shares of our common stock in such proportion. Pursuant to the IRS private letter ruling, Illumina is required to dispose of any such shares of our common stock that it retains as soon as warranted consistent with the business reasons for the retention of such shares, but in no event later than five years after the Distribution. See “Certain Relationships and Related Party Transactions—Agreements with Illumina” beginning on page 229 of this Information Statement. Illumina is not required to hold any retained shares for any minimum period following the Distribution. We are unable to predict with certainty when Illumina will dispose of a substantial number of shares of common stock following the Distribution. The sales of significant amounts of our common stock by Illumina or any other significant shareholders, or the perception in the market that this will occur, may decrease the market price of our common stock.

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

You should not rely on our common stock to provide dividend income. We do not anticipate that we will pay any dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our existing operations. In addition, any future credit facility or debt securities may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock.

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

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. SOX Section 404, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Listing Rules, and other applicable U.S. rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We expect that we will need to hire additional accounting, finance, and other personnel in connection with our becoming, and our efforts to comply with the requirements of being, a public company, and our management and other personnel will need to devote a substantial amount of time towards maintaining compliance with these requirements. These requirements will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that the rules and regulations applicable to us as a public company may make it more difficult and more expensive for us to obtain director and officer liability insurance, which could make it more difficult for us to attract and retain qualified members of our board of directors. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to SOX Section 404, we will be required to furnish a report by our management on our internal control over financial reporting beginning with our second filing of an Annual Report on Form 10-K with the SEC after we become a public company. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with SOX Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed time frame or at all, that our internal control over financial reporting is effective as required by SOX Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Certain provisions in our Certificate of Incorporation and Bylaws and Delaware law may discourage, delay, or prevent a change in control of our company or changes in our management and, therefore, depress the trading price of our common stock.

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

- establish that our board of directors is divided into three classes: Class I, Class II, and Class III, with each class serving staggered three-year terms;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;

- eliminate cumulative voting in the election of directors;
- authorize our board of directors to issue shares of preferred stock and determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- permit stockholders to take actions only at a duly called annual or special meeting and not by unanimous written consent;
- prohibit stockholders from calling a special meeting of stockholders;
- require that stockholders give advance notice to nominate directors or submit proposals for consideration at stockholder meetings;
- authorize our board of directors, by a majority vote, to amend certain provisions of the Bylaws; and
- require the affirmative vote of at least 66 2/3% or more of the voting power of all the then-outstanding shares of voting stock to amend many of the provisions described above.

In addition, Section 203 of the Delaware General Corporation Law ("DGCL") prohibits a Delaware corporation from engaging in a business combination with any interested stockholder for a period of three years following the date the person became an interested stockholder, subject to certain exceptions. In general, Section 203 of the DGCL defines an "interested stockholder" as an entity or person who, together with the entity's or person's affiliates, beneficially owns, or is an affiliate of the corporation and within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation. A Delaware corporation may "opt out" of these provisions with an express provision in its certificate of incorporation. We have not opted out of Section 203 of the DGCL in our Certificate of Incorporation.

These and other provisions of our Certificate of Incorporation, Bylaws and Delaware law may discourage, delay, or prevent certain types of transactions involving an actual or a threatened acquisition or change in control of us including unsolicited takeover attempts, even though the transaction may offer our shareholders the opportunity to sell their shares of our common stock at a price above the prevailing market price. For more information, see "Description of Our Capital Stock—Certain Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws" beginning on page 235 of this Information Statement.

Our Certificate of Incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or other employees.

Our Certificate of Incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

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

However, this provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. Furthermore, our Certificate of Incorporation also provides that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any

complaint asserting a cause of action arising under the Securities Act. Any person purchasing or otherwise acquiring or holding any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds more favorable for disputes with us or with our directors, officers, other employees or agents, or our other stockholders, which may discourage such lawsuits against us and such other persons. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, results of operations, and financial condition.

The rights associated with our common stock will differ from the rights associated with Illumina common stock.

Upon completion of the Distribution, the rights of Illumina shareholders who become our shareholders will be governed by our Certificate of Incorporation and Bylaws and by Delaware law. The rights associated with Illumina shares are different from the rights associated with our shares. Material differences between the rights of Illumina shareholders and the rights of our shareholders include differences with respect to, among other things:

- whether the board of directors is classified;
- the right of shareholders to call special meetings;
- the voting standard in director elections; and
- certain anti-takeover measures.

For more information, see "Description of Our Capital Stock—Certain Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws" beginning on page 235 of this Information Statement.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us, because healthcare companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of our management's attention and resources, which could harm our business.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Information Statement contains forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “should,” “would,” or “will,” the negative of these terms, and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties, and assumptions about us, may include expectations and projections of our future financial performance, future tests or products, technology, clinical studies, regulatory compliance, potential market opportunity, anticipated growth strategies, and anticipated trends in our business and the Spin-Off, including the expected timing of completion of the Spin-Off and estimated costs associated with the Spin-Off.

These statements are only predictions based on our current expectations and projections about future events and trends. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially and adversely from those expressed or implied by the forward-looking statements, including those factors discussed under the section entitled “Risk Factors.” You should specifically consider the numerous risks described under the section entitled “Risk Factors.” Moreover, we operate in a dynamic and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results, level of activity, performance, or achievements to differ materially and adversely from those contained in any forward-looking statements we may make.

Forward-looking statements relate to the future and, accordingly, are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Although we believe the expectations and projections expressed or implied by the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Except to the extent required by law, we undertake no obligation to update any of these forward-looking statements after the date of this Information Statement to conform our prior statements to actual results or revised expectations or to reflect new information or the occurrence of unanticipated events.

THE SPIN-OFF

Background

Illumina completed its acquisition of us on August 18, 2021 (the "Acquisition"). At the same time, Illumina executed binding commitments pursuant to which Illumina would hold GRAIL separately during the European Commission's review of the Acquisition (the "Hold Separate Commitments"). In April 2021, the European Commission asserted jurisdiction to review the Acquisition pursuant to Article 22 of Council Regulation (EC) No 139/2004 (the "EU Merger Regulation"). On July 13, 2022, the General Court of the European Union dismissed Illumina's action for annulment of the European Commission's jurisdictional claim and ruled in favor of the Commission, holding that the European Commission has jurisdiction to review the Acquisition under the EU Merger Regulation. Illumina maintains that the European Commission does not have jurisdiction over the Acquisition, and on September 22 and 30, 2022, Illumina and GRAIL, respectively, each filed a separate appeal in the Court of Justice of the European Union, both of which remain pending. On September 6, 2022, the European Commission adopted a decision finding that, in its view, Illumina's acquisition of GRAIL was incompatible with the internal market in Europe. On November 17, 2022, Illumina asked for annulment of this decision before the General Court of the European Union (GRAIL intervened in this procedure in support of Illumina). On July 12, 2023, the European Commission adopted a final decision finding that Illumina breached the EU Merger Regulation by, in its view, acquiring the possibility to exert decisive influence over GRAIL and exerting such influence during the pendency of the European Commission's review. On September 26, 2023, Illumina sought the annulment of this decision. On October 29, 2021, the European Commission adopted an order imposing interim measures, (the "Initial Interim Measures Orders") which was renewed on October 28, 2022 (the "Second Interim Measures Orders"). Illumina and GRAIL both sought the annulment of the initial interim measures, and Illumina—with GRAIL intervening in its support—also sought the annulment of the renewed interim measures. The European Commission imposed transitional measures on October 12, 2023 (the "Transitional Measures") pursuant to the EC Divestment Decision (as defined below), which replaced the Initial Interim Measures Orders and Second Interim Measures Orders. Such measures provide, among other things, that (i) Illumina ensure that Illumina and GRAIL continue to operate as independent legal entities that transact at arm's length, no integration activity takes place, the day-to-day operation of GRAIL remains the sole responsibility of GRAIL's management and Illumina's management has no involvement in or influence over GRAIL and (ii) Illumina take certain supportive measures to preserve GRAIL's viability, marketability, and competitiveness, including with respect to the provision of resources to GRAIL and the retention and/or replacement of key personnel of GRAIL. Currently, GRAIL is held and operated separately and independently from Illumina and Illumina must fund GRAIL's operations and development.

On December 5, 2022, the European Commission issued a Statement of Objections informing Illumina of the order it intended to adopt which would require Illumina to divest GRAIL (the "EC Divestment Decision"). On October 12, 2023, the European Commission announced that it had adopted the EC Divestment Decision, which orders Illumina to, among other things, divest GRAIL, and imposes the Transitional Measures. The EC Divestment Decision requires Illumina to dispose of GRAIL within 12 months of the date of the EC Divestment Decision (which date can be extended by three months in certain circumstances upon request by Illumina). The EC Divestment Decision permits Illumina to consider a range of methods of disposal including, but not limited to, a third-party sale or a capital markets transaction. On December 22, 2023, Illumina sought the annulment of the EC Divestment Decision. On April 12, 2024, the European Commission approved a divestment plan (the "Divestment Plan") submitted by Illumina pursuant to which Illumina agreed to divest GRAIL on specified terms. The EC Divestment Decision permits Illumina to retain up to a 14.5% ownership interest in GRAIL and to re-establish the royalty arrangement it previously had in place with GRAIL. See the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina" beginning on page 229 of this Information Statement for more detail. Assuming the Spin-Off is consummated, Illumina is required to, among other things, ensure that GRAIL has sufficient funding to cover a specified period of operations.

The risks and costs related to the foregoing proceedings, including the costs associated with our intervention in the proceedings and all other legal costs, are fundamentally borne by Illumina and not GRAIL. We expect that

future costs associated with these regulatory proceedings will be limited because the Separation and Distribution is anticipated to expedite resolution of such regulatory proceedings.

On March 30, 2021, the U.S. Federal Trade Commission ("FTC") issued an administrative complaint seeking to prevent the Acquisition. On September 1, 2022, an administrative law judge issued a decision in favor of the Acquisition and dismissed the FTC's complaint. The FTC's complaint counsel appealed to the full FTC. On March 31, 2023, the FTC issued a decision overturning the administrative law judge's prior ruling ("FTC Order"). GRAIL and Illumina appealed the FTC's decision to the U.S. Court of Appeals for the Fifth Circuit (the "Fifth Circuit"). On December 15, 2023, the Fifth Circuit issued its opinion and order, in which the court ruled that the FTC applied the incorrect standard in assessing Illumina's open offer contract, and on that basis vacated the FTC Order and remanded the case to the FTC for reconsideration of the effects of the open offer contract under the proper standard as described in the Fifth Circuit's decision, and in all other respects upheld the FTC's decision. We expect the Spin-Off to facilitate a prompt resolution of the FTC proceedings and, based on the fact that Illumina had a 14.5% ownership interest in GRAIL at the time of the Acquisition, do not expect that Illumina's potential retention of up to a 14.5% ownership interest in GRAIL will affect the resolution of these proceedings.

On December 17, 2023, Illumina announced it would divest GRAIL. On , 2024, Illumina announced plans for the separation of GRAIL from Illumina via the Spin-Off.

Immediately prior to the completion of the Spin-Off, GRAIL will be converted into a Delaware corporation and will be renamed GRAIL, Inc. To effect the Spin-Off, Illumina will distribute at least 85.5% of the shares of GRAIL's common stock owned by Illumina as of the close of business on , 2024, which is the record date for the Distribution, to Illumina's stockholders, and GRAIL will become an independent, publicly traded company. Immediately after the Distribution becomes effective, Illumina may retain up to 14.5% of GRAIL's common stock.

Prior to completion of the Spin-Off, we intend to enter into a Separation and Distribution Agreement and several other agreements with Illumina related to the Spin-Off. These agreements will govern the relationship between Illumina and us after completion of the Spin-Off and allocate between Illumina and us various assets, liabilities and obligations, including those related to employees and compensation and benefits plans and programs and tax-related assets and liabilities. See the section entitled "Certain Relationships and Related Party Transactions" beginning on page 229 of this Information Statement for more detail. No approval of Illumina's stockholders is required in connection with the Spin-Off, and Illumina's stockholders will not have any appraisal rights in connection with the Spin-Off.

Completion of the Spin-Off is subject to the satisfaction, or the waiver by Illumina's board of directors (the "Illumina Board"), of a number of conditions. If the Illumina Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement is a part, and the result of such waiver is material to Illumina stockholders, Illumina will file an amendment to the Registration Statement to revise the disclosure in this Information Statement accordingly. In the event that the Illumina Board waives a condition after the Registration Statement on Form 10, of which this Information Statement is a part, becomes effective and such waiver is material to Illumina stockholders, Illumina will communicate such change to Illumina stockholders by filing a Current Report on Form 8-K describing the change. For a complete discussion of the conditions to the Distribution, see the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement.

In addition, Illumina has the right not to complete the Spin-Off if, at any time, the Illumina Board determines, in its sole and absolute discretion, subject to the terms of the Separation and Distribution Agreement, that the Spin-Off is not in the best interests of Illumina or its stockholders or is otherwise not advisable. If the Spin-Off is not completed for any reason, Illumina and GRAIL will have incurred significant costs related to the Spin-Off, including fees for consultants, financial and legal advisors, accountants and auditors, that will not be

recouped. Total one-time transaction costs associated with the Spin-Off are preliminarily estimated to range from $ to $ if the Spin-Off is completed. If the Spin-Off is not completed for any reason, the one-time transaction costs will generally be limited to the transaction costs incurred for services rendered as of the date the Spin-Off is abandoned, which will be less than the range noted above. Our and Illumina's management will also have devoted significant time to manage the Spin-Off process, which will decrease the time they will have to manage their respective businesses. See the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement for more detail.

Reasons for the Spin-Off

Following the EC Divestment Decision, which ordered Illumina to, among other things, divest GRAIL, and with the goal of enhancing stockholder value, the Illumina Board conducted a process through which it considered a range of potential divestment transactions. Illumina retained Centerview Partners LLC and J.P. Morgan Securities LLC (the "Illumina Financial Advisors") and Cravath, Swaine & Moore LLP ("Illumina Counsel") to assist in this process. The Illumina Financial Advisors and Illumina Counsel provided Illumina with information regarding process and timing considerations associated with different disposition alternatives, including a sale of GRAIL, a spin-off of GRAIL and a "split-off" transaction. A split-off transaction would involve a first step initial public offering of GRAIL shares followed by an exchange offer pursuant to which Illumina would offer to exchange GRAIL shares retained following such initial public offering for shares of Illumina common stock. Thereafter, Illumina, with the assistance of the Illumina Financial Advisors and Illumina Counsel, undertook preliminary steps with respect to potential divestment transactions, including a potential sale of GRAIL or a spin-off.

On December 15, 2023, the U.S. Fifth Circuit Court of Appeals issued its decision in the matter of *Illumina v. the Federal Trade Commission*. Following a review of the Court's opinion, Illumina determined not to pursue further appeals of the Fifth Circuit's decision and on December 17, 2023, Illumina announced that it would divest GRAIL, and that it expected that the divestiture would be executed through a third-party sale or capital markets transaction, consistent with the EC Divestment Decision.

Beginning in December 2023, the Illumina Financial Advisors commenced a sale process for GRAIL on behalf of Illumina. As part of this process, the Illumina Financial Advisors contacted prospective buyers and facilitated the execution of confidentiality agreements by prospective buyers. Following the execution of a confidentiality agreement, prospective buyers received initial information regarding GRAIL and participated in meetings and follow-up calls, as requested, with representatives of GRAIL. Prospective buyers who had an interest in exploring a potential acquisition of GRAIL were asked to submit non-binding indications of interest in February 2024. Illumina, GRAIL and their respective advisors continued to prepare for a potential spin-off in parallel with the sale process. During the first quarter of 2024, the Illumina Financial Advisors and Illumina Counsel provided regular updates to Illumina management regarding developments in the sale process and a potential spin-off. At a meeting on April 2, 2024, the Illumina Board reviewed information regarding divestment alternatives, including information regarding the sale process and a potential spin-off, with the Illumina Financial Advisors. Following its review, the Illumina Board determined to continue to explore all divestment options, pending the European Commission's approval of the Divestment Plan.

As part of its evaluation of divestment alternatives, the Illumina Board considered a number of factors, including the long-term prospects and strategic viability of GRAIL, the strategic clarity and flexibility for Illumina and GRAIL after the Spin-Off, the ability of GRAIL to compete and operate efficiently and effectively (including GRAIL's ability to retain and attract management talent) after the Spin-Off, the financial profile and capital requirements of GRAIL, the expected timing and probability of successful execution of each disposition alternative (including the necessity of the European Commission approving any potential buyer), the expected tax impact of each disposition alternative, and the potential reaction of investors. After evaluating these and other considerations, the Illumina Board concluded that the Spin-Off presented the most attractive alternative for enhancing long-term stockholder value while complying with the requirements of the EC Divestment Decision and that proceeding with the Spin-Off would be in the best interests of Illumina and its stockholders.

In particular, the Illumina Board considered a number of potential benefits of this approach, including:

- ***Opportunity for continued ownership of GRAIL by Illumina stockholders.*** The Spin-Off will provide Illumina stockholders the opportunity to determine whether they wish to continue to own an interest in GRAIL despite GRAIL's required separation from Illumina.
- ***Distinct and clear financial profiles and compelling investment cases***. Investment in one or the other company may appeal to investors with different goals, interests, and expectations. The Spin-Off will allow investors to make independent investment decisions with respect to Illumina and GRAIL and may result in greater alignment between the interests of each company's stockholder base and the characteristics of its respective business, capital structure, and financial results.
- ***Separate capital structures and allocation flexibility***. The Spin-Off will permit each of Illumina and GRAIL to allocate its financial resources to meet the unique needs of its own businesses, which will allow each company to focus on its distinct strategic priorities and individual business risk and return profiles.
- ***Creation of independent equity securities and increased strategic opportunities***. The Spin-Off will afford Illumina and GRAIL the ability to offer their independent equity securities to the capital markets and enable each standalone company to use its own industry-focused stock to pursue portfolio-enhancing acquisitions or other strategic opportunities that are more closely aligned with each company's strategic goals and expected growth opportunities.

The Illumina Board also considered a number of potentially negative factors in evaluating the Spin-Off, including:

- ***Risk of failure to achieve the anticipated benefits of the Spin-Off***. Illumina and GRAIL may not achieve the anticipated benefits of the Spin-Off for a variety of reasons, including, among others: the Spin-Off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our businesses; there may be dis-synergy costs related to the Spin-Off; and following the Spin-Off, each company may be more susceptible to certain economic and market fluctuations and other adverse events than if GRAIL were still a part of Illumina because each company will be less diversified than Illumina prior to the separation. For more information on the specific risks to GRAIL of the failure to achieve the anticipated benefits of the Spin-Off, see the section entitled "Risk Factors—Risks Relating to the Spin-Off—We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off, which could materially adversely affect our business, financial condition, and results of operations" beginning on page 89 of this Information Statement.
- ***Limitations on strategic transactions***. Under the terms of the Tax Matters Agreement that GRAIL will enter into with Illumina, GRAIL expects to be restricted from taking certain actions that could cause the Distribution or certain related transactions to fail to qualify as tax-free transactions under applicable law. These restrictions may limit for a period of time GRAIL's ability to pursue certain strategic transactions and equity issuances or engage in other transactions that otherwise might increase the value of our business. For more information, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina—Tax Matters Agreement" beginning on page 230 of this Information Statement.
- ***Disruptions and costs related to the Spin-Off***. The actions required to separate GRAIL from Illumina could disrupt both Illumina's and GRAIL's operations. In addition, Illumina and GRAIL will incur substantial costs in connection with the Spin-Off and GRAIL's transition to being a standalone public company, which may include accounting, tax, legal and other professional services costs, and recruiting and relocation costs associated with hiring directors and management who are new to GRAIL.
- ***Uncertainty regarding share prices***. We cannot predict the effect of the Distribution on the trading prices of Illumina's and GRAIL's common stock or know with certainty whether the combined market

value of the shares of GRAIL common stock to be distributed per share of Illumina common stock in the Distribution and Illumina's common stock following the Distribution will be less than, equal to, or greater than the market value of the shares of Illumina's common stock prior to the Distribution. Furthermore, there is the risk of volatility in each company's stock price following the Distribution due to sales by certain stockholders whose investment objectives may not be met by each company's common stock, and it may take time for each company to attract its optimal stockholder base.

Notwithstanding these factors, the anticipated costs of which are not reasonably quantifiable, and considering the potential benefits discussed above, the Illumina Board determined that the Spin-Off provided the best opportunity to achieve the above benefits and enhance stockholder value. For additional information, see the section entitled "Risk Factors" beginning on page 31 of this Information Statement.

Reasons for Illumina's Retention of up to 14.5% of GRAIL Common Stock

Immediately after the Distribution becomes effective, Illumina may retain up to 14.5% of GRAIL's common stock. Illumina's plan to potentially distribute less than all of GRAIL's common stock to its stockholders in the Spin-Off is motivated by its desire to establish an appropriate capital structure for each of GRAIL and Illumina, including by strengthening Illumina's balance sheet or reducing Illumina's indebtedness, in any case directly or indirectly, following the Spin-Off. The IRS private letter ruling requires that all retained shares be sold or otherwise disposed of by Illumina as soon as warranted consistent with the business reasons for the retention of those shares, but in no event later than five years after the Distribution. Such dispositions could include a sale of its shares for cash, distributions of GRAIL common stock to Illumina stockholders or securityholders as dividends or in exchange for outstanding shares of Illumina common stock, indebtedness or other securities, or any combination thereof.

We expect to enter into a Stockholder and Registration Rights Agreement with Illumina, pursuant to which we will provide Illumina registration rights with respect to the shares of our common stock it will retain following the Distribution. Illumina is not required to hold any retained shares for any minimum period following the Distribution. We are unable to predict with certainty when Illumina will dispose of a substantial number of shares of common stock following the Distribution. The sales of significant amounts of our common stock by Illumina, or the perception in the market that this will occur, may decrease the market price of our common stock. See "Risk Factors—Substantial sales of our common stock may occur in connection with the Spin-Off, including the disposition by Illumina of the shares of our common stock that it retains after the Spin-Off, which could cause our stock price to decline" beginning on page 95 of this Information Statement.

When and How You Will Receive GRAIL Shares

Illumina will distribute to its stockholders, as a pro rata dividend, for every share[s] of Illumina common stock outstanding as of the close of business on the Record Date, , 2024, share[s] of our common stock.

Prior to the Distribution, Illumina will deliver at least 85.5% of the issued and outstanding shares of our common stock to the distribution agent. Computershare Trust Company, N.A. ("Computershare") will serve as distribution agent in connection with the Distribution and as transfer agent and registrar for our common stock.

If you own Illumina common stock as of the close of business on , 2024, the shares of our common stock that you are entitled to receive in the Distribution will be issued to your account as follows:

- *Registered stockholders*. If you own your shares of Illumina common stock directly through Illumina's transfer agent, Computershare, you are a registered stockholder. In this case, the distribution agent will credit the whole shares of our common stock you receive in the Distribution by way of direct registration in book-entry form to a new account with our transfer agent. Registration in book-entry

form refers to a method of recording share ownership where no physical stock certificates are issued to stockholders, as is the case in the Distribution. You will be able to access information regarding your book-entry account holding the GRAIL shares at www.computershare.com/us.com or www-us.computershare.com/Investor/#Home or by calling +1 (781) 575 2879 or (877) 373 6374 (toll free).

Commencing on or shortly after the Distribution Date, the distribution agent will mail to you an account statement that indicates the number of whole shares of our common stock that have been registered in book-entry form in your name. We expect it will take the distribution agent up to two weeks after the Distribution Date to complete the distribution of the shares of our common stock and mail statements of holding to all registered stockholders.

- "*Street name*" *or beneficial stockholders*. If you own your shares of Illumina common stock beneficially through a bank, broker, or other nominee, such bank, broker, or other nominee holds the shares in "street name" and records your ownership on its books. If you own your shares of Illumina common stock through a bank, broker, or other nominee, your bank, broker, or other nominee will credit your account with the whole shares of our common stock that you receive in the Distribution on or shortly after the Distribution Date. We encourage you to contact your bank, broker, or other nominee if you have any questions concerning the mechanics of having shares held in "street name."

If you sell any of your shares of Illumina common stock on or before the Distribution Date, the buyer of those shares may, in some circumstances, be entitled to receive the shares of our common stock to be distributed in respect of the Illumina shares you sold. For more information, see the section entitled "—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement.

We are not asking Illumina stockholders to take any action in connection with the Spin-Off. No stockholder approval of the Spin-Off is required. We are not asking you for a proxy and request that you not send us a proxy. We are also not asking you to make any payment or surrender or exchange any of your shares of Illumina common stock for shares of our common stock. The number of outstanding shares of Illumina common stock will not change as a result of the Spin-Off.

Number of Shares You Will Receive

On the Distribution Date, for every share[s] of Illumina common stock you owned as of the Record Date, you will receive share[s] of our common stock.

Treatment of Fractional Shares

The distribution agent will not distribute any fractional shares of our common stock in connection with the Spin-Off. Instead, the distribution agent will aggregate all fractional shares into whole shares and sell the whole shares in the open market at prevailing market prices on behalf of Illumina stockholders entitled to receive a fractional share. The distribution agent will then distribute the aggregate cash proceeds of the sales, net of brokerage fees, transfer taxes and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). We anticipate that the distribution agent will make these sales in the "when-issued" market, and "when-issued" trades will generally settle within two trading days following the Distribution Date. For more information regarding "when-issued" trading, see the section entitled "—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement. The distribution agent will, in its sole discretion, without any influence by Illumina or us, determine when, how, through which broker-dealer, and at what price to sell the whole shares. The distribution agent is not, and any broker-dealer used by the distribution agent will not be, an affiliate of either Illumina or us.

The distribution agent will send to each registered holder of Illumina common stock entitled to a fractional share a check in the cash amount deliverable in lieu of that holder's fractional share as soon as practicable following the Distribution Date. We expect the distribution agent to take about two weeks after the Distribution Date to complete the distribution of cash in lieu of fractional shares to Illumina stockholders. If you hold your

shares of GRAIL common stock through a bank, broker, or other nominee, your bank, broker, or nominee will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales. No interest will be paid on any cash you receive in lieu of a fractional share. The cash you receive in lieu of a fractional share will generally be taxable to you for U.S. federal income tax purposes. For more information, see the section below entitled "—Material U.S. Federal Income Tax Consequences of the Spin-Off" beginning on this page 106 of this Information Statement.

Treatment of Outstanding Equity Incentive Awards

We expect that each Illumina equity incentive award outstanding as of the Distribution Date held by directors and employees who will continue at Illumina will remain outstanding and continue to be subject to the same terms and conditions following the Distribution Date, but with adjustments to the number of shares of Illumina common stock subject to such award in order to preserve its value. We expect that each Illumina equity incentive award held by current or former GRAIL employees that is outstanding immediately prior to the Distribution Date will be assumed by GRAIL and converted into a GRAIL equity award denominated in shares of GRAIL common stock, but with adjustments to the number of shares of GRAIL common stock subject to such award in order to preserve its value.

Each Cash-Based Equity Award outstanding as of the Distribution Date will convert into GRAIL RSUs. For additional information regarding such conversion methodology, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina—Employee Matters Agreement" beginning on page 230 of this Information Statement.

Material U.S. Federal Income Tax Consequences of the Spin-Off

Consequences to U.S. Holders of Illumina Common Stock

The following is a summary of the material U.S. federal income tax consequences to holders of Illumina common stock in connection with the Distribution. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated under the Code and judicial and administrative interpretations of those laws, in each case as in effect and available as of the date of this Information Statement and all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the tax consequences described below.

This summary is limited to holders of Illumina common stock who hold their Illumina common stock as a capital asset. For purposes of this summary, a "U.S. Holder" is a beneficial owner of Illumina common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the U.S.;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the U.S. or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the U.S. is able to exercise primary jurisdiction over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (ii) in the case of a trust that was treated as a domestic trust under law in effect before August 20, 1996, a valid election is in place under applicable Treasury Regulations.

This summary does not discuss all tax considerations that may be relevant to shareholders in light of their particular circumstances, nor does it address the consequences to shareholders subject to special treatment under the U.S. federal income tax laws, such as:

- dealers or traders in securities or currencies;

- tax-exempt entities;
- banks, financial institutions, or insurance companies;
- real estate investment trusts, regulated investment companies, or grantor trusts;
- persons who acquired Illumina common stock pursuant to the exercise of employee stock options or otherwise as compensation;
- shareholders who own, or are deemed to own, 10% or more, by voting power or value, of Illumina equity;
- shareholders owning Illumina common stock as part of a position in a straddle or as part of a hedging, conversion, or other risk-reduction transaction for U.S. federal income tax purposes;
- certain former citizens or long-term residents of the U.S.;
- shareholders who are subject to the alternative minimum tax;
- persons who own Illumina common stock through partnerships or other pass-through entities; or
- persons who hold Illumina common stock through a tax-qualified retirement plan.

This summary does not address any U.S. state or local or foreign tax consequences or any estate, gift, or other non-income tax consequences.

If a partnership, or any other entity treated as a partnership for U.S. federal income tax purposes, holds Illumina common stock, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership is urged to consult its own tax advisor as to its tax consequences.

YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE DISTRIBUTION.

General

Illumina has received a private letter ruling from the IRS substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code. The completion of the Spin-Off is conditioned on, among other things, the continuing effectiveness and validity of Illumina's private letter ruling and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP. The private letter ruling is, and the opinion will be, based on the assumption that, among other things, the representations made, and information submitted, in connection with them are accurate, and that we and Illumina will comply with certain warranties and covenants specified therein. If the Spin-Off qualifies for this treatment and subject to the qualifications and limitations set forth herein (including the discussion below relating to the receipt of cash in lieu of fractional shares), for U.S. federal income tax purposes:

- no gain or loss will be recognized by, or be includible in the income of, a U.S. Holder as a result of the Distribution, except with respect to any cash received in lieu of fractional shares;
- the aggregate tax basis of the Illumina common stock and our common stock held by each U.S. Holder immediately after the Distribution will be the same as the aggregate tax basis of the Illumina common stock held by the U.S. Holder immediately before the Distribution, allocated between the Illumina common stock and our common stock in proportion to their relative fair market values on the date of the Distribution (subject to reduction upon the deemed sale of any fractional shares, as described below); and
- the holding period of our common stock received by each U.S. Holder should include the holding period of its Illumina common stock.

U.S. Holders who have acquired different blocks of Illumina common stock at different times or at different prices are urged to consult their tax advisors regarding the allocation of their aggregate adjusted tax basis among, and the holding period of, shares of our common stock distributed with respect to such blocks of Illumina common stock.

If a U.S. Holder receives cash in lieu of a fractional share of common stock as part of the Distribution, the U.S. Holder will be treated as though it first received a distribution of the fractional share in the Distribution and then sold it for the amount of cash actually received. The U.S. Holder will generally recognize capital gain or loss measured by the difference between the cash received for such fractional share and the U.S. Holder's tax basis in that fractional share, as determined above. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period for the Illumina common stock is more than one year on the date of the Distribution.

The private letter ruling does not address, and the opinion of counsel will not address, any U.S. state or local or foreign tax consequences of the Spin-Off. The private letter ruling assumes, and the opinion will assume, that the Spin-Off will be completed according to the terms of the Separation and Distribution Agreement and will rely on the facts as stated in the Separation and Distribution Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the other ancillary agreements, this Information Statement, and certain other documents. In addition, the private letter ruling is based on, and the opinion will be based on, certain representations as to factual matters from, and certain covenants by, Illumina and us. The private letter ruling and the opinion cannot be relied on if any of the assumptions, representations, or covenants is incorrect, incomplete, or inaccurate or is violated in any material respect.

The opinion of counsel will not be binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. Although a private letter ruling from the IRS is generally binding on the IRS, the ruling is based on certain facts and representations and undertakings from Illumina and us that certain necessary conditions to obtain tax-free treatment under the Code have been satisfied, and the private letter ruling does not address every requirement for the Spin-Off to qualify for tax-free treatment.

If the Spin-Off were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code, the above consequences would not apply, and U.S. Holders could be subject to tax. In this case, each U.S. Holder who receives our common stock in the Distribution would generally be treated as receiving a distribution in an amount equal to the fair market value of our common stock received, which would generally result in:

- a taxable dividend to the U.S. Holder to the extent of that U.S. Holder's pro rata share of Illumina's current and accumulated earnings and profits;
- a reduction in the U.S. Holder's basis (but not below zero) in Illumina common stock to the extent the amount received exceeds the shareholder's share of Illumina's earnings and profits; and
- a taxable gain from the exchange of Illumina common stock to the extent the amount received exceeds the sum of the U.S. Holder's share of Illumina's earnings and profits and the U.S. Holder's basis in its Illumina common stock.

Backup Withholding and Information Statement

Payments of cash in lieu of a fractional share of our common stock may, under certain circumstances, be subject to "backup withholding," unless a U.S. Holder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the requirements of the backup withholding rules. Corporations will generally be exempt from backup withholding, but may be required to provide a certification to establish their entitlement to the exemption. Backup withholding is not an additional tax, and it may be refunded or credited against a U.S. Holder's U.S. federal income tax liability if the required information is timely supplied to the IRS.

Treasury Regulations require each Illumina shareholder that, immediately before the Distribution, owned 5% or more (by vote or value) of the total outstanding stock of Illumina to attach to such shareholder's U.S. federal income tax return for the year in which the Distribution occurs a statement setting forth certain information related to the Distribution.

Consequences to Illumina

The following is a summary of the material U.S. federal income tax consequences to Illumina in connection with the Spin-Off that may be relevant to holders of Illumina common stock.

As discussed above, Illumina has received a private letter ruling from the IRS substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code. The completion of the Spin-Off is conditioned on, among other things, the continuing effectiveness and validity of Illumina's private letter ruling and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP. If the Spin-Off so qualifies, no gain or loss will be recognized by Illumina as a result of the Distribution. The opinion of counsel is subject to the qualifications and limitations as are set forth above under the section above entitled "—Consequences to U.S. Holders of Illumina Common Stock" beginning on page 106 of this Information Statement.

If the Spin-Off were determined not to qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code, then Illumina would generally recognize gain equal to the excess of the fair market value of our common stock distributed to Illumina shareholders over Illumina's tax basis in our common stock.

Indemnification Obligation

If it were determined that the Spin-Off did not qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code, we expect that we could, under certain circumstances, be required under the Tax Matters Agreement to indemnify Illumina for certain taxes resulting from the recognition of gain described above and related expenses. In addition, current tax law generally creates a presumption that the Distribution would be taxable to Illumina, but not to holders, if we or our shareholders were to engage in transactions that result in a 50% or greater change by vote or value in the ownership of our stock during the four-year period beginning on the date that begins two years before the date of the Distribution, unless it were established that such transactions and the Distribution were not part of a plan or series of related transactions giving effect to such a change in ownership. If the distribution were taxable to Illumina due to such a 50% or greater change in ownership of our stock, Illumina would recognize gain equal to the excess of the fair market value of our common stock distributed to Illumina shareholders over Illumina's tax basis in our common stock and we expect that we could, under certain circumstances, be required under the Tax Matters Agreement to indemnify Illumina for some or all of the tax on such gain and related expenses.

Results of the Spin-Off

After the Spin-Off, we will be an independent, publicly traded company. Immediately following the Spin-Off, we expect to have approximately beneficial holders of shares of our common stock and approximately shares of our common stock outstanding, based in part on the number of Illumina stockholders and shares of Illumina common stock outstanding on , 2024. Up to 14.5% of our common stock will be held by Illumina. The actual number of shares of our common stock Illumina will distribute in the Spin-Off will depend on the actual number of shares of Illumina common stock outstanding on the Record Date, which will reflect any issuance of new shares in respect of settlements or exercises of outstanding equity-based awards pursuant to Illumina's equity plans, on or prior to the Record Date. The Spin-Off will not affect the number of outstanding shares of Illumina common stock or any rights of Illumina stockholders, although we expect the trading price of shares of Illumina common stock immediately following the Distribution to be lower

than immediately prior to the Distribution because the trading price of Illumina common stock will no longer reflect the value of GRAIL. Furthermore, until the market has fully analyzed the value of Illumina without GRAIL, the trading price of shares of Illumina common stock may fluctuate and result in a higher volatility in the price of our common stock.

Before our separation from Illumina, we intend to enter into a Separation and Distribution Agreement and several other agreements with Illumina related to the Spin-Off. These agreements will govern the relationship between Illumina and GRAIL after completion of the Spin-Off and allocate between Illumina and GRAIL various assets, liabilities, rights, and obligations, including those related to employees and compensation and benefits plans and programs and tax-related assets and liabilities. We describe these arrangements in greater detail under the section entitled "Certain Relationships and Related Party Transactions—Agreements with Illumina" beginning on page 229 of this Information Statement.

Listing and Trading of Our Common Stock

As of the date of this Information Statement, we are a wholly owned subsidiary of Illumina. Accordingly, no public market for our common stock currently exists, although a "when-issued" market in our common stock may develop prior to the Distribution. For an explanation of a "when-issued market," see the section below entitled "—Trading Prior to the Distribution Date" beginning on page 110 of this Information Statement. We intend to list our shares of common stock on Nasdaq under the ticker symbol "GRAL." Following the Spin-Off, Illumina common stock will continue to trade on Nasdaq under the ticker symbol "ILMN."

Neither we nor Illumina can assure you as to the trading price of Illumina common stock or our common stock after the Spin-Off, or as to whether the combined trading prices of our common stock and the Illumina common stock after the Spin-Off will be less than, equal to or greater than the trading prices of Illumina common stock prior to the Spin-Off. The trading price of our common stock may fluctuate significantly following the Spin-Off and result in a higher volatility in the price of our common stock. For more detail, see the section entitled "Risk Factors—Risks Relating to Our Common Stock" beginning on page 92 of this Information Statement.

The shares of our common stock distributed to Illumina stockholders will be freely transferable, except for shares received by individuals who are our affiliates. Individuals who may be considered our affiliates after the Spin-Off include individuals who control, are controlled by, or are under common control with us, as those terms generally are interpreted for U.S. federal securities law purposes. These individuals may include some or all of our directors and executives. Individuals who are our affiliates will be permitted to sell their shares of our common stock only pursuant to an effective registration statement under the Securities Act of 1933 (the "Securities Act") or an exemption from the registration requirements of the Securities Act, such as those afforded by Section 4(a)(1) of the Securities Act or Rule 144 thereunder.

Trading Prior to the Distribution Date

We expect a "when-issued" market in our common stock to develop on or shortly before the Record Date for the Distribution and continue up to and including the Distribution Date. "When-issued" trading refers to a sale or purchase made conditionally on or before the Distribution Date because the securities of the spun-off entity have not yet been distributed. If you own shares of Illumina common stock at the close of business on the Record Date, you will be entitled to receive shares of our common stock in the Distribution. You may trade this entitlement to receive shares of our common stock, without the shares of Illumina common stock you own, on the "when-issued" market. We expect "when-issued" trades of our common stock to settle within two trading days after the Distribution Date. On the first trading day following the Distribution Date, we expect that "when-issued" trading of our common stock will end and "regular-way" trading will begin.

We also anticipate that, on or shortly before the Record Date and continuing up to and including the Distribution Date, there will be two markets in Illumina common stock: a "regular-way" market and an "ex-distribution" market. Shares of Illumina common stock that trade on the "regular-way" market will trade

with an entitlement to receive shares of our common stock in the Distribution. Shares that trade on the "ex-distribution" market will trade without an entitlement to receive shares of our common stock in the Distribution. Therefore, if you sell shares of Illumina common stock in the "regular-way" market up to and including the Distribution Date, you will be selling your right to receive shares of our common stock in the Distribution. However, if you own shares of Illumina common stock at the close of business on the Record Date and sell those shares on the "ex-distribution" market up to and including the Distribution Date, you will still receive the shares of our common stock that you would otherwise be entitled to receive in the Distribution.

Following the Distribution Date, we expect shares of our common stock to be listed on Nasdaq under the ticker symbol "GRAL." If "when-issued" trading occurs, the listing for our common stock is expected to be under a ticker symbol different from our "regular-way" ticker symbol. We will announce our "when-issued" ticker symbol when and if it becomes available. If the Spin-Off does not occur, all "when-issued" trading will be null and void.

Conditions to the Spin-Off

We expect that the separation will be effective on the Distribution Date, provided that the following conditions shall have been satisfied or waived by Illumina:

- the Illumina Board shall have authorized and approved the Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of our common stock to Illumina stockholders;
- the ancillary agreements contemplated by the Separation and Distribution Agreement shall have been executed by each party to those agreements;
- our common stock shall have been accepted for listing on Nasdaq or another national securities exchange approved by Illumina, subject to official notice of issuance;
- the SEC shall have declared effective our Registration Statement on Form 10, of which this Information Statement is a part, under the Securities Exchange Act of 1934, and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC;
- the continuing effectiveness and validity of Illumina's private letter ruling and the receipt and continuing effectiveness and validity of a favorable written opinion of Cravath, Swaine & Moore LLP each substantially to the effect that, subject to limitations specified therein and the accuracy of and compliance with certain representations, warranties, and covenants, the Spin-Off will qualify for non-recognition of gain and loss under Sections 355 and 368 of the Code;
- no law issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution shall be in effect, and no other event outside the control of Illumina shall have occurred or failed to occur that prevents the consummation of the Distribution;
- no other events or developments shall have occurred prior to the Distribution Date that, in the judgment of the Illumina Board, would make it inadvisable to effect the Distribution or would result in the Distribution not being in the best interests of Illumina or its stockholders;
- prior to the Distribution Date, notice of Internet availability of this Information Statement or this Information Statement shall have been mailed to the holders of Illumina common stock as of the Record Date;
- Illumina shall have duly elected the individuals to be listed as members of our post-Distribution Board in this Information Statement, and such individuals shall be the members of our Board of Directors (the "Board"), immediately after the Distribution; and

- immediately prior to the Distribution Date, our Certificate of Conversion, Certificate of Incorporation, and Bylaws, each in substantially the form filed as an exhibit to the Registration Statement on Form 10, of which this Information Statement is a part, shall be in effect.

The fulfillment of the above conditions will not create any obligation on Illumina's part to complete the Spin-Off. If the Illumina Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement is a part, and the result of such waiver is material to Illumina stockholders, Illumina will file an amendment to the Registration Statement to revise the disclosure in this Information Statement accordingly. In the event that the Illumina Board waives a condition after the Registration Statement on Form 10, of which this Information Statement is a part, becomes effective and such waiver is material to Illumina stockholders, Illumina will communicate such change to Illumina stockholders by filing a Current Report on Form 8-K describing the change.

In addition, Illumina has the right not to complete the Spin-Off if, at any time, the Illumina Board determines, in its sole and absolute discretion, subject to the terms of the Separation and Distribution Agreement, that the Spin-Off is not in the best interests of Illumina or its stockholders, or is otherwise not advisable. If the Spin-Off is not completed for any reason, Illumina and GRAIL will have incurred significant costs related to the Spin-Off, including fees for consultants, financial and legal advisors, accountants and auditors, that will not be recouped. Total one-time transaction costs associated with the Spin-Off are preliminarily estimated to range from $ to $ if the Spin-Off is completed. If the Spin-Off is not completed for any reason, the one-time transaction costs will generally be limited to the transaction costs incurred for services rendered as of the date the Spin-Off is abandoned, which will be less than the range noted above. Our and Illumina's management will also have devoted significant time to manage the Spin-Off process, which will decrease the time they will have to manage their respective businesses.

Reasons for Furnishing This Information Statement

We are furnishing this Information Statement solely to provide information to Illumina's stockholders who will receive shares of our common stock in the Distribution. Illumina's stockholders are not required to vote on the Distribution. Therefore, you are not being asked for a proxy and you are not required to send a proxy to Illumina. You do not need to pay any consideration, exchange or surrender your existing shares of Illumina common stock, or take any other action to receive the shares of our common stock to which you are entitled in the Spin-Off. You should not construe this Information Statement as an inducement or encouragement to buy, hold, or sell any of our securities or any securities of Illumina. We believe that the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and neither we nor Illumina undertake any obligation to update the information except in the normal course of our and Illumina's public disclosure obligations and practices.

DIVIDEND POLICY

We do not anticipate paying any cash dividends in the foreseeable future. We currently anticipate that we will retain all available funds for use in the operation and expansion of our business. Any future determination to pay dividends on our common stock will be made at the discretion of our Board and will depend upon, among other factors, our financial condition, results from operations, current and anticipated cash needs, plans for expansion, and other factors that our Board may deem relevant. We cannot assure you that we will pay a dividend in the future or continue to pay any dividend if we do commence paying dividends. See also “Risk Factors—Risks Relating to Our Common Stock—We do not expect to pay any dividends for the foreseeable future” beginning on page 95 of this Information Statement.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization of GRAIL as of March 31, 2024:

- on an actual basis; and
- on a pro forma basis to give effect to our conversion from a limited liability company to a corporation, the post-Spin-Off disposal funding being provided to GRAIL by Illumina in accordance with the terms of the Separation and Distribution Agreement, the Distribution, and other related transactions, as if they occurred on March 31, 2024.

The information below is not necessarily indicative of what our capitalization would have been had the conversion to a corporation, the Distribution, and other related transactions been completed as of March 31, 2024. In addition, it is not indicative of our future capitalization and may not reflect the capitalization or financial condition that would have resulted had we operated as an independent, publicly traded company as of the applicable dates presented. You should review this information in conjunction with the sections entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 117 and 184 of this Information Statement, respectively, and our Consolidated Financial Statements and accompanying notes beginning on page F-1 of this Information Statement.

	As of March 31, 2024	
	Actual	Pro Forma
	(in thousands, except share and per share data)	
Cash and cash equivalents	$ 199,723	$ 978,000
Member's equity	$ 11,733,616	$ —
Accumulated other comprehensive income	1,014	—
Accumulated deficit	(7,995,239)	—
Total member's equity	$ 3,739,391	$ —
Stockholders' equity:		
Common stock, $0.001 par value per share, no shares authorized, issued and outstanding, actual; shares authorized, pro forma; shares issued and outstanding, pro forma	—	
Additional paid-in capital	—	11,999,870
Accumulated other comprehensive income	—	1,014
Accumulated deficit	—	(7,995,929)
Total stockholders' equity	$ —	$ 4,004,955
Total capitalization	$ 3,739,391	$ 4,004,955

SELECTED HISTORICAL FINANCIAL DATA

The following tables present selected historical financial data as of and for each of the fiscal years ended December 31, 2023 and January 1, 2023 and for the periods from August 19, 2021 to January 2, 2022 and January 1, 2021 to August 18, 2021, as well as selected historical financial data as of and for each of the quarterly periods ended March 31, 2024 and March 31, 2023. We have derived our summary historical statements of operations data for the years ended December 31, 2023 and January 1, 2023 and for the periods from August 19, 2021 to January 2, 2022 and January 1, 2021 to August 18, 2021, and summary historical balance sheet data as of December 31, 2023 and January 1, 2023, as set forth below, from our audited historical consolidated financial statements and related notes included elsewhere in this Information Statement. We have derived our summary historical statements of operations data for the quarters ended March 31, 2024 and March 31, 2023, and summary historical balance sheet data as of March 31, 2024, as set forth below, from our unaudited historical condensed consolidated financial statements, which are included in this Information Statement. We collectively refer to our audited and unaudited financial statements as the "Consolidated Financial Statements."

The selected historical financial data presented below should be read in conjunction with our Consolidated Financial Statements and the accompanying notes thereto, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 184 of this Information Statement, and the section entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 117 of this Information Statement. On August 18, 2021, we became a wholly owned subsidiary of Illumina. Although we were held and operated separately and independently from Illumina, the selected historical financial data does not necessarily reflect what our results of operations and financial position would have been if we had operated as an independent, publicly traded company during the periods presented. In addition, our historical financial data does not reflect changes that we expect to experience in the future as a result of our separation from Illumina, including changes, if any, in the financing of our business. Accordingly, the historical results should not be relied upon as an indicator of our future performance.

	(Successor)					(Predecessor)
(in thousands)	Three Months Ended March 31, 2024	Three Months Ended April 2, 2023	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18, 2021
	(unaudited)					
Consolidated Statements of Operations Data:						
Screening revenue	$ 23,410	$ 15,320	$ 74,347	$ 39,123	$ 7,074	$ 1,953
Screening revenue—related parties	129	252	652	694	381	46
Development services revenue	3,182	4,071	18,106	15,733	4,978	180
Total revenue	26,721	19,643	93,105	55,550	12,433	2,179
Costs and operating expenses:						
Cost of screening revenue (exclusive of amortization of intangible assets)	10,990	8,846	39,284	27,998	4,664	4,965
Cost of screening revenue—related parties	2,732	1,579	8,682	4,142	662	227
Cost of development services revenue	1,391	1,336	6,623	5,741	624	261
Cost of development services revenue—related parties	45	24	238	227	133	—
Cost of revenue—amortization of intangible assets	33,472	33,472	133,889	133,889	44,630	—
Research and development	96,390	80,521	318,088	310,431	309,781	138,366

(in thousands)	(Successor) Three Months Ended March 31, 2024	Three Months Ended April 2, 2023	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	(Predecessor) January 1 to August 18, 2021
	(unaudited)					
Research and development—related parties	5,235	5,352	20,657	19,145	1,475	10,590
Sales and marketing	46,819	45,835	162,292	122,328	100,512	24,814
General and administrative	57,018	46,658	200,062	173,494	478,071	160,140
General and administrative—related parties	51	51	206	614	35	4
Goodwill and intangible impairment	—	—	718,466	4,700,431	—	—
Total costs and operating expenses	254,143	223,674	1,608,487	5,498,440	940,587	339,367
Loss from operations	(227,422)	(204,031)	(1,515,382)	(5,442,890)	(928,154)	(337,188)
Other income (expense):						
Interest income	2,901	2,227	7,954	1,740	19	313
Other income (expense), net	42	95	(208)	(238)	(884)	642
Total other income (expense), net	2,943	2,322	7,746	1,502	(865)	955
Loss before income taxes	(224,479)	(201,709)	(1,507,636)	(5,441,388)	(929,019)	(336,233)
Benefit from income taxes	5,565	8,043	41,951	42,290	17,477	—
Net loss	**$ (218,914)**	**$ (193,666)**	**$ (1,465,685)**	**$ (5,399,098)**	**$ (911,542)**	**$ (336,233)**

(in thousands)	(Successor) March 31, 2024 (unaudited)	December 31, 2023	January 1, 2023
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 199,723	$ 97,287	$ 241,596
Total assets	$ 3,972,851	$ 3,913,814	$ 4,937,986
Liabilities and member's equity:			
Total liabilities	$ 233,460	$ 267,627	$ 291,825
Member's equity	11,733,616	11,421,446	10,955,907
Accumulated deficit	(7,995,239)	(7,776,325)	(6,310,640)
Total liabilities and member's equity	$ 3,972,851	$ 3,913,814	$ 4,937,986

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Immediately prior to the completion of the Spin-Off, GRAIL will be converted into a Delaware corporation and will be renamed GRAIL, Inc. To effect the Spin-Off, Illumina will distribute at least 85.5% of the shares of GRAIL's common stock owned by Illumina to Illumina's stockholders, and GRAIL will become an independent, publicly traded company. Immediately after the Distribution becomes effective, Illumina may retain up to 14.5% of GRAIL's common stock.

The unaudited pro forma condensed consolidated financial statements of GRAIL have been derived from the historical consolidated financial statements of GRAIL, which we refer to as the "Consolidated Financial Statements," beginning on page F-1 of this Information Statement. The unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2024 and the year ended December 31, 2023 have been prepared as though the Distribution occurred on January 2, 2023. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2024 has been prepared as though the Distribution occurred on March 31, 2024. The unaudited pro forma condensed consolidated financial statements were prepared in accordance with Article 11 of Regulation S-X.

The unaudited pro forma condensed consolidated financial statements have been prepared to reflect transaction accounting and autonomous entity adjustments to present the financial condition and results of operations as if GRAIL were a separate stand-alone entity. The unaudited pro forma condensed consolidated financial statements have been adjusted to give effect to the following:

- the anticipated post-Spin-Off structure whereby GRAIL, LLC will be converted from a limited liability company to a corporation, including the issuance of an estimated shares of common stock, where at least 85.5% of the outstanding shares will be distributed to holders of Illumina common stock in connection with the Spin-Off and Illumina will retain up to 14.5%;
- the post-Spin-Off disposal funding being provided to GRAIL by Illumina in accordance with the terms of the Separation and Distribution Agreement;
- the conversion of outstanding cash-based equity appreciation awards into GRAIL, Inc. restricted stock units in accordance with the terms of the Employee Matters Agreement;
- transaction and incremental costs expected to be incurred as an autonomous entity and specifically related to the Spin-Off; and
- the elimination of certain deferred tax assets, including U.S. net operating losses and tax credits, which will remain the assets of Illumina in accordance with the terms of the Tax Matters Agreement.

The unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating results or financial position that would have been achieved had the Spin-Off occurred on January 2, 2023 or March 31, 2024, respectively, nor are they indicative of GRAIL's future operating results or financial position. The pro forma adjustments are based upon information and assumptions available at the time of the filing of this Information Statement as set forth in the notes to the unaudited pro forma condensed consolidated financial statements. The unaudited pro forma condensed consolidated financial statements have been prepared based upon preliminary estimates, therefore the impact of the Spin-Off and the timing thereof could cause material differences from the information presented herein.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with our Consolidated Financial Statements and accompanying notes beginning on page F-1 of this Information Statement and the sections entitled "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 114 and 184, respectively, of this Information Statement. The unaudited pro forma condensed consolidated financial statements are subject to certain risks and uncertainties. For more information, see the sections entitled "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" beginning on pages 99 and 31, respectively, of this Information Statement.

GRAIL, LLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands, except share and per share data)

	March 31, 2024				
	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments	Pro Forma
Assets					
Current assets:					
Cash and cash equivalents	$ 199,723	$ 778,277	(a)	$ —	$ 978,000
Accounts receivable, net	14,972	—		—	14,972
Accounts receivable, net—related parties	56	—		—	56
Supplies	14,556	—		—	14,556
Supplies—related parties	7,022	—		—	7,022
Prepaid expenses and other current assets	22,112	—		—	22,112
Prepaid expenses and other current assets—related parties	41				41
Total current assets	258,482	778,277		—	1,036,759
Property and equipment, net	78,059	—		—	78,059
Property and equipment, net—related parties	3,330	—		—	3,330
Operating lease right-of-use assets	79,361	—		—	79,361
Restricted cash	3,918	—		—	3,918
Intangible assets, net	2,652,639	—		—	2,652,639
Goodwill	888,936	—		—	888,936
Other non-current assets	8,126	—		—	8,126
Total assets	**$ 3,972,851**	**$ 778,277**		**$ —**	**$ 4,751,128**
Liabilities and equity					
Current liabilities:					
Accounts payable	$ 8,832	$ —		$ —	$ 8,832
Accounts payable—related parties	2,949	—		—	2,949
Accrued liabilities	68,992		(b)	—	68,992
Accrued liabilities—related parties	338	—		—	338
Incentive plan liabilities	40,595	(40,595)	(c)	—	—
Operating lease liabilities, current portion	13,981	—		—	13,981
Other current liabilities	1,938	—		—	1,938
Total current liabilities	137,625	(40,595)		—	97,030
Operating lease liabilities, net of current portion	65,960	—		—	65,960
Deferred tax liability, net	28,116	690	(d)	—	581,424
		552,618	(e)	—	
Other non-current liabilities	1,759	—		—	1,759
Total liabilities	233,460	512,713		—	746,173
Member's equity	11,733,616	(11,733,616)	(f)	—	—
Accumulated other comprehensive income	1,014	(1,014)	(f)	—	—
Accumulated deficit	(7,995,239)	7,995,239	(f)	—	—
Total member's equity	3,739,391	(3,739,391)		—	—
Stockholders' equity:					
Common stock, $0.001 par value per share, no shares authorized, issued and outstanding, actual; shares authorized, pro forma; shares issued and outstanding, pro forma	—		(f)	—	
Additional paid-in capital	—	778,277	(a)	—	11,999,870
		40,595	(c)	—	
		(552,618)	(e)	—	
		11,733,616	(f)	—	
			(f)	—	
Accumulated other comprehensive income	—	1,014	(f)	—	1,014
Accumulated deficit	—		(b)	—	(7,995,929)
		(690)	(d)	—	
		(7,995,239)	(f)	—	
Total stockholders' equity	—	4,004,955		—	4,004,955
Total liabilities and equity	**$ 3,972,851**	**$ 778,277**		**$ —**	**$ 4,751,128**

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

GRAIL, LLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)

	For the Three Months Ended March 31, 2024				
	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments	Pro Forma
Revenue:					
Screening revenue	$ 23,410	$ —		$ —	$ 23,410
Screening revenue—related parties	129	—		—	129
Development services revenue	3,182	—		—	3,182
Total revenue	$ 26,721	$ —		$ —	$ 26,721
Costs and operating expenses:					
Cost of screening revenue (exclusive of amortization of acquired intangible assets)	10,990	—		—	10,990
Cost of screening revenue—related parties	2,732	—		—	2,732
Cost of development services revenue	1,391	—		—	1,391
Cost of development services revenue—related parties	45	—		—	45
Cost of revenue—amortization of intangible assets	33,472	—		—	33,472
Research and development	96,390	—		—	96,390
Research and development—related parties	5,235	—		—	5,235
Sales and marketing	46,819	—		—	46,819
General and administrative	57,018	—			(aa) 57,018
General and administrative—related parties	51	—		—	51
Total costs and operating expenses	254,143	—		—	254,143
Loss from operations	(227,422)	—		—	(227,422)
Other income:				—	
Interest income	2,901	—		—	2,901
Other income, net	42	—		—	42
Total other income, net	2,943	—		—	2,943
Loss before income taxes	(224,479)	—		—	(224,479)
Benefit from income taxes	5,565	53,193	(e)		(bb) 58,758
Net loss	**$(218,914)**	**$ 53,193**		**$ —**	**$(165,721)**
Net loss per share:					
Basic		—		—	$
Diluted		—		—	$
Average common stock and common stock equivalent shares outstanding					
Basic		—		—	(f)
Diluted		—		—	(f)

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

GRAIL, LLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)

	For the Year Ended December 31, 2023							
	Historical		Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma	
Revenue:								
Screening revenue	$ 74,347		$ —		$ —		$ 74,347	
Screening revenue—related parties	652		—		—		652	
Development services revenue	18,106		—		—		18,106	
Total revenue	$ 93,105		$ —		$ —		$ 93,105	
Costs and operating expenses:								
Cost of screening revenue (exclusive of amortization of acquired intangible assets)	39,284		—		—		39,284	
Cost of screening revenue—related parties	8,682		—		—		8,682	
Cost of development services revenue	6,623		—		—		6,623	
Cost of development services revenue—related parties	238		—		—		238	
Cost of revenue—amortization of intangible assets	133,889		—		—		133,889	
Research and development	318,088		—		—		318,088	
Research and development—related parties	20,657		—		—		20,657	
Sales and marketing	162,292		—		—		162,292	
General and administrative	200,062			(b)		(aa)	200,062	
General and administrative—related parties	206		—		—		206	
Goodwill and intangible impairment	718,466		—		—		718,466	
Total costs and operating expenses	1,608,487		—		—		1,608,487	
Loss from operations	(1,515,382)		—		—		(1,515,382)	
Other income (expense):								
Interest income	7,954		—		—		7,954	
Other income (expense), net	(208)		—		—		(208)	
Total other income (expense), net	7,746		—		—		7,746	
Loss before income taxes	(1,507,636)		—		—		(1,507,636)	
Benefit from income taxes	41,951			(d)		(bb)	223,984	
			182,033	(e)	—			
Net loss	**$ (1,465,685)**		**$ 182,033**		**$ —**		**$ (1,283,652)**	
Net loss per share:								
Basic			—		—		$	
Diluted			—		—		$	
Average common stock and common stock equivalent shares outstanding								
Basic			—		—			(f)
Diluted			—		—			(f)

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2024, and unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2024 and the year ended December 31, 2023, include the following adjustments:

Transaction Accounting Adjustments

(a) Reflects the one-time disposal funding to be provided by Illumina to GRAIL in accordance with the Separation and Distribution Agreement. The $978.0 million in disposal funding is calculated assuming that the Spin-Off will be completed on June 12, 2024 and then is netted against the cash and cash equivalents held by GRAIL as of March 31, 2024 in the unaudited pro forma condensed consolidated balance sheet to arrive at a total pro forma cash and cash equivalents balance of $978.0 million. The actual disposal funding will increase or decrease by approximately $5.0 million per week, determined on a straight-line basis, if the Distribution Date is earlier or later than June 12, 2024 and will be netted against cash and cash equivalents held by GRAIL as of the Distribution Date. For example, assuming a June 12, 2024 Distribution Date, if cash and cash equivalents held by GRAIL as of the Distribution Date were $100.0 million, the $978.0 million in disposal funding would be netted against the $100.0 million. We have assumed that no equity distributions, repurchases, or GRAIL Change of Control occur during the Restricted Period that would require clawback pursuant to the Separation and Distribution Agreement.

(b) Reflects the estimated non-recurring transaction costs expected to be incurred in connection with the Spin-Off.

(c) Reflects the one-time reclassification from incentive plan liabilities to additional paid-in capital upon conversion of outstanding cash-based equity appreciation awards into GRAIL, Inc. restricted stock units in accordance with the Employee Matters Agreement.

Under the terms of the Employee Matters Agreement, there may be modifications to existing awards granted pursuant to the incentive plan. Certain assumptions impacting the modified awards are currently unknown until completion of the Spin-Off and such changes to stock-based compensation expense cannot be predicted at this time. Key assumptions that could impact the fair value upon modification of the incentive plan awards that are currently not quantifiable include GRAIL's average market capitalization post-Spin-Off determined by reference to the volume weighted average per share price of GRAIL stock for the four trading days immediately following the Distribution Date that could either increase or decrease stock-based compensation expense in future reporting periods. Accordingly, we are not able to estimate or reflect pro forma adjustments to stock-based compensation expense in the unaudited pro forma condensed consolidated statements of operations.

(d) Reflects the tax effects of the non-recurring transaction accounting adjustments at the applicable statutory tax rates. The applicable tax rates assumed for purposes of preparing the unaudited pro forma financial statements may be materially different than the effective tax rate subsequent to the Spin-Off depending on many factors, including profitability in local jurisdictions, book-to-tax differences, and the determination of valuation allowances against certain deferred tax assets.

(e) Reflects the one-time expected tax effects of the Separation and Distribution Agreement and Tax Matters Agreement whereby certain deferred tax assets, including U.S. net operating losses and tax credits, will remain the assets of Illumina. The applicable tax rates assumed for purposes of preparing the unaudited pro forma financial statements may be materially different than the effective tax rate subsequent to the Spin-Off depending on many factors, including profitability in local jurisdictions, book-to-tax differences, and the determination of valuation allowances against certain deferred tax assets.

(f) Reflects the one-time reclassification of Illumina's net investment in GRAIL to additional paid-in capital, as well as the issuance of shares of GRAIL common stock with a par value of $0.001 per share pursuant to the Separation and Distribution Agreement. We have assumed the number of outstanding shares of GRAIL common stock based on million shares of Illumina common stock outstanding as of March 31, 2024, and assumed a distribution of the outstanding shares of GRAIL common stock to Illumina's stockholders, on the basis of shares of GRAIL common stock for each share(s) of Illumina common stock. The actual number of shares issued will not be known until the record date for the distribution.

The number of shares used to compute pro forma basic and diluted net loss per share is based on the number of shares of GRAIL common stock assumed to be issued and outstanding immediately after the Spin-Off. The calculation does not consider the conversion of outstanding cash-based equity appreciation awards into GRAIL, Inc. restricted stock units in accordance with the terms of the Employee Matters Agreement, the effect of which would be antidilutive given GRAIL has historically operated at a loss.

Autonomous Entity Adjustments

(aa) Reflects expenses for recurring director and officer liability insurance premiums related to operating as an autonomous entity and specifically related to the Spin-Off.

(bb) Reflects the tax effects of the autonomous entity pro forma adjustments at the applicable statutory tax rates. The applicable tax rates assumed for purposes of preparing the unaudited pro forma financial statements may be materially different than the effective tax rate subsequent to the Spin-Off depending on many factors, including profitability in local jurisdictions, book-to-tax differences, and the determination of valuation allowances against certain deferred tax assets.

BUSINESS

Our Company

Our mission is to detect cancer early, when it can be cured.

We are an innovative commercial-stage healthcare company focused on saving lives and shifting the paradigm in early cancer detection. We believe screening individuals for many types of cancer with a single test represents a significant opportunity to reduce the global burden of cancer. Our Galleri test is a commercially available screening test for early detection of multiple types of cancer, which we termed multi-cancer early detection ("MCED"). We believe Galleri is clinically validated based on the results of its clinical studies completed to date, including the results of its foundational case-control Circulating Cell-free Genome Atlas ("CCGA") study and interventional PATHFINDER study which together enrolled more than 21,000 participants. In these studies, Galleri demonstrated an ability to detect a shared cancer signal across more than 50 types of cancer, accurately predict the specific organ or tissue type where the cancer signal originated, and yield high positive predictive values and low false positive rates, all from a simple blood draw. See "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri results can help guide next steps for a diagnosis of cancer by healthcare providers in required follow-up diagnostic testing. Galleri is not a diagnostic test and has not been approved or cleared by the FDA. We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships, including leading healthcare systems, employers, payors, and life insurance providers. Commercial use of Galleri has detected some of the most aggressive cancers in early stages including, among others, endometrial, esophageal, gastrointestinal stromal, head and neck, liver, pancreatic, and rectal cancers.

Cancer is a major public health crisis. It is the second leading cause of death both in the United States and worldwide. Most cancers that result in death are diagnosed too late, in advanced stages when they are most challenging to treat. We estimate that more than 60% of cancer deaths result from cancers that have no recommended screening guidelines. In the United States, we consider standard of care screening for cancer to consist of the grade A and B recommendations published by the United States Preventive Services Task Force ("USPSTF"), which currently recommend broad population screening for only four types of cancer using single-cancer screening tests (breast, cervical, colorectal, and lung cancer), and prostate cancer screening, which is USPSTF grade C and is widely implemented in the United States. Grade A and B recommendations are services that USPSTF most highly recommends for preventative care and that have a high or moderate net benefit for patients. Grade C recommendations are services that USPSTF recommends selectively offering or providing to patients based on individual circumstances and that have a moderate certainty of a small net benefit for patients. According to data in the American Cancer Society's *Cancer Facts & Figures 2024*, cancers for which there are grade A and B recommendations published by the USPSTF (breast, cervical, colorectal, and lung cancer) are expected to result in approximately 225,000 deaths out of approximately 612,000 cancer-related deaths in the United States in 2024, and prostate cancer is expected to resulted in approximately 35,000 additional deaths. We believe that expanding upon these current guidelines to screen individuals for many types of cancer with a single test represents a significant opportunity to reduce cancer mortality and the cost of cancer care. In 2021, we published modeling data in *Cancer Epidemiology, Biomarkers & Prevention* (Cancer Epidemiol Biomarkers Prev. 2021; 30:460–8) that estimated the potential impact of MCED testing on mortality reduction based on test performance in our CCGA-2 study and using 2006 to 2015 data from the Surveillance, Epidemiology, and End Results Program of the U.S. National Cancer Institute ("SEER") for ages 50-79. Based on this model, we estimate that by adding Galleri to the five standard of care single-cancer screening tests (breast, cervical, colorectal, lung cancer, and prostate), there is potential to detect many more cancers at an earlier stage, which could translate into the potential to avert approximately 100,000 deaths per year in the United States as measured by five-year survival. We believe this model provides helpful context regarding the potential benefits of screening for multiple cancers at once with a singular screening test, like Galleri, in addition to the five standard of care single-cancer screening tests; however, there can be no assurance when or even if Galleri will be added to the USPSTF guidelines or standard of care screening. In addition, an analysis published in *Data* (Data. 2017; 2(30):2–16) estimated that diagnosing cancer early could result in $26 billion in annual cost-savings in the United States.

We designed Galleri to detect cancer early. If cancer is detected early, it is more amenable to curative treatment. Galleri works by detecting DNA fragments shed into the bloodstream by tumor cells. In cancerous cells, methylation, a natural biological process that determines which sections of DNA to turn on or off and that drives tissue differentiation, becomes abnormal. As a result, DNA from cancer has specific methylation patterns that can be used to both identify a general cancer signal and localize that signal to a specific organ or tissue type. In our CCGA study, Galleri identified a shared cancer signal across more than 50 types of cancer, often at an early stage. If a cancer signal is detected, Galleri can accurately predict the tissue type or organ associated with the cancer signal (the cancer signal origin). In our PATHFINDER study, Galleri correctly predicted the first or second cancer signal origins in 22 of 25 participants with a cancer diagnosis following a cancer signal detected (positive) test result (*i.e.*, participants with true positive test results), demonstrating a high cancer signal origin prediction accuracy of 88%. For additional information, see "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri's screening test results can be used by healthcare providers to guide required follow-up diagnostic testing for a diagnosis of cancer.

As an early proponent of MCED testing, we have established strong relationships within the cancer and primary care community, including through partnerships with academic and community medical centers, key opinion leaders, and governmental policy and advocacy partners. We have shared evidence supporting our MCED testing at renowned medical conferences, such as the American Association of Cancer Research ("AACR"), American Society of Clinical Oncology ("ASCO"), European Society of Medical Oncology ("ESMO"), and American Academy of Family Physicians ("AAFP"). We have also published results from our studies in leading scientific and medical journals, including *The Lancet*, *Nature*, *Nature Medicine*, *Cancer Cell*, and *The Lancet Oncology*. Our industry leadership has been recognized with multiple national high-profile accolades, including being acknowledged by *Time Magazine* as one of the Best Inventions of 2022, and *The Atlantic* as one of the top breakthroughs of 2022 and being named in *Fast Company* World Changing Ideas of 2022 and in the *Fortune* Change the World List in 2023.

We plan to pursue FDA approval to support broad access for Galleri in the United States, we plan to complete a premarket approval application ("PMA") submission with the FDA in the first half of 2026. We seek to use data from the NHS-Galleri Trial, together with data from our PATHFINDER 2 study, as well as supplemental data from other clinical studies, to support our planned PMA submission for Galleri in the United States. We believe that FDA approval could unlock broad coverage by large commercial payors in the United States. We have established private reimbursement for Galleri from a number of third-party payors in the United States, but do not currently have broader coverage and reimbursement by government healthcare programs, such as Medicare. We are working with stakeholders to advance and shape the public reimbursement landscape in the United States to enable coverage of FDA-approved MCED tests by Medicare. Galleri has not been approved or cleared by the FDA and obtaining PMA approval can take several years from the time an application is submitted, if at all. Moreover, the FDA requirements that will govern MCED tests, as well as the breadth and nature of data we must provide the FDA to support the proposed intended use, may be subject to change, and as such it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use. Following FDA approval, we also expect to pursue inclusion of Galleri in the USPSTF's guideline recommendation, although such inclusion is not certain even with FDA approval. In the United Kingdom, we are working with NHS England to complete our NHS-Galleri Trial. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing limited information from one year out of the three-year trial period to determine whether to commence phased commercial implementation in England. The results of this early analysis represent limited information from only one year out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons. While no decision has been made by the NHS regarding phased commercial implementation at this time, a phased commercial implementation, if pursued by NHS, would begin with a two-year pilot in England. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. We believe our work with the NHS and the data generated from our NHS-Galleri Trial could facilitate adoption in other single-payor systems around the world and support evidence of clinical utility worldwide.

Since our founding, we have undertaken a rigorous approach to identify in a blood sample the most informative markers of cancer through what we believe is the largest clinical program in genomic medicine to date. We are collecting population-scale clinical data from more than 385,000 participants across nine clinical studies, with more than 21,000 of these participants included in the studies that supported the development and launch of Galleri, and over 170,000 individuals enrolled and an additional approximately 55,000 anticipated to be enrolled in interventional studies (NHS-Galleri and PATHFINDER 2, which support our PMA submission, and the first-of-its kind Galleri-Medicare real-world study). These studies include our foundational case-control CCGA study to develop and validate our MCED technology, multiple large-scale observational studies in asymptomatic individuals, and multiple large-scale interventional studies in intended use populations. Our interventional studies include our NHS-Galleri Trial, which is the first and largest randomized controlled trial of an MCED test, and which enrolled more than 140,000 individuals in just over 10 months. These studies also include our initiation of the Real-world Evidence to Advance multi-Cancer early detection Health equity ("REACH") interventional study. This first-of-its kind real-world "Galleri-Medicare" study will further evaluate the clinical impact of the Galleri multi-cancer early detection test among Medicare beneficiaries, including racial and ethnic minorities, and seniors from historically underserved communities. Through these studies and our ongoing collection of real-world data, we have built what we believe is an unprecedented longitudinal dataset of high quality, linked clinical and genomic data. We believe our clinical studies, including our early discovery work, have demonstrated robust and reproducible test performance. Notably, data from our interventional PATHFINDER study, including PPV, cancer signal original prediction accuracy, and specificity, were generally consistent with data from our case-control CCGA study, which is evidence supporting the generalizability and robustness of Galleri in an interventional study involving analysis of returned Galleri results on clinical diagnostic and care pathways, outside of the foundational case-control context. Specifically the 43% positive predictive value ("PPV") achieved in the study is similar to our previously published modeled PPV of 44% based on test performance in our CCGA study extrapolated to a potential representative population aged 50-79 based on 2016 to 2017 SEER data. We extrapolated the CCGA-based modeled PPV to a representative population due to the limitations of measuring PPV in a case controlled study with enrichment of cancer cases in the sample set, whereas the PATHFINDER study was performed in an intended use population and PPV was measured directly. We expect to continue to report ongoing and long-term follow-up clinical data from these studies over many years.

Based on our extensive discovery work, we believe that targeted methylation is the best approach for detecting a cancer signal and identifying a cancer signal origin. In our head-to-head analyses we compared multiple different classifiers that were trained to detect a cancer signal and predict the cancer signal origin, and which were independently validated. We found that interrogating methylation patterns yielded significantly better results for cancer detection (based on sensitivity, cancer signal origin prediction accuracy, and clinical limit of detection (a measure of the how much signal must exist in order to be detected)) than was observed by interrogating mutations (changes in a DNA sequence), chromosomal alterations (changes to the structure or number of chromosomes, which are strands of genetic material), fragment lengths (differences in length of DNA fragments), and other genomic features, either alone or in combination. In contrast to well-established cancer mutations that only affect a handful of genomic locations, there are nearly 30 million methylation sites across the human genome, making them a ubiquitous and rich signal for cancer detection. After comprehensive analysis of whole-genome methylation patterns in connection with our CCGA study, we discovered highly informative and low-noise methylation sites for cancer signal and cancer signal origin detection. Highly informative sites are likely to have abnormal methylation patterns resulting from cancer, and low-noise sites are less likely to be subject to confounding signals from biological noise resulting from confounding conditions (such as aging, inflammatory conditions) and circulating DNA from non-cancerous cells. This discovery led to our development of a targeted methylation approach, which entails interrogating specific methylation sites within a genome to assess methylation patterns and which serves as the technological basis for our Galleri test. Our targeted methylation approach can detect lower levels of cancer signal in blood compared to other approaches we examined, enabling early cancer detection in asymptomatic individuals more efficiently compared to whole-genome methylation. For additional information, see "— Methylation Technology Platform."

Our proprietary targeted methylation platform, as well as our growing body of clinical and real-world data, have provided us with unique insights into cancer biology that enable development of products beyond asymptomatic screening. We are leveraging our proprietary platform for additional applications, including:

- *Precision oncology portfolio*: We are developing our precision oncology portfolio and launched our research use only ("RUO") targeted methylation platform with customizable classifiers in 2023. We have partnered with a number of leading oncology therapeutics companies to test applications of biomarkers with the goal of optimizing the use of therapeutic interventions. Some of our partnerships also include development of customized applications to support clinical studies and companion diagnostic development and commercialization. Potential applications for our technology in a precision oncology setting include pre-treatment prognosis, post-treatment prognosis or minimal residual disease ("MRD"), biomarker discovery, recurrence, and clinical monitoring. We believe the research and clinical development settings represent significant opportunities with biopharmaceutical companies given the large number of ongoing oncology studies and the significant need to identify residual disease or recurrence early and help inform treatment decisions. In addition to companion diagnostic opportunities, we believe that our methylation platform could enable standalone clinical products to support patient care across the cancer care continuum.
- *Diagnostic aid for cancer test*: We are developing our diagnostic aid for cancer ("DAC") test to accelerate diagnostic resolution for patients with non-specific signs and symptoms, but with a clinical suspicion of cancer. Through a simple blood test, DAC is designed to provide physicians with a powerful decision-making tool to aid diagnosis, achieve resolution more quickly, and avoid unnecessary workups. Symptomatic detection of cancer is a significant unmet need; we estimate that approximately 16 million patients in the United States present with non-specific signs and symptoms each year. Data from our SYMPLIFY study published in *The Lancet Oncology* showed that, in a symptomatic patient population, our methylation technology was able to detect many cancer types and accurately identify where they were located in the body. In our SYMPLIFY study, our technology correctly predicted the first or second cancer signal origins in 214 of 237 participants with a cancer diagnosis following a cancer signal detected (positive) test result (*i.e.*, participants with true positive test results), demonstrating a high cancer signal origin prediction accuracy of 90%. Product development efforts are ongoing, and we currently consider the launch of our DAC test as a medium- to longer-term objective over approximately the next three to five years, subject to a number of factors, including determining the requirements for reimbursement in the United States.

We believe these products and other future products in development have the potential to reach additional customers and may result in additional patient care solutions across the cancer care continuum.

Our Strengths

We believe our continued growth will be driven by the following strengths:

- **Our clinically-validated, commercially available, MCED screening test, Galleri.** Galleri is a commercially available, MCED screening test that is setting the standard for multi-cancer early detection. While Galleri has not been approved or cleared by the FDA, we believe Galleri is clinically validated as a screening test based on the results of our clinical studies completed to date. From a simple blood draw, Galleri can detect a cancer signal shared by over 50 types of cancer, over 45 of which do not have recommended screening guidelines. We believe Galleri enables the early detection of cancer in asymptomatic individuals by screening for multiple types of cancer, and in clinical trials Galleri has demonstrated a high PPV and a low false positive rate, and an ability to predict the location of the suspected cancer with high accuracy (88%). See "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri screening test results can help guide next steps for a diagnosis of cancer by healthcare providers in required follow-up diagnostic testing. Further, as Galleri relies on a blood draw, the test can be integrated into existing care pathways, such as annual health checks, which

can enable wide-scale implementation and increase access to cancer screening, thus helping to address well-known disparities in cancer care. Our industry leadership in MCED testing has been recognized with multiple national high profile accolades, including being acknowledged by *Time Magazine* as one of the Best Inventions of 2022, and *The Atlantic* as one of the top breakthroughs of 2022 and being named in *Fast Company* World Changing Ideas of 2022 and in the *Fortune* Change the World List in 2023.

- **Our established commercial leadership is driving the development of a significant market.** The commercial opportunity for Galleri is significant, with more than 300 million individuals globally over the age of 50 (our intended use population), including more than 100 million individuals in the United States. We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships, including leading healthcare systems, employers, payors, and life insurance providers. In this real-world setting, Galleri is detecting deadly cancers in early stages. As an early proponent of MCED testing, we have established strong relationships within the cancer and primary care community, including through partnerships with academic and community medical centers, key opinion leaders, and governmental policy and advocacy partners. Our partnership with the NHS presents an opportunity to drive further adoption of Galleri, including by payors and health systems around the world. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) in the NHS-Galleri Trial to determine whether to commence phased commercial implementation in England. Any initial commercial implementation would begin with a two-year pilot with the potential for further expansion subject to final results from the trial. Our commercial leadership is further supported by our high-capacity laboratories to enable population screening volumes.

- **Unprecedented clinical studies and real-world experience.** We designed and executed what we believe is the largest clinical program in genomic medicine to date. We are collecting population-scale clinical data from more than 385,000 participants across nine clinical studies, with more than 21,000 of these participants included in the studies that supported the development and launch of Galleri, and over 170,000 individuals enrolled and an additional approximately 55,000 anticipated to be enrolled in interventional studies (NHS-Galleri and PATHFINDER 2, which support our PMA submission, and the first-of-its kind Galleri-Medicare real-world study). These studies include our foundational case-control CCGA study to develop and validate our MCED technology, multiple large-scale observational studies in asymptomatic individuals, and multiple large-scale interventional studies. Our interventional studies include our NHS-Galleri Trial, which is the first and largest randomized controlled trial of an MCED test, and which enrolled more than 140,000 individuals in just over 10 months. Through these studies and our ongoing collection of real-world data, we have built what we believe is an unprecedented longitudinal dataset of high quality, linked clinical and genomic data. We believe our clinical studies, including our early discovery work, have demonstrated robust and reproducible test performance. Notably, data from our interventional PATHFINDER study, including PPV, cancer signal original prediction accuracy, and specificity, were generally consistent with data from our case-control CCGA study, which is evidence supporting the generalizability and robustness of Galleri in an interventional study involving analysis of returned Galleri results on clinical diagnostic and care pathways, outside of the foundational case-control context. Together with our partners at leading community and academic medical centers in the United States and United Kingdom, we expect to continue to report ongoing and long-term follow-up clinical data from these studies over many years.

- **Our highly-differentiated methylation platform, which enables product opportunities across the cancer care continuum.** We have taken a scientifically rigorous approach to develop a deep and comprehensive understanding of cancer biology. We built an atlas to characterize the landscape of cell-free nucleic acids (“cfDNA”) across a broad and diverse population and in individuals with and without cancer. We then used this atlas and other data to train our machine learning algorithms to recognize methylation patterns indicative of cancer and accurately predict the cancer signal origin. These efforts supported the development of our proprietary methylation platform on which Galleri is based, and which we will continue to leverage to advance a number of clinical applications across the cancer care

continuum. For example, we developed and launched our post-diagnosis RUO offering and are working closely with biopharmaceutical companies to develop products and services to optimize treatment once a cancer has been diagnosed. Potential applications for our technology in a post-diagnosis setting include pre-treatment prognosis, post-treatment prognosis or MRD, biomarker discovery, detection of recurrence, and clinical monitoring. We are also developing our DAC test to enable faster diagnosis and care for patients presenting with non-specific symptoms that are suspicious for cancer.

- **Our intellectual property portfolio.** We own or license exclusive worldwide commercial rights to intellectual property covering Galleri and our products in development. Specifically, as of March 31, 2024, we have exclusive licenses to approximately 530 granted patents globally, and own or co-own more than 130 issued patents, with more than 850 pending patent applications (licensed, owned, or co-owned) covering methylation and other technologies. In addition, our patents, trade secrets, and know-how provide broad intellectual property coverage for our products, including chemistry, bioinformatics, and machine learning algorithms used in Galleri and our product development pipeline. Our exclusively licensed patents will begin to expire in 2027. Our owned or co-owned patents will begin to expire in 2037.
- **Our highly experienced and multidisciplinary team.** Since our founding, we have built an entrepreneurial culture driven to improve outcomes for cancer patients. We are led by a multidisciplinary team with extensive experience across biotechnology, life sciences, public health, genomics, computer science, data science, biostatistics, clinical development, medical affairs, government and regulatory affairs, quality assurance, and laboratory and commercial operations. We believe this confluence of talent from multiple disciplines has enabled us to make significant progress in improving cancer care and will enable us to remain at the forefront of our industry.

Our Strategy

Key elements of our strategy include:

- **Establishing Galleri as the population multi-cancer screening standard and extending commercial leadership in large global markets.** We believe we have an unprecedented opportunity to establish a new standard of care by adding Galleri to existing single-cancer screenings, and establish and maintain the market-leading position in cancer detection. The commercial opportunity for Galleri is significant, with more than 300 million individuals globally over the age of 50, including over 100 million individuals in the United States. Our goal is to address cancer screening globally, beginning in large markets with established health systems, such as the United States and United Kingdom, and thereafter extending to other markets. We will continue to engage with key opinion leaders, healthcare providers, advocacy organizations, regulators, and payors to help drive broader scientific and commercial endorsement worldwide. In addition, we believe Galleri's performance will drive clinical outcomes and high patient and provider satisfaction that will lead to further awareness and adoption.
- **Expanding access to our products by pursuing FDA approval and reimbursement and coverage from payors.** Our ability to impact cancer outcomes will be accelerated in markets where we secure reimbursement for our products. Prior to broader coverage and reimbursement in the United States, we will continue our work with clinics and health systems to accelerate utilization, and with self-insured employers and health insurers to offer and cover Galleri. In the United States, we have established private reimbursement from over 80 self-insured employers and multiple payors and health systems as of March 31, 2024, but do not currently have broader coverage and reimbursement by government healthcare programs, such as Medicare. We plan to pursue FDA approval to support broad access for Galleri in the United States. We plan to complete a PMA submission with the FDA in the first half of 2026. We seek to use data from the NHS-Galleri Trial, together with data from our PATHFINDER 2 study, as well as supplemental data from other clinical studies, to support our planned PMA submission for Galleri in the United States. We believe that FDA approval could unlock large commercial payors

in the United States and we are working with stakeholders to advance and shape the public reimbursement landscape in the United States to enable coverage of FDA-approved MCED tests for Medicare. Galleri has not been approved or cleared by the FDA and obtaining PMA approval can take several years from the time an application is submitted, if at all. Moreover, the FDA requirements that will govern MCED tests, as well as the breadth and nature of data we must provide the FDA to support the proposed intended use, may be subject to change, and as such it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use. Following FDA approval, we also expect to pursue inclusion of Galleri in the USPSTF's guideline recommendation, although such inclusion is not certain even with FDA approval. In the United Kingdom, we are working with NHS England to complete our NHS-Galleri Trial. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing limited information from one year out of the three-year trial period to determine whether to commence phased commercial implementation in England. The results of this early analysis represent limited information from only one year out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons. While no decision has been made by the NHS regarding phased commercial implementation at this time, a phased commercial implementation, if pursued by NHS, would begin with a two-year pilot in England. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. We believe our work with the NHS and the data generated from our NHS-Galleri Trial could facilitate adoption in other single-payor systems around the world and support evidence of clinical utility worldwide. We will continue to invest in clinical evidence generation and work with regulatory bodies and payors in our target markets to expand coverage for early cancer screening and to increase access.

- **Defining, leading, and expanding adoption of MCED.** We coined the term "multi-cancer early detection" and will continue to drive MCED as a solution to one of healthcare's most important challenges. Since our inception in 2016, we have established and maintained a leading voice regarding the early detection of multiple cancer types in peer-reviewed literature. As of March 31, 2024, we have published more than 65 manuscripts, including in high profile journals like *The Lancet*, *Nature*, *Nature Medicine*, *Cancer Cell*, and *The Lancet Oncology*. We have also presented our data in more than 20 podium and 190 poster presentations at renowned medical conferences, including AACR, ASCO, ESMO, and AAFP. We fund medical education programs for MCED and intend to continue to educate healthcare providers, as well as key opinion leaders, regulators, professional societies, and policymakers on the clinical benefits and public health impact of MCED. In addition, we believe this market development strategy will drive adoption of our products and further awareness of the benefits of MCED testing generally.
- **Driving cutting edge science and technology to continuously improve existing products and develop new products.** Our methylation platform and extensive technological infrastructure, together with expansive ongoing data collection, will continue to drive improvements to Galleri and enable the development of additional products. Our technology has broad applicability in cancer detection and management, and findings from our SYMPLIFY study demonstrated the potential of our platform to extend beyond asymptomatic screening, into symptomatic detection. We launched our RUO offering, a part of our precision oncology portfolio, in 2023, which has formed the basis of additional biopharmaceutical partnerships to enable further discovery and execution of new development programs. In addition, these partnerships have generated findings that support expansion into precision oncology applications, including pre-and post-treatment prognosis, recurrence detection, and clinical monitoring. We continually seek to enhance the performance of our products through a comprehensive, rigorous approach to ongoing classifier training, improvement of features, and reduced processing time and cost. Further, we plan to improve our products to enhance performance, offerings, scalability, and/or cost of goods. New products, including enhanced versions of current products, will require the completion of certain clinical development and regulatory activities, such as non-inferiority studies

using clinical study data and real world evidence data obtained through Galleri's current commercial use and bridging studies agreed upon with regulatory authorities. We will continue to improve our technologies and launch innovative products across the cancer care continuum.

- **Leveraging our existing infrastructure to enable and scale our growing business.** Over the last several years, we have made significant investments to build a scalable infrastructure capable of meeting significant demand while satisfying stringent certification parameters. Our high-capacity laboratories are accredited by the College of American Pathologists ("CAP") and certified by the Clinical Laboratory Improvement Amendments of 1988 ("CLIA") and the New York Department of Health, which represents one of the most rigorous levels of validation required for laboratory-developed tests. Our facilities are able to process a substantial number of tests per year and we expect to be able to meet our anticipated near-term needs. In addition, we engineered custom technology infrastructure and cloud-based tools to enable scalable data collection and analysis capabilities. Our ability to collect, manage, and integrate high-quality genomic and clinical data is central to our business, and our automated laboratory workflows and processes enable high volumes of tests and samples to be processed automatically with high efficiency and speed and low failure rates. As demand for our products increases, we expect to leverage the scale efficiencies of our infrastructure and platform technology, which we believe will positively impact margins over time.
- **Sustaining a patient-first corporate culture that champions diversity.** We have built a multi-disciplinary organization of leading scientists, engineers, and clinicians driven to improve outcomes for cancer patients. In our pursuit to improve cancer care and solve one of healthcare's most important challenges, we intend to grow our diversity among employees and will continue to foster an agile and inclusive environment that is a destination for world-class talent. We believe our mission, values, and leadership attributes all contribute to this vibrant and inclusive culture and serve as a powerful magnet for talent.

Improving Cancer Care

The Burden of Cancer and the Benefits of Earlier Detection

Cancer is the second leading cause of death in both the United States and worldwide, with more than 19 million new cases and 10 million deaths globally in 2020. This burden is expected to grow as the global population ages. According to the data in the American Cancer Society's *Cancer Facts & Figures 2024*, there will be approximately 2.0 million new cancer cases and 611,000 cancer deaths in the United States in 2024. An analysis published in the AACR's Cancer Epidemiology, Biomarkers and Prevention Journal (Cancer Epidemiol Biomarkers Prev. 2020; 29(7):1304–1312) estimated that $201 billion was spent on cancer care in the United States in 2020, with some of the costliest treatments targeting late-stage cancers that are highly challenging to treat. The same analysis projected that by 2030, the cost of cancer in the United States would rise to more than $246 billion annually, driven by an aging population and rising costs of care. According to an article published in *JAMA Oncology* in February 2023 (JAMA Oncol. 2023; 9(4):465–472), it is estimated that the global economic cost of cancer from 2020 to 2050 will be approximately $25 trillion.

A fundamental driver of cancer mortality today is that most cancers that result in death are diagnosed too late, in advanced stages when they are most challenging to treat. If cancer is detected early, when it is localized, it is more amenable to curative treatment. According to 2006 to 2015 data from the Surveillance, Epidemiology, and End Results Program of the U.S. National Cancer Institute ("SEER"), across all cancers, the five-year cancer-specific survival rate is approximately 89% when localized, compared to 21% when the cancer is metastasized. Historically, a key challenge to early detection is that there has been no mechanism to detect most cancers while individuals are asymptomatic. Detecting cancers at earlier stages could potentially reduce cancer-related five-year mortality by at least 15-24%, according to a model published in the AACR's *Cancer Epidemiology, Biomarkers & Prevention Journal* in May 2020 (Cancer Epidemiol Biomarkers Prev. 2020; 29 (5): 895–902.

Treatment costs increase by stage across all cancers, and, according to an article published in the *Journal of the National Comprehensive Cancer Network* in April 2018, (J Natl Compr. Canc. Netw. 2018 Apr; 16(4):402–410), treating cancers that are in more advanced stages can be up to two to four times more costly than treating cancers at earlier stages. In addition, an analysis published in Data (Data. 2017; 2(30):2–16) estimated that diagnosing cancer early could result in $26 billion (approximately 17% of total treatment costs) in annual cancer treatment cost-savings in the United States.

Cancer Screening Today and Limitations of the Current Cancer Screening Paradigm

In the United States, we consider standard of care screening for cancer to consist of the grade A and B recommendations published by the USPSTF, which currently recommend broad population screening for only four types of cancer using single-cancer screening tests (breast, cervical, colorectal, and lung cancer), and prostate cancer screening, which is USPSTF grade C and is widely implemented in the United States. These screening tests have helped to reduce mortality for these specific types of cancer; however, there are a number of limitations to the current paradigm.

First, existing standard of care screening is limited to a minority of cancers. For the majority of cancer types, there are no recommended screening guidelines or no screening tests exist. Only 14% of cancers in the United States are diagnosed through screening, according to NORC at the University of Chicago. We estimate that more than 60% of cancer deaths result from cancers that have no recommended screening guidelines. For example, according to data in the American Cancer Society's *Cancer Facts & Figures 2024*, cancers for which there are grade A and B recommendations published by the USPSTF (breast, cervical, colorectal, and lung cancer) are expected to result in approximately 225,000 deaths out of approximately 612,000 cancer-related deaths in the United States in 2024, and prostate cancer is expected to resulted in approximately 35,000 additional deaths. Additional analyses that take into account compliance with screening rates have estimated that more than 80% of cancer deaths may be from unscreened cancers. Many patients are diagnosed when presenting with symptoms, by which time these cancers may be advanced and harder to treat. Additionally, we estimate that asymptomatic individuals undertaking a standard of care screening test are many times more likely to have a different type of cancer than the cancer type for which they are being screened. For example, we supported the publication of a letter, Multi-cancer early detection: A new paradigm for reducing cancer-specific and all-cause mortality, *Cancer Cell*, in April 2021, which included an analysis of cancer incidence and mortality rates available from SEER. This analysis examined the USPSTF's recommended screening for the general population—biennial mammography for women aged 50-74, cervical cancer screening for women aged 21-64, and colorectal cancer screening for persons aged 50-79—and quantified for each of these target populations the rates of incidence and death due to cancers other than the one being screened. This analysis found that asymptomatic individuals undertaking a standard of care screening test are between 2-24x more likely to have a different type of cancer than the cancer type for which they are being screened.

Second, the existing standard of care screening tests are each for a single cancer type and prioritize high sensitivity, resulting in higher false positive rates. Even if single-cancer screening tests were available for every cancer type, the administration of many single-cancer screening tests, either as independently administered tests or as a string of individual screens combined into a single test, would be clinically and economically untenable at population-scale. Screening individuals with multiple single-cancer screening tests adds incrementally to the total number of independent tests conducted and therefore to the cumulative false positive rate. For example, in the Prostate, Lung, Colorectal and Ovarian ("PLCO") Cancer Screening Trial, which was a large randomized controlled trial designed and sponsored by the U.S. National Cancer Institute, the cumulative risk of a false positive after 14 sequential single-cancer screening tests over a three-year period covering only four cancer types was 50% or greater. In addition, we developed a model using SEER data to analyze, among others, the false positive rate of a hypothetical screening system in which a patient is screened using single-cancer screening tests for the 11 most deadly types of cancer in the United States (excluding prostate) over a one-year period, with each of the 11 single-cancer screening tests having an assumed false positive rate of 11%. Based on this model, we estimate that the cumulative risk of a false positive after these 11 single-cancer screening tests would be approximately 80%.

Third, we believe single-cancer screening tests are also unlikely to be developed for detecting less common cancers, which we estimate account for a majority of all cancer deaths in the United States, based on data in the American Cancer Society's *Cancer Facts & Figures 2024* regarding estimated new cancer cases and cancer deaths. In many instances, we believe the incidence of such cancers is too low to undertake the required clinical studies. For example, the American Cancer Society's *Cancer Facts & Figures 2024* categorizes cancer cases by 46 sites in the human body, with cancers at more than half of these sites expected to result in less than 10,000 deaths in 2024. Additionally, achieving cost effectiveness for a test for a less common cancer type would be challenging. Developing single-cancer screening tests for individual cancer types with lower incidence presents significant logistical burdens and expense.

Opportunity for Multi-Cancer Early Detection

We believe a population-scale, MCED screening test will help address these limitations of the current cancer screening paradigm and can be a powerful tool to reduce the burden of cancer.

How to Measure Performance of a Population Screening Test

There are a number of measures of performance for cancer screening tests. These include:

- **Sensitivity**: The proportion of patients with cancer who receive a positive test result = A / (A+C) *100
- **Specificity**: The proportion of patients without cancer who receive a negative test result also equal to 1- **False Positive Rate** or D / (B+D) * 100
- **PPV**: The proportion of patients with a positive test result who actually have cancer = A / (A+B) * 100
- **NPV**: The proportion of patients with a negative test result who do not have cancer = D / (C+D) * 100
- **Yield**: The proportion of cancers detected by screening = A / (A+B+C+D)

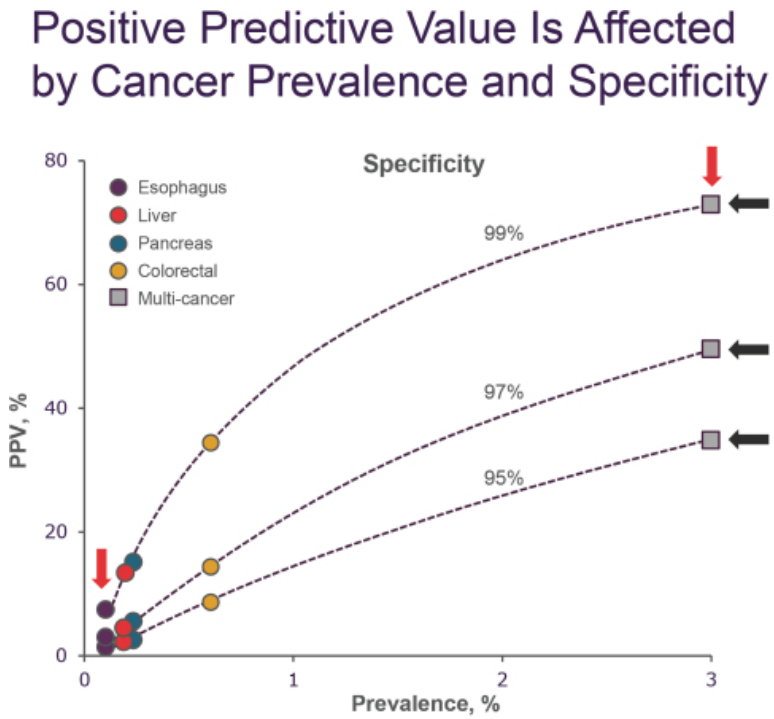
		Test Result: Positive	Test Result: Negative
True Condition	Cancer	True Positive (A)	False Negative (C)
True Condition	Non-cancer	False Positive (B)	True Negative (D)

While sensitivity has become an established measure in evaluating the performance of single-cancer screening tests, we do not believe that sensitivity is the best measure to evaluate MCED tests for two primary reasons. First, sensitivity in blood-based cancer screening tests is largely dependent on the amount of cfDNA in the blood. The levels of cfDNA are driven by the cancer types (certain cancers shed more circulating tumor DNA (ctDNA) than others) and stage (earlier stage cancers shed less ctDNA than later stage) in the population being tested. This variability can make it challenging to measure and interpret the overall performance of a test that identifies a shared cancer signal, and is not searching for any particular cancer, and is deployed across broad populations. Second, tests that are optimized for sensitivity often sacrifice specificity, which results in a higher rate of false positive results. While this tradeoff is generally accepted for single-cancer screening tests, it is critical to retain high specificity for a multi-cancer screening test due to the substantial resulting impact that false positive results could have across the population if a significant number of individuals are screened. This is particularly relevant when screening the general population for a low-incidence disease, like cancer.

Rather than sensitivity, we believe that the two most appropriate metrics for evaluating the effectiveness of an MCED test screening at population-scale are PPV, which incorporates both sensitivity and specificity, and

yield. An MCED that has high PPV and high yield would result in identifying more cancers earlier. PPV represents the probability that a positive test result is a true positive and directly answers the patient-centric clinical question, "if my patient has a positive test result, what is the likelihood they truly have cancer?" We believe a high PPV can give clinicians confidence in a positive test result and a sense of urgency to initiate confirmatory diagnostic workups. The ability to detect as many cancer types as possible drives a high yield, enabling detection of as many cancer cases in a population as possible. We believe that a high yield maximizes the population-scale impact of an MCED test in detecting cancer early. We believe dramatically increasing the yield of a cancer screening program will be necessary to address the global burden of cancer and provide the potential to significantly improve cancer care.

For a condition like cancer that has a low prevalence in the population, PPV is significantly impacted by prevalence and specificity, such that PPV increases with the prevalence of cancer in the population and with the specificity. This is because in diseases, like cancer, with low prevalence, the population without cancer will be much larger and therefore small changes in specificity will result in relatively large changes in the number of false positives. The relationship between specificity, prevalence, and PPV is illustrated by the figure below. For example, to illustrate how prevalence impacts PPV, note the "esophagus" single-cancer screening test data, depicted by purple circles in the figure, which has a significantly lower PPV than the "multi-cancer" screening data, depicted by the gray squares in the figure. For convenience, these data points are highlighted with two red vertical arrows. The higher PPV of the multi-cancer screening test is due to the aggregate prevalence of multiple cancers using a single test. To illustrate how specificity impacts PPV, note the three gray squares indicating "multi-cancer" screening data, which are indicated by three black horizontal arrows. The increase in specificity from 95% to 99% results in a significant increase in PPV due to the reduction in false positives.



We believe another critical metric for measuring the performance of a multi-cancer early detection test is the yield. Single-cancer screening tests are, by definition, limited in their maximum yield, as they are focused on only one cancer type. By contrast, multi-cancer screening tests increase the yield by detecting multiple cancer types simultaneously in a population. There is an inverse relationship between aggregate sensitivity and yield; for example, low signal cancer types will drive down aggregate sensitivity but will increase the yield.

Requirements of a Population-Scale MCED Screening Test

We believe the following features are essential for an MCED test to be accepted as a broad-based screening test in asymptomatic populations:

- *Ability to identify a broad range of cancer types*: An MCED test should identify many cancer types to maximize the absolute number of clinically significant cancer cases detected in a population and yield.
- *High PPV and low false positive rate*: An MCED test should have a high PPV and low false positive rate to help maximize physician confidence in a positive test result, drive a sense of urgency to perform confirmatory diagnostic workups, and minimize the number of unnecessary workups in a population.
- *Ability to predict with high accuracy the cancer signal origin and direct diagnostic workup*: An MCED test should predict the cancer signal origin with high accuracy to facilitate efficient diagnostic workups.
- *Backed by robust analytical and clinical performance*: An MCED test should be rigorously validated to account for non-cancer biological signals and the underlying heterogeneity of populations without cancer. We believe clinical validation should be performed using a locked assay and classifier and should be analyzed in case-control and intended-use populations.
- *Ability to limit overdiagnosis of indolent cancers*: An MCED test should preferentially detect the cancers most likely to result in death, which are aggressive and clinically significant cancers warranting treatment, and should not result in overdiagnosis of more indolent cancers.
- *Application to a diverse population*: An MCED test should be built on a comprehensive evidence program that supports implementation in the broad elevated risk population (such as those over the age of 50). To support this, clinical studies should evaluate effectiveness in diverse and high-risk populations, including populations that are diverse in behaviors (such as smoking), non-cancer diseases, environmental exposures, age, gender, race, ethnicity, socio-economic status, and other confounding indications and differences.
- *Complementary to standard of care screenings*: An MCED test should serve as a complement to, not a replacement for, current standard of care screening tests so as not to discourage adherence to existing USPSTF guidelines.
- *Simple to implement and access*: An MCED test should be easy to implement in clinical practice and reduce or avoid common barriers to screening such as requirements for access to specialized equipment.

Our Products: Galleri and Beyond

Our Multi-Cancer Early Detection Test: Galleri

Our commercially available multi-cancer early detection screening test, Galleri, is transforming cancer care and has the potential to unlock substantial improvements in cancer detection and mortality.

A fundamental driver of cancer mortality today is that most cancers that result in death are diagnosed too late, in advanced stages when they are most challenging to treat. If cancer is detected early, when it is localized, it is more amenable to curative treatment. Galleri is designed to complement the USPSTF's recommended screenings, be easy to implement in practice, and improve overall population cancer detection. From a simple

blood draw, Galleri can detect a cancer signal shared by over 50 types of cancer, over 45 of which do not have recommended screening guidelines. We believe Galleri enables the early detection of cancer in asymptomatic individuals by screening for multiple types of cancer, and in clinical studies Galleri has demonstrated an ability to predict the location of the suspected cancer with high accuracy (88%), and high PPVs and low false positive rates. For additional information, see "Business—Our Clinical Studies." Galleri screening test results can help guide next steps for a diagnosis of cancer by healthcare providers in required follow-up diagnostic testing. Galleri is not a diagnostic test and has not been approved or cleared by the FDA. We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships. In this real-world setting, Galleri has detected deadly cancers in early stages. Our test has been deployed across healthcare systems, employers, payors, and life insurance providers, and for additional at-risk groups such as first responders, including firefighters, and continues to unlock the promise of early cancer detection.

We developed Galleri with the following critical features necessary to address the requirements of a population-scale MCED screening test:

Ability to identify a broad range of cancer types

Galleri is able to detect a cancer signal shared in over 50 types of cancer, including the most deadly types of cancer that do not have recommended screens. We believe that Galleri can significantly increase the number of cancer types screened for in the population and has the potential to increase yield of cancers in the United States that are diagnosed through screening from 14% to 49%.

High PPV and low false positive rate

In clinical studies, Galleri has demonstrated a high PPV of approximately 43% and a low false positive rate of less than 1%. A high PPV, which is enabled in part by a low false positive rate, is important in clinical practice because it represents the probability that a positive test result is a true positive and can give clinicians high confidence and a sense of urgency to initiate confirmatory diagnostic workups. A low false positive rate can help to limit unnecessary workups on patients who do not have cancer. The image below sets forth certain key performance information from our PATHFINDER study.

Galleri Performance

Test performance metric	Galleri results[1] (Results not returned to participants or providers)
Positive predictive value (PPV)	43.1%
False positive rate[2]	0.5%
Yield	0.5%
Cancer signal origin accuracy[3]	88.0%

[1] Results based on MCED test that became Galleri. Results were returned to participants by an earlier version of Galleri.
[2] Based on cancer status assessment at the end of the study ("EOS"). Cancer status assessments were conducted on all patients that received a cancer signal detected (positive) test result. Assessments were conducted through electronic health record review and patient follow-up.
[3] Proportion of first or second origins correctly predicted among true positive participants.

While Galleri is designed to complement the current standard of care screening tests, Galleri's high PPV of approximately 43% is significantly higher than the PPV of all of the standard of care single-cancer screening tests. Galleri's low false positive rate of less than 1% is also significantly lower than the false positive rate of all of the standard of care single-cancer screening tests. The table below presents the PPVs and number of false positives associated with the current standard of care screening tests:

Galleri and standard of care performance

Cancer	Testing Method	Positive Predictive Value	False Positive Rate
Multi	**Galleri*** (Blood Test)	**43.1%**	**0.5%**
Breast[1]	Mammography	4.4%	11.1%
Cervical[2]	Cytology / HPV test	19.0%	7.4%
Colorectal[3]	Colonoscopy**	**	**
	Stool-based screening (FIT)	1.2%	13.0%
	Cologuard (sDNA-FIT)***	3.7%	13.4%
Lung[4]	A low-dose CT scan	3.8%	12.8%
Prostate^[5]	Blood Test	30%	10.4%

* Results based on MCED test that became Galleri.
** Colonoscopy is considered both a screening and diagnostic test, in part because it detects both precancerous and cancerous lesions. As a result, it is not comparable across PPV and false positive rates.
*** United States Food and Drug Administration Premarket Approval P130017. FDA Summary of Safety and Effectiveness Data.
^ Prostate screening is an USPSTF grade C
1. Source for PPV and False Positive Rate: Radiology. 2017; 283(1): 49-58.
2. Source for (i) PPV: Int. J. Cancer. 2019; 144, 2587-2595 and (ii) False Positive Rate: JAMA. 2018; 320(7):687-705.
3. Source for PPV and False Positive Rate: Abdom Radiol (NY). 2016; 41(8): 1441–1444.
4. Source for (i) PPV: N Engl J Med. 2013; 368(21): 1980-1991 and (ii) False Positive Rate: Ann Intern Med. 2015; 162(7): 485-491
5. Source for (i) PPV: CA Cancer J Clin. 2010; 60(2): 70-98 and (ii) False Positive Rate: Ann Fam Med. 2009; 7(3): 212-222

Ability to predict with high accuracy the cancer signal origin and direct diagnostic workup

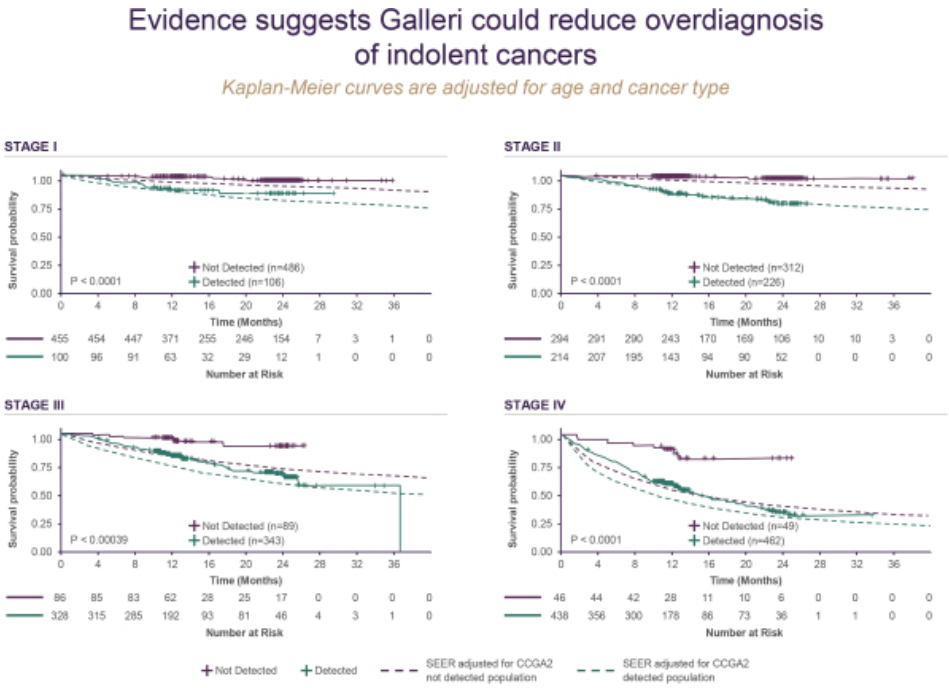
In our PATHFINDER study, Galleri demonstrated a high (88%) cancer signal origin prediction accuracy for identifying the location of cancer, which supports physician approaches to diagnostic resolution through well-established workup pathways. Cancer signal origin prediction accuracy represents the extent to which first and second origins identified were correct among true positive tests. In our PATHFINDER study, the first workup based on cancer signal origin facilitated a diagnostic resolution in 25 of the 32 participants who had diagnostic resolution (approximately 80%). Importantly, this group of 32 participants consisted of only those who received a cancer signal detected result from both Galleri and an earlier version of our MCED test also being studied in our PATHFINDER study. We also found that Galleri's cancer signal origin prediction generally facilitated diagnosis in less than three months (median of 79 days) among participants who had a cancer signal detected. Further, Galleri's cancer signal origin prediction capability enables physicians to limit the use of full body imaging following cancer signal detected results, which can be expensive, not readily accessible to broad patient populations, exposes patients to radiation, and can lead to false alarms and unnecessary ancillary workups.

Backed by robust analytical and clinical performance

Galleri screening test performance is validated by extensive clinical studies. We have established a broad population-scale clinical evidence program, including the more than 21,000 participants included in the studies that supported the development and launch of Galleri. We believe we established clinical validation using a locked assay and classifier in case-control and intended-use populations. A locked assay means that the assay and classifier are fully specified, with no further adjustments. A locked assay and classifier produce the same result, within process control limits, when the same input is applied. A case-control study is a type of observational study that interrogates factors associated with diseases or outcomes. These studies include a group of "cases" (*e.g.*, participants with cancer) and a group of "controls" (*e.g.*, participants without cancer). A case-control study can, for example, be used to establish performance characteristics and for clinical validation. Our CCGA study is an example of a case-control study, in that it enrolled participants with a cancer diagnosis (cases) and participants without a cancer diagnosis (controls). Importantly, we were able to translate performance from our foundational case control CCGA study to our interventional PATHFINDER study. We have shared evidence supporting Galleri's performance at renowned medical conferences and published results from our studies in leading scientific and medical journals.

Ability to limit overdiagnosis of indolent cancers

Data across our clinical studies suggests that although Galleri detects cancer signals for some of the most aggressive cancers, detection of cancer signals for indolent cancer types, which people are less likely to die from, is low. Based on the Kaplan-Meier curves in the figure below, which show survival over time, detected cancers have a similar prognosis to that expected based on our analysis of SEER data, whereas cancers not detected by Galleri had a more favorable prognosis than would be expected. At any given stage, survival was worse for cancers detected by Galleri, as shown in the figure below. More specifically, the blue curves, which represent detected cancers, are steeper than the purple curves, which represent undetected cancers, meaning that cancers detected by Galleri have a worse prognosis than those cancers that were not detected. These findings were consistent across stages of cancer. Because this effect could be influenced by the types of cancer being evaluated, we adjusted for the age and cancer type distribution reported in the SEER data, and showed that this result is consistent if our detection rate were applied to the cancer and age distribution present in the SEER data (represented by the dashed lines in the figure below). This suggests that indolent cancers are unlikely to be detected by Galleri, and Galleri would be unlikely to contribute to the problem of overdiagnosis, and the associated harms related to treatment of over-diagnosed cancers.



The p-values shown in the figure above indicate the likelihood that this result might be due to chance. The smaller the p-value, the less likely these results are due to chance (for example, a p-value = 0.001 means that there is a 0.1% probability that the result is purely due to chance). The small p-value reflects both the magnitude of the difference as well as the large sample size. We believe these findings are biologically consistent with evidence suggesting that indolent, less aggressive cancers are less likely to shed DNA into the blood.

Application to a diverse population

Galleri has been validated in population-scale clinical studies to help detect cancer across broad populations that are diverse in behaviors (such as smoking), non-cancer diseases, environmental exposures, age, gender, race, ethnicity, socio-economic status, and other confounding indications and differences. For example, in published data from our CCGA study, we found no differences in performance across racial subgroups. Understanding the signals associated with population diversity is important to our ability to account for biological noise and develop high-specificity tests for a broad testing population. The inclusion of confounding conditions in our studies, such as aging and inflammatory conditions, enables us to discriminate true cancer signals from biological noise.

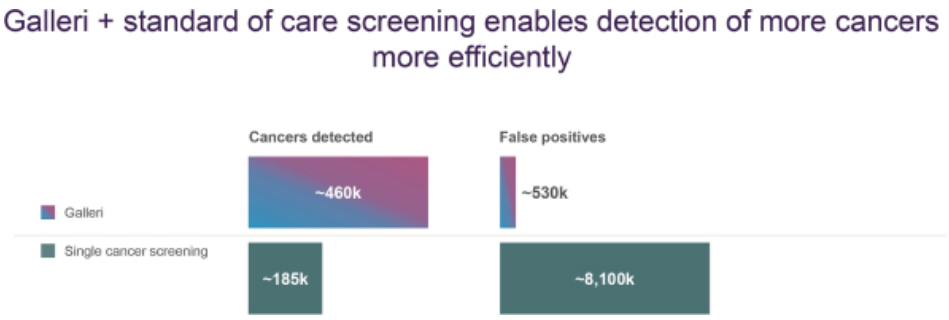
We continue to study Galleri in population-scale studies that evaluate the effectiveness of the test in diverse and high-risk populations. For example, we have worked with clinics, fire departments, municipalities, and unions to test thousands of firefighters, who generally have exposure-related increased risk of cancer. We established a research collaboration with the U.S. Department of Veterans Affairs ("VA"), the largest healthcare system in the United States, and the Veterans Health Foundation to provide Galleri to 10,000 veterans, many of whom are at high risk for cancer, across multiple participating VA sites over a three-year clinical study period. In addition, in our SUMMIT study, we are evaluating Galleri in a population of individuals at high risk for lung and other smoking-related cancers.

Complementary to standard of care screenings

In the United States, the five standard of care single-cancer screening tests (breast, cervical, colorectal, lung cancer, and prostate) have helped to reduce mortality for these specific types of cancer. Galleri expands upon the current standard of care guidelines to screen individuals with a single test for many types of cancer, most of which have no recommended screenings. We envision a world where Galleri is broadly accessible and used routinely alongside current standard of care screenings, potentially annually, to drive significant improvements in patient care and reduce cancer mortality and the cost of cancer care.

To estimate the potential impact of early cancer detection and mortality reduction, we developed and published a cancer epidemiology forecast model. In 2021, we published modeling data in *Cancer Epidemiology, Biomarkers & Prevention* (Cancer Epidemiol Biomarkers Prev. 2021; 30:460–8) that estimated the potential impact of MCED testing on mortality reduction based on test performance in our CCGA-2 study and using 2006 to 2015 SEER data for ages 50-79. Based on this model, we estimate that by adding Galleri to the five standard of care single-cancer screening tests (breast, cervical, colorectal, lung cancer, and prostate), there is potential to detect many more cancers at an earlier stage, which could translate into the potential to avert approximately 100,000 deaths per year in the United States as measured by five-year survival, or 39% of the five-year deaths expected if not for early detection by Galleri. We believe this model provides helpful context regarding the potential benefits of screening for multiple cancers at once with a singular screening test, like Galleri, in addition to the five standard of care single-cancer screening tests; however, there can be no assurance when or even if Galleri will be added to the USPSTF guidelines or standard of care screening.

In addition, we estimate that in a population of approximately 107 million individuals between the ages of 50-79 in the United States, adding Galleri to the five standard of care single-cancer screening tests could result in the detection of an additional 460,000 cancer cases. Our model shows that the use of Galleri together with standard of care screenings could lead to the detection of three times as many cancer cases overall as compared to standard of care screenings alone, with only 6.5% more incremental false positives. We estimate that identification of many more cancer cases with a limited number of additional false positives would reduce the cost to diagnose one cancer by approximately 65%.



Simple to implement and access

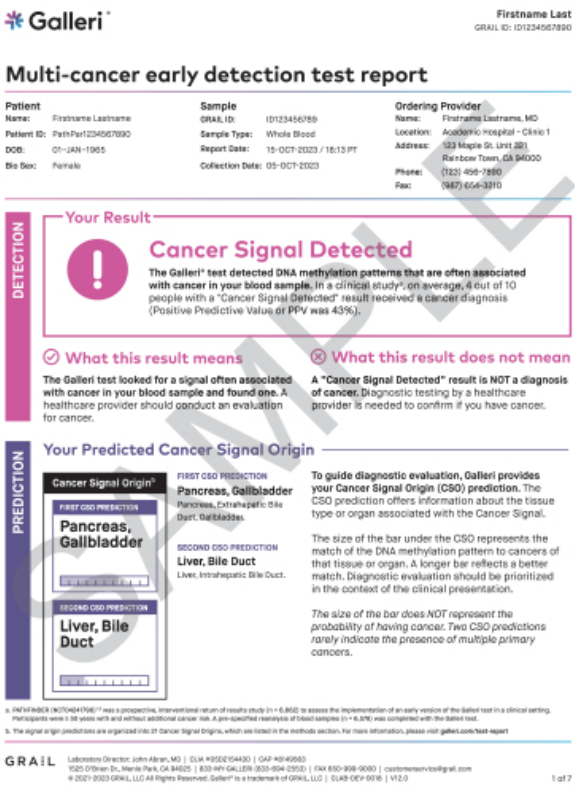
Galleri is administered via a simple blood draw that enhances patient access and is easy for healthcare providers to implement. We believe ease of a blood draw can increase compliance by reducing some of the barriers that have limited the adoption of certain individual cancer screening tests, including the time to obtain the screening test as well as access to specialists and specialized equipment. The test is available through a wide range of in-person and telemedicine care settings in the United States. Galleri is conveniently accessible to patients who can complete the blood draw at physician offices, reference labs, and mobile phlebotomy labs, among other locations. In addition, Galleri can be easily integrated into routine practice, where healthcare providers can order Galleri as part of an annual examination.

Support Services for Physicians that Drive a Positive Patient Experience

We have developed a suite of support services to optimize the test experience for healthcare providers and patients. We believe it is important that cancer signal detected patients and their healthcare providers are supported as they navigate follow-ups such as scheduling a confirmatory diagnostic procedure. For all cancer signal detected results, our medical science liaisons connect with the ordering provider via email or phone to offer support in clinical decision making. Clinical care documents are shared with the healthcare provider that describe published clinical guidelines to help guide next steps in the diagnostic work-up. Healthcare providers can additionally elect to access a Galleri experience council—a cohort of physicians (including experts from National Cancer Institute designated cancer centers) with experience with Galleri who can provide peer-to-peer consultations. We also operate an early cancer detection board, analogous to a tumor board, that includes third-party experts across specialties to discuss any challenging cases for which advice is sought. We offer patients a post-cancer signal detected result support center that provides materials they can bring to a referral to ensure the receiving physician understands the cancer signal detected test result to facilitate urgent care for such patients.

In addition, our software systems support a positive experience for physicians and their patients. Our physician portal is designed to allow physicians to order our test and obtain patient consent electronically, which is efficient and helps minimize errors and incomplete user information. We designed our software systems to integrate with third-party electronic medical record systems to streamline test ordering and results delivery. Importantly, for every test we process, we provide a clinically actionable test report, as depicted in the graphic below, that is delivered through our secure web portal to the ordering healthcare providers to show whether or not a cancer signal is detected, and if so, to predict where in the body the cancer signal is located.

The image below depicts an illustrative cancer signal detected test report.



Investment to Enhance Versions of Tests

We seek to continually enhance the performance and features of Galleri. Commercial use and ongoing research programs provide valuable data that we believe can enhance test performance. Real-world evidence is already informing product improvements today. We will leverage even larger datasets to further develop our advanced machine learning algorithms. By further refining and selecting subsets of highly informative regions for cancer signal origin detection to reduce panel size, we could achieve deeper sequencing coverage and lower sequencing costs. We also aim to further improve the sensitivity of our tests by obtaining deeper sequencing coverage and a better understanding of noise and leveraging even larger datasets to further develop our advanced machine learning algorithms. We also continue to research and develop technologies that have the potential to complement methylation through orthogonal biological information, including additional analytes and biofluids such as proteins and urine. New products, including enhanced versions of current products, will require the completion of certain clinical development and regulatory activities, such as non-inferiority studies using clinical study data and real world evidence data obtained through Galleri's current commercial use and bridging studies to measure and evaluate concordance, performance and safety of a subsequent, enhanced version of our product versus the relevant existing product. Any bridging study may use previously collected clinical study data and other samples, and will need to be agreed upon with regulatory authorities. If these efforts are unsuccessful or insufficient to facilitate the development and commercialization of enhanced versions of our existing products,

we would be required to revert to the prior version and forego, or be delayed in, implementing any perceived or potential enhancements. We do not believe these efforts would impact our ability to continue to rely on previously-collected data generated from earlier versions of products or to continue to commercialize the current version of Galleri. See "Risk Factors— Risks Relating to Our Business and Industry—Our products or future products may not perform as expected, and the results of our clinical studies may not support the launch or use of our products or future products and may not comply with the requirements, or be replicated in later studies or in the post-market or real-world setting, required to support a commercial opportunity or for any necessary or desirable regulatory clearances, approvals, or certifications, or reimbursement or coverage. This could materially and adversely affect our business, financial condition, results of operations, and growth prospects" and "—We may be unable to develop and commercialize new products, including enhanced versions of current products, and enhanced versions may require non-inferiority studies and bridging studies with review and agreement from regulatory bodies prior to launch."

Precision Oncology Portfolio

The precision oncology market is expected to grow significantly in the coming years, and multiple research studies have indicated that liquid biopsies and ctDNA detection will play a major part in this growth. Our precision oncology portfolio currently consists of an RUO-targeted methylation-based platform with customizable classifiers that enables applications for disease prognostication, risk stratification, minimal residual disease ("MRD") detection and recurrence and relapse monitoring across many cancer types. To date, we have run more than 6,000 samples in our development services programs across multiple partners.

We initiated early collaborations with select, leading biopharmaceutical companies beginning in 2020, and the launch of our RUO offering in early 2023 has unlocked additional partnerships with several leading oncology companies. These partnerships leverage our RUO offering to test applications of biomarkers with the goal of optimizing the use of therapeutic interventions. Partnerships may also include development of customized applications to support clinical studies and companion diagnostic development and commercialization. Our first companion diagnostic partnership was announced in 2022 with AstraZeneca. We have published or presented early performance data on MCED testing at multiple academic conferences, including ASCO, AACR and ESMO, across different use cases and indications. These data demonstrate the versatility of the platform across multiple applications and areas of clinical unmet need.

Our RUO offering uses our proprietary targeted methylation platform to analyze cfDNA isolated from peripheral blood for cancer signal interrogation. Our RUO technology estimates tumor burden based on tumor methylation fraction, enabling longitudinal monitoring and surveillance solutions. Data from our studies have demonstrated analytically validated performance, and robust analytical sensitivity, specificity, and precision. For example, in a recent analytical validation study, cfDNA was analyzed from donors with and without cancer. Analytical sensitivity was assessed in 12 different solid tumor types. Results demonstrated strong median limit of detection ("LoD") of 0.023% based on measures of the abnormally methylated ctDNA fraction. Analytical specificity was 98.5% and overall precision across all replicates was 94.6%. The low input requirements support retrospective research studies. Retrospective studies are generally performed using banked samples stored in a freezer. Banked samples may be subject to reduced cfDNA levels (due to reduced plasma volume, sample degradation, or collection in tubes not optimized for cfDNA stability). As a result, a low limit of detection is important to facilitate performance of retrospective research studies.

In addition to our biopharmaceutical business, we believe that our targeted methylation platform could enable clinical products to support patient care across the cancer care continuum. For example, many tests available today for solid tumors require tissue samples and development of patient-specific assays, which contributes to longer turnaround times and potential delays in treatment decisions. Our multi-cancer, non-invasive targeted methylation platform enables cancer detection, classification and monitoring with limited plasma input and no tumor tissue. Test results can be returned rapidly with a 7-10 day clinical turnaround time. The blood-only liquid biopsy approach eliminates challenges with obtaining tissue samples and avoids bias due to tumor heterogeneity and disease evolution. The targeted methylation approach is also able to enhance accuracy

as compared to mutation-based approaches which are known to be confounded by normal biological processes, such as those associated with aging. In the clinical monitoring application, the difficulty of obtaining serial tissue samples, particularly in cancer types such as lung and liver, means a blood-based approach is likely to be much more attractive to clinicians and biopharmaceutical partners.

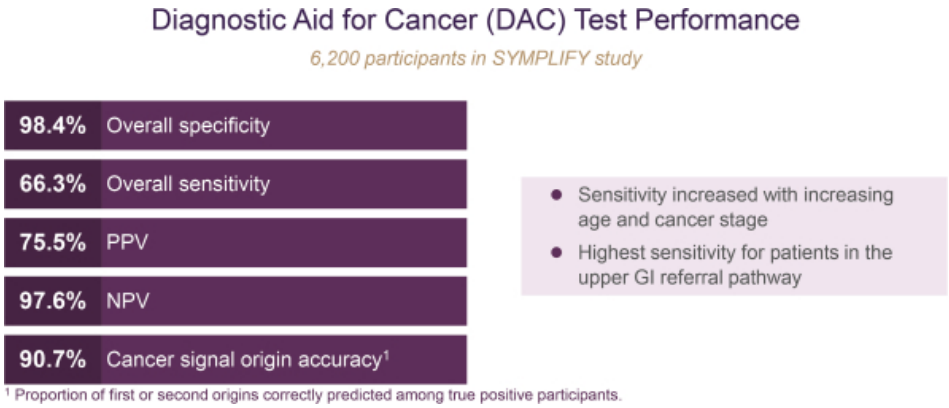
Further, we have validated performance of our technology in an MRD setting, with sensitivity on par with tumor-informed methods. For example, as presented at the American Association of Cancer Research meeting in 2023, GRAIL's analytical sensitivity is reported as the tumor methylation fraction at which the assay detects 95% of samples ("median LoD95"). Our median LoD95 across participants in 12 different cancer types (breast, colorectal, esophagus, head and neck, kidney, liver/bile duct, lung, ovary, pancreas/gallbladder, sarcoma, stomach, uterus) was 0.023%, which means that above 0.023% tumor methylation fraction the assay detected 95% of samples. As a reference, Natera's tumor-informed Signatera RUO assay for use in several solid tumor cancers, an MRD test, reported similar analytical validation with greater than 65% sensitivity above 0.03% tumor fraction, meaning that above 0.03% tumor fraction (as measured using single nucleotide variants in an analogous approach to calculating the amount of tumor content in circulation) the assay detected 65% of samples. Above 0.1% the assay reported a 100% sensitivity. Accordingly, we believe our median LoD95 of 0.023% is on par with these results. MRD testing is used in pharmaceutical studies and clinical practice to detect the presence or absence of residual disease and inform treatment decisions, including identifying patients who may be eligible for adjuvant therapy.

Our Diagnostic Aid for Cancer Test

To accelerate diagnostic resolution for patients with non-specific signs and symptoms, but with a clinical suspicion of cancer, we are developing our DAC test using the same proprietary platform used to develop Galleri. Through a simple blood draw, DAC is designed to provide physicians with a powerful decision-making tool to aid diagnosis, achieve resolution more quickly, and avoid unnecessary workups. Data from our SYMPLIFY study published in *The Lancet Oncology* showed that, in a symptomatic patient population, our methylation platform was able to detect many cancer types and identify where the cancer signal origin was located in the body.

Symptomatic detection of cancer is a significant unmet need; we estimate that approximately 16 million patients in the United States present with non-specific signs and symptoms each year. These patients are subject to potentially invasive and time-consuming diagnostic workups. Further, over 70% of patients with non-specific, but concerning symptoms, undergo imaging, scoping, biopsies and other procedures, and over 25% of patients take more than four months to reach a diagnosis once they have already been referred for investigation. There is currently no option for multi-cancer detection for these patients, meaning they will need to potentially undergo multiple single cancer workups. Only around 4% of these patients are ultimately diagnosed with cancer. As demonstrated through SYMPLIFY and other published studies, primary care physicians frequently have difficulty determining which investigations and specialists a patient should be referred to having presented with a non-specific symptom such as unexplained weight loss. This can sometimes result in a prolonged diagnostic odyssey for the patient, with multiple investigations over many months.

Based on our findings in the SYMPLIFY study that included more than 6,200 participants and was published in *The Lancet Oncology*, DAC demonstrated an overall PPV of approximately 76% with an overall NPV of approximately 98%. NPV is an important measurement in a symptomatic population because we believe it provides a physician with more certainty that a negative test indicates a patient does not have cancer that will go untreated. In addition, the overall cancer signal origin prediction accuracy was approximately 90% (first origin indicated had a cancer signal origin prediction accuracy of approximately 85%). Test performance was the strongest in patients referred for investigation of a possible upper gastrointestinal cancer, which has historically been more difficult to diagnose, with a PPV of approximately 66% and an NPV of approximately 99%. The high overall PPV, NPV, and cancer signal origin prediction accuracy results demonstrated in the SYMPLIFY study provide further evidence that our methylation-based platform can help clinicians in difficult non-specific symptomatic situations determine the likelihood that an individual might have cancer, and if a cancer signal is reported, where to direct patients based on the predicted cancer signal origin. The image below summarizes information from our SYMPLIFY study.



Our DAC test has the potential to be reimbursed as a medical benefit, which is an existing, established coverage pathway in the United States. Product development efforts are ongoing, and we currently consider the launch of our DAC test as a medium- to longer-term objective over approximately the next three to five years, subject to a number of factors, including determining the requirements for reimbursement in the United States. Efforts we have made to develop DAC include measuring DAC performance in our SYMPLIFY study, taking efforts to secure reimbursement, and evaluating commercial launch, including whether to launch prior to reimbursement. In deploying DAC in clinical practice, we expect to leverage our existing commercial salesforce and infrastructure.

Additional Products in Development

Our rigorous discovery efforts have already enabled us to build unique technologies and develop a powerful platform for early detection. Moving forward, we will continue to research and develop technologies that have the potential to complement and enhance our capabilities. We have conducted early research and development in areas such as immunology and biofluids such as urine. We also plan to leverage relationships, including with academic and industry partners, to help expedite bringing potential new applications of our technology to market.

Methylation Technology Platform

Origin Story

Although the presence of tumor DNA in the blood was discovered in 1948, it has largely been used as a non-invasive method to select targeted therapies for patients with late-stage cancer. More recently, evidence supported the idea that DNA in the blood could also detect cancer in earlier stages, which raised the possibility of

utilizing cfDNA for early cancer detection (i.e., when patients are asymptomatic). This idea originated in part at Illumina from incidental findings from a study involving a commercial cfDNA-based non-invasive prenatal test. This study leveraged whole-genome sequencing to interrogate copy-number variations to identify fetal chromosomal abnormalities from fetal cfDNA in maternal circulation. From an overall cohort of 125,426 pregnant women, 10 cases of maternal cancer were identified. In cancer cases that presented with advanced symptoms, the treating clinician noted that earlier detection of the malignancy would have had a positive effect on their care. This incidental detection of multiple cancer types via cancer-specific chromosomal changes suggested that a cfDNA-based MCED was possible and GRAIL was founded shortly thereafter.

Detecting Cancer Signals in the Blood

Blood contains circulating genomic material, including fragments of tumor DNA in an individual with cancer, which makes it well suited for detecting cancer signals. The genome is a set of DNA instructions found in a cell that contains information for how an organism and its cells function. Changes to one or more genes, often referred to as mutations, can disrupt a cell's normal functioning and cause disease. Genetic mutations can be indicative of cancer, and the reason why cancer is often called a disease of the genome. Although understanding an individual's genetic mutations can help diagnose and treat cancer (for example, by selecting a therapy known to target a specific mutation or set of mutations), mutations only provide part of the picture that drives the complex biology of cancer.

It is well recognized that a hallmark of cancer is abnormally methylated DNA. Methylation is a fundamental biological process active in all living cells that regulates gene expression (i.e., which sections of the DNA "turn on" or "turn off") and thus drives cellular function. A methylation site is a location on the genome where a methyl group, made up of one carbon atom and three hydrogen atoms, is attached to a cytosine base along the DNA strand. An abnormal methylation site is either hyper (normally not methylated but is then methylated) or hypo (normally methylated but is not then methylated). Hypermethylation can lead to silencing of tumor suppressor genes, transcription factors, and DNA repair mechanisms and therefore increase the likelihood of tumor formation. Hypomethylation can lead to genomic instability and chromosomal rearrangements. Modifications in methylation patterns can result in changes in protein levels, which can trigger changes in cellular function and lead to disease, including cancer. For example, hypermethylation of the genome's regulatory region that activates a tumor suppressor gene can turn off expression and lead to tumor growth. Additionally, because each cell type in the body has a unique methylation pattern, or "fingerprint," evaluation of methylation patterns can enable the determination of a cancer signal origin.

Nucleic acids, including tumor DNA and its methylation patterns, can shed from cells into the bloodstream. Short DNA fragments in the blood are known as cfDNA and come from nearly all cell types in the body, including normal cells, diseased cells, cancerous cells, microbes such as parasites, bacteria, and viruses, and, in pregnant women, the placenta. The cfDNA fragments shed into the blood can be sequenced, and their exact sequences and methylation patterns can be used to identify disease and to determine the location from which they originated. When a person has cancer, the DNA from cancerous cells circulate as part of the blood plasma. Cancerous tumor DNA in the blood is specifically referred to as circulating tumor DNA ("ctDNA").

The ability to sequence cfDNA from blood allows for a direct interrogation of methylation patterns that are shared by many types of cancer. To successfully develop cfDNA sequencing technology into an effective, highly-specific MCED test, we had to overcome a number of technical, biological, and clinical challenges. Due to the very small amount of ctDNA present in a blood sample, the sequencing assay must achieve a sufficiently LoD to capture signals that are derived from a tumor versus those from healthy cells in the body, and be able to distinguish this signal from noise in a population of asymptomatic individuals with other confounding conditions and circulating DNA from normal cells.

Our Proprietary Methylation Platform

We have developed a targeted methylation platform, comprising wet lab workflows and machine learning algorithms, to recognize a shared cancer signal by efficiently interrogating over one million methylation sites on DNA fragments found in blood. We leveraged our methylation platform to produce our first MCED test, Galleri.

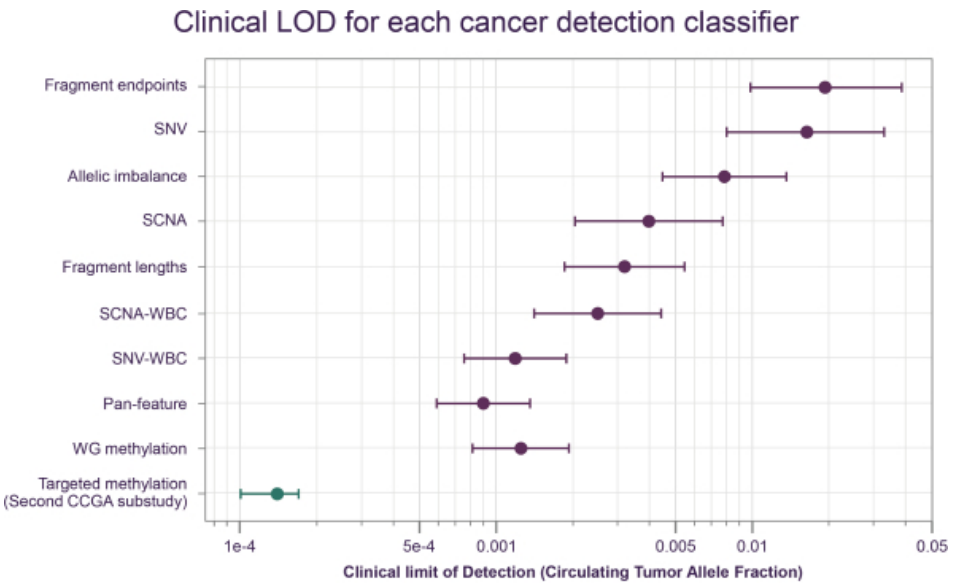
We invested heavily to develop our methylation platform and have built what we believe is an unprecedented longitudinal dataset of high-quality, linked clinical and genomic data. Our proprietary wet lab procedures enable a rich retention of DNA signal in our bisulfite sequencing process, and are designed to optimize the processing of data and improve the quality of our assays. Investments in scalable data management infrastructure enable collection, management, and integration of data from our population-scale clinical program. Sophisticated machine learning algorithms efficiently analyze these extremely large data sets and differentiate cancer signal from technical and biological noise. Our algorithms learn from the growing aggregate data set over time and derive biological insights that we believe will enable both product improvements and new product development over time.

Our Unbiased Discovery Approach

To identify the most effective way of detecting cancer signals in the blood, we took a comprehensive and unbiased discovery approach to evaluate multiple next-generation sequencing ("NGS") prototype assays. We designed our CCGA study to characterize the range of genomic signals in the blood of people with and without cancer. Our goal was to develop and evaluate computational models to distinguish cancer cfDNA from non-cancer cfDNA and to develop machine learning algorithms to identify and localize the cancer signal within the body. Notably, the non-cancer participants included individuals with varied age, sex, ethnicity, cancer risk factors such as smoking status, and body mass index and comorbid conditions, increasing the generalizability of this study. This study led to the development, refinement, and clinical validation of our targeted methylation platform.

We developed multiple prototype assays to identify and measure a wide variety of cancer genome signals that are found in cfDNA. Our prototype assays used targeted sequencing to measure single nucleotide variants ("SNV") and small variants to evaluate cancer-derived mutations (with and without white blood cell ("WBC") noise removal); whole-genome ("WG") sequencing to analyze somatic copy number alterations ("SCNA") and fragment features such as length and endpoint; and whole-genome bisulfite sequencing ("WGBS") to identify methylation patterns.

We demonstrated that a WGBS approach to characterizing methylation patterns performed as well or better than the other approaches we tested, either as standalone or in combination, and showed the most potential for further optimization. We found that the methylation signatures were shared across more than 50 cancer types. Additionally, the methylation assay performed better to determine the cancer signal origin. After comprehensive analysis of whole-genome methylation patterns in connection with our CCGA study, we discovered highly informative and low noise methylation sites for cancer signal detection and cancer signal origin detection. Highly informative sites are likely to have abnormal methylation patterns resulting from cancer, and low-noise sites are less likely to be subject to confounding signals from biological noise resulting from confounding conditions (such as aging, inflammatory conditions) and circulating DNA from non-cancerous cells. This discovery led to our development of a targeted methylation approach, which entails interrogating specific methylation sites within a genome to assess methylation patterns and serves as the basis for our Galleri test. Our targeted methylation approach can detect lower levels of cancer signal in blood compared to the other approaches examined, enabling early cancer detection in asymptomatic individuals more efficiently compared to whole-genome methylation. The graphic below shows that our targeted methylation assay had a LoD of approximately 150 parts per million ("PPM") which is significantly lower than other NGS approaches we assessed. LoD is the tumor fraction (or the estimated fraction of tumor genomes in a cfDNA sample) at which the probability of detecting the cancer is at least 50%.



Note: SNV: Single nucleotide variants; SCNA: Somatic copy number alterations, SCNA-WBC: Somatic copy number alterations with white blood cell noise removal; SNV-WBC Single nucleotide variants with white blood cell noise removal; WG methylation: Whole genome methylation

We believe the performance advantage of ctDNA methylation is largely due to its biological characteristics, which make it more robust at the low signal-to-noise ratios inherent in cfDNA. In contrast to typical cancer mutations that only affect a handful of genomic locations, there are nearly 30 million methylation sites across the human genome, making them a ubiquitous and rich signal for detecting cancer. When localizing cancer signal origin, methylation signals inherently reflect tissue differentiation and malignant cancer states which makes them significantly more informative than other approaches we tested. Data describing our CCGA discovery approach was published in 2022 in Cancer Cell (Cancer Cell 40, 1537–1549 December 12, 2022).

Methylation-based Platform is Highly-Differentiated – Technology Advantages and Validated Performance

We believe our targeted methylation approach is differentiated from other blood-based detection technologies. Whole-genome methylation from cfDNA used in our prototype MCED test performed strongly with respect to cancer signal detection and cancer signal origin prediction, without requiring additional sequencing to correct for the high background noise due to DNA from WBCs. Importantly, subsequent technology improvements led to our development of the targeted methylation approach that has superior performance and lower costs compared to whole-genome methylation. These performance improvements (specificity, sensitivity, and cancer signal origin prediction accuracy) were recently reported in large-scale clinical validations studies, CCGA and PATHFINDER, which supported the commercial launch of Galleri. We continue to learn from our clinical studies and apply these learnings to our methylation platform.

In our studies, methylation outperformed WGS and targeted sequencing in cancer detection and cancer signal origin for a number of reasons. First, methylation is more pervasive compared with the mutation sites typically interrogated in traditional liquid biopsy approaches. Our targeted methylation approach interrogates approximately one million informative sites of cytosine and guanine separated by a phosphate group ("CpG sites") out of the roughly 30 million CpG sites across the genome. We identified these 1 million CpG sites as the most informative regions for cancer signal detection and cancer signal origin prediction. This allows deeper sequencing of those informative regions compared with WGBS and may overcome expected cost and efficiency limitations of WGS or WGBS approaches. Second, although WGS detected cancer at high tumor fractions, it had a worse limit of detection than a methylation-based approach. Targeted sequencing for mutation detection was also subject to highly prevalent mutations present in individuals due to other biological processes and aging. As such, unlike methylation, targeted sequencing required concurrent WBC sequencing to achieve strong performance. Finally, epigenetic signals inherently reflect tissue differentiation and malignant cancer states; this likely contributes to the strong cancer detection and cancer signal origin classification. Importantly, we found there was little to no value in combining approaches to improve clinical LoD or sensitivity above WGBS.

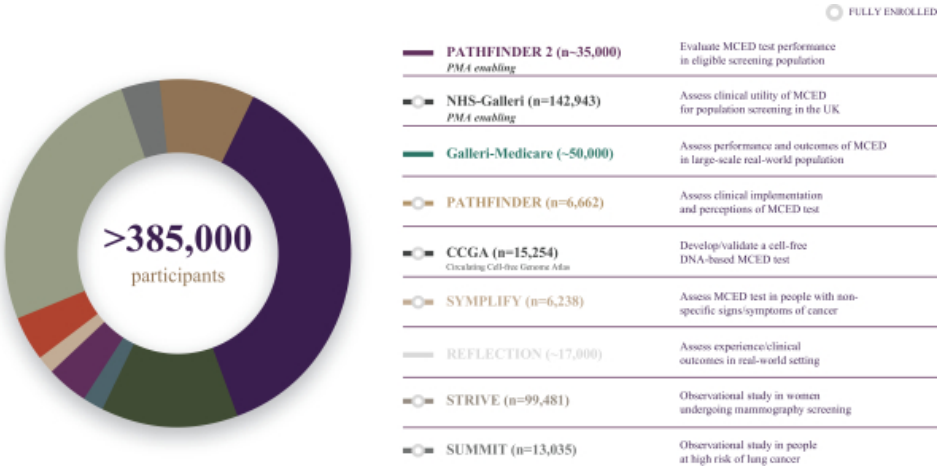
Our Clinical Studies

We have built what we believe is one of the largest clinical programs in genomic medicine, which has generated what we believe is an unprecedented longitudinal dataset of high-quality, linked clinical and genomic data. We are collecting population-scale clinical data from more than 385,000 participants in numerous clinical studies, with more than 21,000 of these participants included in the studies that supported the development and launch of Galleri, and over 170,000 individuals enrolled and an additional approximately 55,000 anticipated to be enrolled in interventional studies (NHS-Galleri and PATHFINDER 2, which support our PMA submission, and the first-of-its kind Galleri-Medicare real-world study). The PATHFINDER 2 study and NHS-Galleri Trial are designed to support a PMA submission, with select inclusion criteria (matching the intended use population for Galleri), use of an appropriate assay (developed and commercially available), and enrollment of a sufficient number of participants to facilitate the generation appropriate data and evidence. This design differs from our other studies, such as our CCGA study, which included participants outside of the intended use population for Galleri, and PATHFINDER study, which enrolled fewer participants and utilized an earlier version of Galleri for initial results. Additionally, we announced plans for a 100,000 individual real world study in the Medicare population, with a focus on racial and ethnic minorities and seniors aged 65 and above from under-served communities. The study seeks to compare up to 50,000 prospectively enrolled Medicare beneficiaries who have received usual care plus an annual Galleri test with a matched comparator arm of beneficiaries who receive usual care alone, for up to three annual testing cycles. The study will also include a 50,000-person synthetic control arm. GRAIL is responsible for designing and executing this study and is planning to work with leading health care systems across the country and other key partners over the next few years. Our studies have supported the development of our methylation platform, Galleri, and are facilitating the development of DAC. These foundational population-scale studies involve partnerships with numerous leading academic and cancer

institutions and large community networks, including, among others, the Cleveland Clinic, Dana-Farber Cancer Institute, Guardian Research Network, Kettering Health, Mayo Clinic, Sutter Health, and the US Oncology Network.

Our studies include the collection of blood and, as available and as directed by the protocol, tissue samples, demographic data, patient-reported outcomes data, and clinical data from participants. Clinical information, demographics, and medical data relevant to cancer status are collected from participants at time of enrollment and at regular intervals during a follow-up period. We integrate this information with the genomic data created from sequencing the samples and utilize these data to both train and validate our early cancer detection tests. Importantly, these are longitudinal studies and, in many cases, participant medical data will continue accruing for a number of years, facilitating analyses of longer-term outcomes, and further performance improvements of our products. Our studies are conducted by various medical and oncology centers around the country.

Our clinical studies are summarized in the table below:



We were the first to invest in and initiate multiple, large clinical validation studies for multi-cancer early detection. Results from PATHFINDER, our first completed return-of-results study, provided critical data to support launch of Galleri and understand how clinicians implement Galleri into care pathways in clinical practice. We have completed enrollment in five additional studies: NHS-Galleri, Circulating Cell-free Genome Atlas ("CCGA"), SUMMIT, STRIVE, and SYMPLIFY. We are actively enrolling two studies: PATHFINDER 2 and REFLECTION, and will begin enrollment in our Galleri-Medicare Study by the third quarter of 2024.

We have presented data and published results from our clinical studies in leading forums, including multiple major medical conferences, such as AACR, ASCO, and ESMO, and leading journals, such as *The Lancet*, *Nature*, *Nature Medicine*, *Cancer Cell*, and *The Lancet Oncology*. Data from our studies is expected to support regulatory filings as we pursue PMA approval.

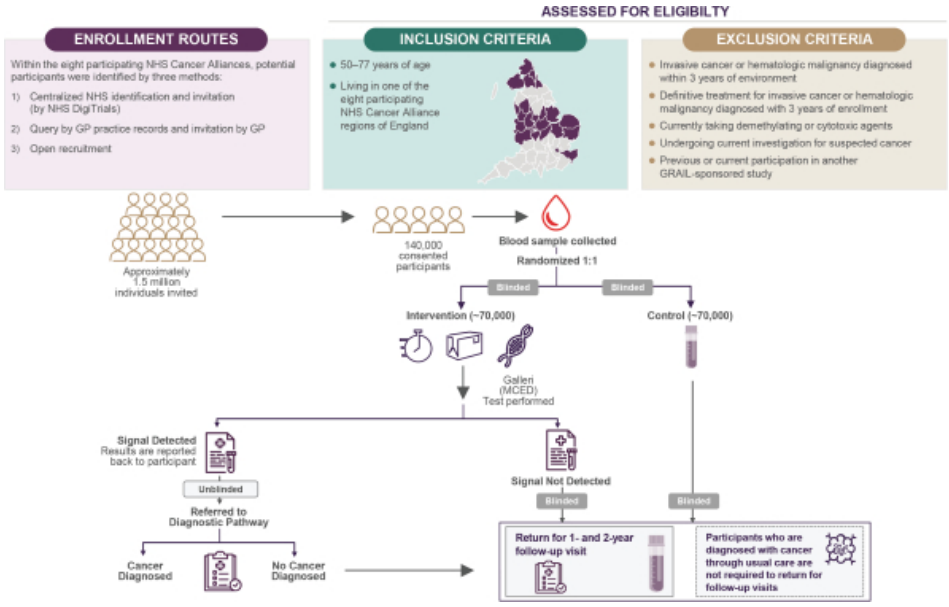
Importantly, our clinical program was designed to enable test development for a diverse population, and enrollment was managed to enable diversity across multiple characteristics including diversity in behaviors (such as smoking), non-cancer diseases, environmental exposures, age, gender, race, ethnicity, socio-economic status, and other confounding indications and differences. Understanding and cataloging this diversity has enabled us to develop tests with high-specificity, cancer signal detection across many cancer types, and accurate cancer signal origin prediction. Long-term follow-up in the studies we have launched in years past will continue to yield critical data that we believe can help define the standard of care in early cancer detection.

NHS-Galleri

In 2020, NHS England selected us to assist with the United Kingdom's ambitions for early cancer detection and to assess Galleri for potential population screening on a national scale. In 2021, we initiated the NHS-Galleri Trial, a fully enrolled prospective randomized controlled clinical utility trial of approximately 140,000 participants between the ages of 50 and 77 at the time of enrollment, to evaluate the implementation of Galleri alongside the existing NHS standard of care screenings. Funding for the trial is provided by us. Collaborators include Queen Mary University of London, Kings College London Cancer Prevention Trials Unit, and NHS England, and, based on reviews by the Independent Data Monitoring Committee, the benefit and risk analysis of the trial remains unchanged. These collaborations are subject to terms generally consistent with industry sponsored studies, provided that our arrangement with NHS includes the framework for our potential two year commercial implementation pilot. The NHS-Galleri Trial is being conducted pursuant to an FDA-approved investigational device exemption ("IDE") application. The primary objective of the trial is to assess whether implementation of Galleri can reduce the incidence of late-stage cancers through early cancer detection. Secondary objectives include collecting outcomes reported by participants with a cancer signal detected test over several timepoints. These outcomes include an assessment of participants' anxiety, satisfaction with Galleri, and attitudes regarding standard of care screening. The trial aimed to enroll a representative population sample to promote health equity and was fully enrolled in just over 10 months. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing one year of results out of the three-year trial period, and final results from the trial are expected to be available in 2026. We seek to use data from the NHS-Galleri Trial, together with data from our PATHFINDER 2 study, as well as supplemental data from other clinical studies, to support our planned PMA submission for Galleri in the United States.

The trial is designed for participants to provide three blood draws over a two-year period, with the first draw taken at enrollment. As a randomized controlled trial, half of the trial participants will receive the Galleri test, and half will have their blood sample stored for future analysis. Any participant in the interventional arm with a cancer signal detected result will be sent for further diagnostic workup with the NHS. All other participants and their physicians remain blinded as to which arm of the study they are in. The second round of blood draws was completed in July 2023, with over 91% retention of participants from the first round. The final round of blood draws commenced in September 2023 and is expected to conclude in July 2024.

The design of our NHS-Galleri Trial is summarized in the figure below:

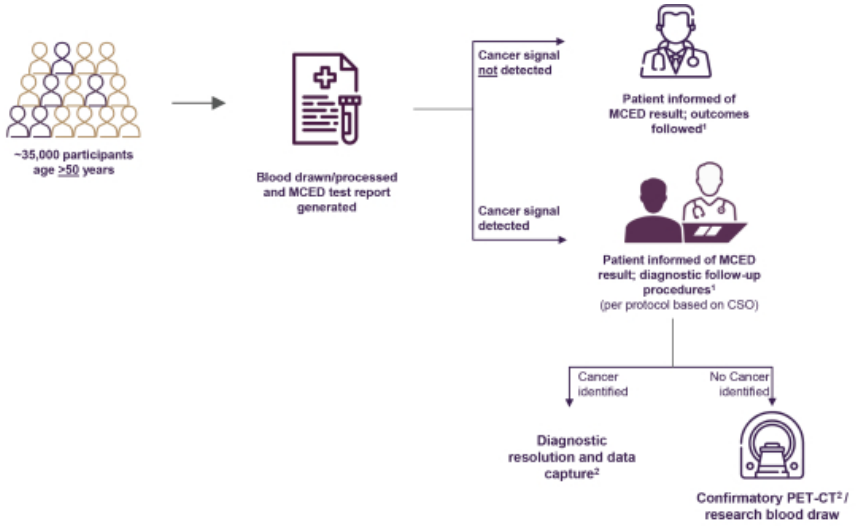


PATHFINDER 2

PATHFINDER 2 is a prospective, multi-center, interventional study evaluating the safety and performance of Galleri in a population of individuals aged 50 years and older who are eligible for guideline-recommended cancer screening in the United States. We began enrolling PATHFINDER 2 in December 2021, and the study is expected to enroll approximately 35,000 participants at up to 40 clinical institutions in North America. As of March 31, 2024, we had enrolled over 30,000 participants in the study. Funding for PATHFINDER 2 is provided by us. Collaborators include, among others, the Cleveland Clinic, Duke Health, Henry Ford Health System, Mayo Clinic, Memorial Care, Sutter Health, and the US Oncology Network, and based on reviews by the Data Safety Monitoring Committee, no serious adverse events have been identified. These collaborations are subject to terms generally consistent with industry sponsored studies.

PATHFINDER 2 is being conducted pursuant to an FDA-approved IDE application. The primary objectives of the study are to evaluate the safety of Galleri based on the number and type of diagnostic procedures performed in participants who receive a cancer signal detected but do not receive a cancer diagnosis (*i.e.*, false positive) and to evaluate the performance of Galleri across various measures, including PPV, NPV, sensitivity, specificity, and cancer signal origin prediction accuracy, among others. Participants who receive a cancer signal detected result undergo additional diagnostic testing based on the predicted cancer signal origin to confirm if the participant does in fact have cancer. Secondary objectives include, among others, collecting outcomes reported by participants over several timepoints, including an assessment of participants' anxiety, satisfaction with Galleri, and attitudes regarding standard of care screening. Timepoints for collection will include baseline measurement prior to testing, post-results, and post-diagnostic resolution for positive test results. A planned analysis from the study is expected to be submitted as part of our PMA submission to the FDA. We seek to use data from the PATHFINDER 2 study, together with data from the NHS-Galleri Trial, as well as supplemental data from other clinical studies, to support our planned PMA submission for Galleri in the United States.

The design of our PATHFINDER 2 study is summarized in the figure below:



[1] Participants will be actively followed by enrolled institution for three years to assess cancer status and collect participant-reported outcomes
[2] Clinical information including but not limited to cancer type, pathologic, imaging and clinical staging information will be captured

PATHFINDER

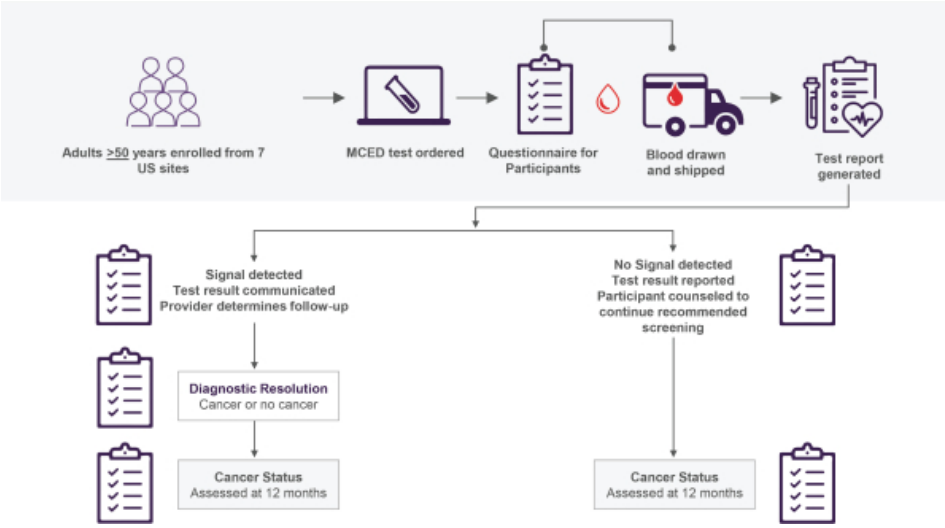
In December 2019, we initiated PATHFINDER, a prospective, multi-center, interventional study evaluating an earlier version of Galleri in clinical practice. The study enrolled 6,662 participants across several health systems in the United States. Funding for PATHFINDER was provided by us. Collaborators included, among others, the Cleveland Clinic, Dana-Farber Cancer Institute, Intermountain Healthcare, Mayo Clinic, Oregon Health & Science University, Sutter Health, and the US Oncology Network, and no serious adverse events were identified. These collaborations were subject to terms generally consistent with industry sponsored studies. The study evaluated the safety and performance of this earlier version of Galleri in a population of individuals aged 50 years and older divided into two cohorts: participants with elevated cancer risk and participants with non-elevated cancer risk. PATHFINDER was our first study that returned test results to physicians and participants, and evaluated how these test results affected diagnostic and care pathways in a screening population. PATHFINDER was conducted pursuant to an FDA-approved IDE application involving an earlier version of Galleri. Over the course of the study, we made refinements to the test to reduce the detection of pre-malignant hematologic conditions, which are relatively common. Results for the study are reported for both the earlier and refined versions of the test. Initial results from the PATHFINDER study were presented at ESMO in 2022, and full results were published in *The Lancet* in October 2023. These data, in conjunction with the results from our CCGA study, supported our launch of Galleri as a laboratory developed test ("LDT") in the United States.

In the study, when added to current standard of care screening, Galleri more than doubled the number of cancers detected from screening. Study results showed that 71% (25/35) of participants that received a cancer signal detected from our MCED test result had types of cancer detected that have no routine cancer screening available. Among participants who received a cancer signal detected result and had a confirmed new cancer diagnosis (true positive), nearly half (48%) of the non-recurrent cancers were detected at an early stage (Stage I or II).

For patients with a cancer signal detected result, the predicted cancer signal origin directed diagnostic workups and helped to resolve cancer diagnosis in less than three months (median 79 days) for most participants (73%), and in less than two months (57 days) for patients with true positive results. As expected, the median time to diagnostic resolution was longer for false positive results (162 days), with 44% of these participants scheduling follow-up imaging or procedures three or more months later, contributing to the longer time to resolution. Notably, the first workup based on cancer signal origin facilitated a diagnostic resolution in 25 of the 32 participants who had diagnostic resolution (approximately 80%). This group of 32 participants consisted of only those who received a cancer signal detected result from both Galleri and an earlier version of our MCED test also being studied in PATHFINDER.

Study results with the earlier version of the test showed a high PPV of approximately 38%, high (97%) cancer signal origin prediction accuracy, and the test detected 36 cancer cases in 35 patients out of 6,621 participants with analyzable results. A pre-specified retrospective re-analysis of samples with the refined version of the test showed a higher PPV of approximately 43%, which is consistent with our CCGA study, and high (88%) cancer signal origin prediction accuracy. Specificity was 99.1% with the earlier version of the test and 99.5% with the refined version of the test, resulting in a false positive rate of less than 1% for both versions of the test.

The design of our PATHFINDER study is summarized in the figure below:



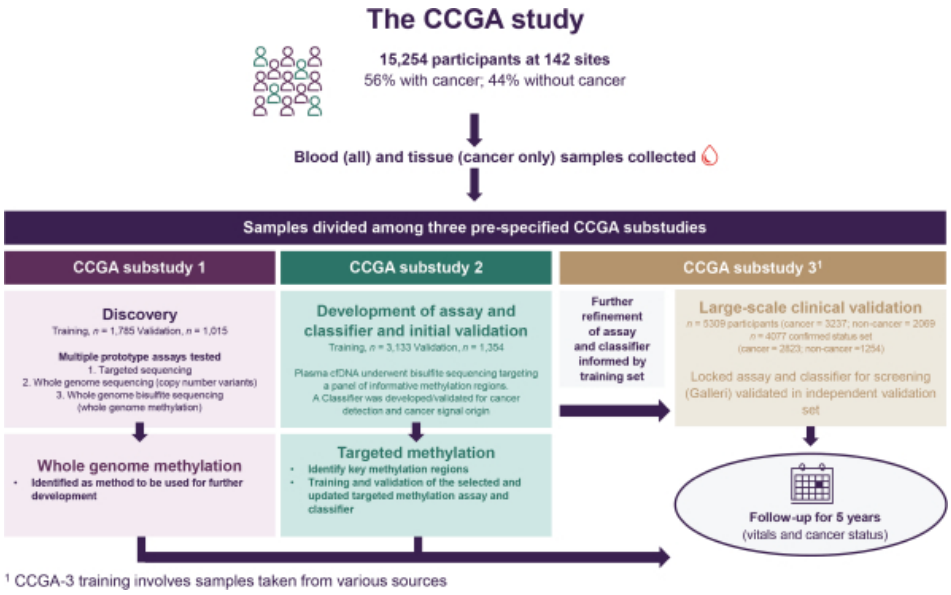
Circulating Cell-free Genome Atlas Study

CCGA is our foundational observational, case-controlled study with planned five years of longitudinal follow-up. The study was used to discover, train, and validate Galleri, and was used alongside the SYMPLIFY study to analyze performance in the symptomatic patient population to support our DAC offering. The CCGA study enrolled 15,254 participants, 56% of which had newly diagnosed cancer, inclusive of both early-and late-stage disease, and 44% of which did not have a known cancer diagnosis at the time of enrollment. Funding for the CCGA study was provided by us. Collaborators included, among others, the Cleveland Clinic, Dana-Farber Cancer Institute, Lahey Hospital and Medical Center, Mayo Clinic, and the US Oncology Network, and no serious adverse events were identified. These collaborations were subject to terms generally consistent with industry sponsored studies. We completed enrollment of our CCGA study in February 2019, and follow-up with

participants is ongoing and expected to continue until 2024. The results of CCGA, in conjunction with the results from our PATHFINDER study, supported our launch of Galleri as an LDT in the United States.

The goals of CCGA included the development and evaluation of classifiers to distinguish cancer cfDNA from non-cancer cfDNA and the identification of classifiers for the cfDNA prediction of cancer signal origin. By enrolling people with and without cancer, we are able to characterize cfDNA profiles by tumor type and tumor stage in participants with cancer, and can compare these signals to participants without cancer. In addition, understanding the signals associated with population diversity is important to our ability to account for biological noise and develop high-specificity tests. For example, our machine learning algorithms are trained to distinguish patterns of cancer from technical and biological noise, which is necessary to distinguish cancer cfDNA from other cfDNA signals that are indicative of non-cancerous conditions but that may be confused with a cancer signal. As a result, we enrolled participants with confounding indications across broad populations, and individuals with varied age, sex, cancer risk factors such as smoking status, body mass index and comorbid conditions, to increase the generalizability of this population.

We evaluated data from the CCGA study in three pre-specified sub-studies, each as described in more detail below. The design of our CCGA study, including the three pre-specified sub-studies, is summarized in the figure below:



CCGA-1

In CCGA-1, our first CCGA sub-study of approximately 2,800 participants, we investigated various comprehensive cfDNA-based approaches for the detection of cancer signals and the prediction of the cancer signal origin, including through targeted sequencing to analyze single nucleotide variants and small insertions and deletions; WGS to analyze copy number variations, fragment lengths, fragment endpoints, and allelic imbalance; and WGBS to analyze methylation patterns. The data demonstrated that WGBS (the methylation-based assay studied) performed as well or better than the other prototype assays we tested, either alone or in combination, at both cancer signal detection and cancer signal origin prediction. After comprehensive analysis of these whole-genome methylation patterns, we discovered highly informative and low-noise methylation regions

for cancer signal detection and cancer signal origin prediction, suggesting that the methylation-based assay also had the most room for efficiency improvements. Based on these results, our methylation technology was advanced into further development, ultimately resulting in a targeted methylation approach that had superior performance and lower costs compared to whole-genome methylation. Data from this sub-study were shared in several oral and poster presentations at multiple major medical conferences, including at AACR, ASCO, and ESMO, and were published in *Cancer Cell*.

CCGA-2

The primary objective of the CCGA-2 sub-study was to train and validate a classifier for cancer detection versus non-cancer detection, and cancer signal origin prediction, utilizing our targeted methylation assay. This pre-specified sub-study included approximately 6,700 total participants across training and validation sets, with 4,487 participants from CCGA and 2,202 from STRIVE. Of the total participants, 2,482 participants had previously untreated cancers and 4,207 participants did not have cancer. More than 50 types of cancer across all clinical stages were represented.

Results from the CCGA-2 sub-study were published in the *Annals of Oncology* in March of 2020 (and reflected on the cover) and demonstrated that Galleri could detect a shared cancer signal across more than 50 different types of cancer, including many types of cancer that do not have recommended screenings, from a simple blood draw with very high specificity. Data was evaluated in both training and test sets, and performance was comparable across the two analyses. At greater than 99% specificity, Stage I-III sensitivity for a pre-specified set of 12 deadly types of cancer, which together account for approximately 63% of cancer deaths in the United States annually, was approximately 67% and for all cancers was approximately 55%. The cancer signal origin prediction was correct in more than 90% of true positive test results.

CCGA-3

CCGA-3, our third CCGA sub-study, was designed to further validate a version of the MCED test refined for use as a screening tool (Galleri) in a large cohort of participants with and without cancer. This pre-specified sub-study included 4,077 participants in an independent validation set (2,823 had cancer and 1,254 did not have cancer). Specificity, sensitivity, and cancer signal origin prediction accuracy were measured.

Results of the CCGA-3 sub-study were published in the *Annals of Oncology* in June of 2021, and confirmed that Galleri detects a shared cancer signal across more than 50 different types of cancer. Specificity for cancer signal detection was 99.5%. Stage I-III sensitivity for a pre-specified set of 12 deadly types of cancer, which together account for approximately 63% of cancer deaths in the United States annually, was approximately 68% and for all cancers was approximately 41%. The overall sensitivity for cancer signal detection was 52%. As expected, and as previously observed, sensitivity increased with stage (stage I: 16.8%, stage II: 40.4%, stage III: 77.0%, stage IV: 90.1%). The cancer signal origin prediction was correct in approximately 89% of true positive test results.

STRIVE

STRIVE is a prospective, observational, longitudinal cohort study in the United States that enrolled 99,481 women without a known cancer at the time of enrollment. Samples from a subset of women will be used to help further validate Galleri in an asymptomatic and intended use population. This study was initiated in February 2017 and completed enrollment in November 2018. Funding for the study is provided by us. Collaborators include, among others, the Cleveland Clinic, Henry Ford Health System, Mayo Clinic, and Sutter Health, and no serious adverse events have been identified. These collaborations are subject to terms generally consistent with industry sponsored studies. Each participant had a blood draw at the time of their regular screening mammogram. Participants diagnosed with any type of cancer had additional blood draws. Participants were followed for 30 months and thereafter, if they developed cancer, through state and national cancer registries. We collected

demographic information, such as age, race, and ethnicity, in addition to clinical information, such as cancer diagnoses, treatment, cancer-specific mortality, and overall survival. We utilized 2,202 samples for validation of an earlier version of Galleri and used 4,891 samples in a training set to support the version of Galleri we launched as an LDT. We have not used other samples to analyze or validate performance in an asymptomatic and intended use population to date, and thus we have not reported any interim findings or results from STRIVE. We plan to leverage the long-term follow up to help us understand how best to optimally use the remaining samples.

SUMMIT

SUMMIT is a prospective, observational, longitudinal cohort study that is being conducted in and around London, United Kingdom. Funding for the study is provided by us. Collaborators include University College London and University College London Hospitals, and no serious adverse events have been identified. These collaborations are subject to terms generally consistent with industry sponsored studies. The study is designed to further validate Galleri as an MCED test, including for lung and other smoking-related cancers, and to assess the feasibility of low-dose computed tomography ("LDCT") lung cancer screening in the United Kingdom. This study was initiated in April 2019 and completed enrollment in May 2023. The study enrolled 13,035 men and women between the ages of 50 and 77 who did not have a cancer diagnosis at the time of enrollment. Participants in the study are individuals at high risk for lung cancer due to significant smoking history based on validated risk scores. Participants provided three serial (annual) blood draws and are being followed annually for three years and then for a further five years through national health registries as well as medical records. The primary objective is to measure cancer incidence, which will be used to assess the test performance for sensitivity, specificity, PPV, and NPV.

Our SUMMIT study may also demonstrate the utility of MCED testing in a high-risk population by comparing performance of Galleri in detecting lung and other smoking-related cancers to that of LDCT. We expect to report interim results from the SUMMIT study in the first half of 2025.

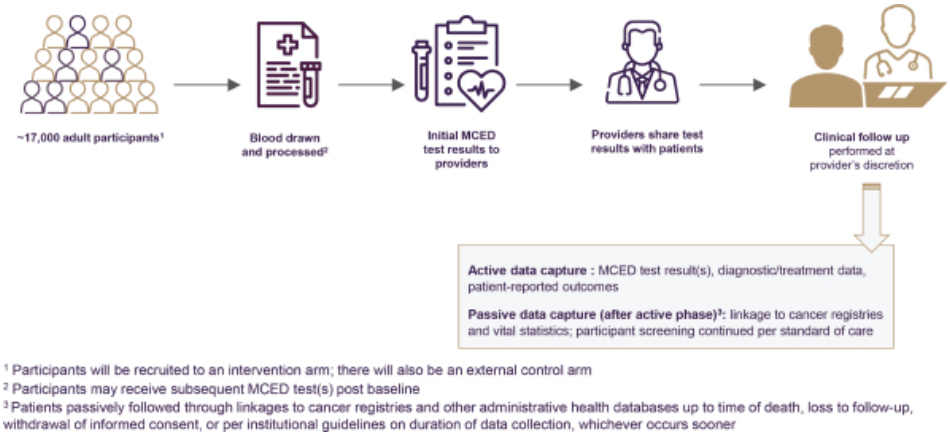
REFLECTION

REFLECTION is a multi-center, prospective, observational cohort study of patients administered Galleri as part of their medical care in a real-world setting in the United States that will enroll approximately 17,000 individuals. The purpose of the study is to evaluate and understand the real-world experience with Galleri in clinical settings. The objectives of the study are to describe cancer signal detection and cancer signal origin prediction within and across sites among participants who opt to receive Galleri in a real-world setting, to assess the feasibility and acceptability of Galleri from the perspective of participants and patient-reported outcomes, and to assess healthcare resource utilization associated with diagnostic workups for participants that receive a cancer signal detected result.

We began enrolling the REFLECTION study August 2021 and enrollment is ongoing at all sites. Funding for the study is provided by us. Collaborators include, or have previously included, Carolina Blood and Cancer Care Associates, Providence, U.S. Department of Veterans Affairs, and Vincere Cancer Center, and no serious adverse events have been identified. These collaborations are subject to terms generally consistent with industry sponsored studies.

We expect that data will be generated over time as enrollment increases across sites.

The design of our REFLECTION study is summarized in the figure below:

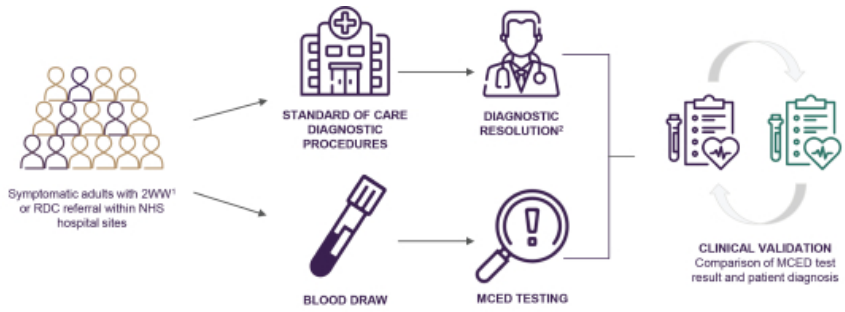


SYMPLIFY

SYMPLIFY evaluated the performance of MCED in symptomatic patients in the United Kingdom that were referred from the primary care setting due to clinical suspicion of cancer. This patient population represents a distinct patient population from Galleri's targeted asymptomatic screening population. This study was initiated in July 2021 and completed enrollment in November 2021. The SYMPLIFY study enrolled 6,238 participants aged 18 years and older in England and Wales. Funding for the study is provided by us. Collaborators includes Oxford University. This collaboration is subject to terms generally consistent with industry sponsored studies. Participants were referred for urgent imaging, endoscopy or other diagnostic modalities to investigate symptoms suspicious for possible gynecological, lung, lower GI or upper GI cancer, or who presented with non-specific symptoms. The most commonly reported symptoms leading to referral were unexpected weight loss (24.1%), change in bowel habit (22.0%), post-menopausal bleeding (16.0%), rectal bleeding (15.7%), abdominal pain (14.5%), pain (10.6%), difficulty swallowing (8.8%), and anemia (7.1%). In the study, the MCED test's cancer signal detected and cancer signal origin prediction results were compared with diagnoses results obtained through standard of care pathways. Data from the study demonstrated strong performance in this symptomatic population, and supported the feasibility of using an MCED test to assist clinicians with decisions regarding referrals from primary care. Data from the SYMPLIFY study were presented at ASCO in 2023 (in a podium presentation) and published in *The Lancet Oncology*, and we are using the results to support the development and launch of DAC.

In the study, 368 (6.7%) of the 5,461 evaluable patients were diagnosed with cancer through standard of care pathways. The most common cancer diagnoses were colorectal (37.2%), lung (22.0%), uterine (8.2%), oesophago-gastric (6.0%) and ovarian (3.8%). Our test detected a cancer signal in 323 participants, and cancer was diagnosed in 244 of these participants. The test demonstrated a PPV of approximately 75%, NPV of approximately 98%, sensitivity of approximately 66%, specificity of approximately 98%, and cancer signal origin prediction accuracy of approximately 90%. Among participants in the study, 6.7% of enrolled participants were eventually diagnosed with cancer, having already been referred by their primary care physician for investigation.

The design of our SYMPLIFY study is summarized in the figure below:



Note: 2WW, two-week-wait; GI, gastrointestinal; MCED, multi-cancer early detection; NHS, National Health Service; RDC rapid diagnostic center; SOC, Standard of Care
[1] 2WW lung, 2WW upper GI, 2WW GI, 2WW gynecological
[2] Within 3 months of enrollment. Where investigations had not been completed, updated information was sought within 9 months of enrollment

REACH

In November 2023, we initiated the Real-World Evidence to Advance Multi-Cancer Early Detection Health Equity REACH) study following FDA approval of our IDE application and CMS approval for Medicare coverage of the study. While timelines are still under development, the study will enroll approximately 50,000 participants across several health systems, and is designed to generate large-scale real-world evidence of Galleri performance and outcomes in the diverse Medicare population, which we believe represents one of the highest populations of unmet need for early cancer detection. The study seeks to compare up to 50,000 Medicare beneficiaries who have received usual care plus an annual Galleri test with a matched comparator arm of beneficiaries who receive usual care only. The clinical impact measures of interest in the study include reduction in diagnosed stage IV cancers, safety, and healthcare resource utilization associated with diagnostic workup for suspected cancer within the interventional arm compared to usual care. Medicare will fund the costs of Galleri and related and routine items and services for study participants.

Commercialization

Established Commercial Leadership in a Pre-Reimbursement Setting

We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships, including leading healthcare systems, employers, payors, and life insurance providers. We have also established a network of over 10,000 prescribers in the pre-reimbursement setting, with prescribers in private practices across the United States. As of March 31, 2024, our commercial organization included over 400 personnel supporting our multi-channel strategy. We believe we currently have the largest share of the market for MCED testing, and we continue to build the key components of our commercial infrastructure and capabilities that are required to support rapid, population-scale testing in a post-reimbursement environment.

Our Commercial Strategy in the United States is Focused on Innovative Value-oriented Partnerships

Our strong commercial adoption is underpinned by our ability to demonstrate clinical utility and economic value even before obtaining broad reimbursement coverage. We are driving adoption in the following key channels:

- **Health systems**. We have partnered with over 40 health systems as of March 31, 2024 that offer Galleri, typically as part of a comprehensive screening program with patient and physician support

services. We believe many of these health systems view Galleri as a key differentiating offering to patients. We have streamlined the implementation of Galleri for these partners, often connecting the health system's electronic medical record system with our software systems. This bolsters our position as the partner of choice for establishing early cancer detection programs. Many health systems are investing in robust programs in population health management and precision medicine, of which Galleri is a key feature, and have developed novel care navigation pathways. With these novel pathways, a positive test result can result in patients being referred within the health system. We believe our experience with these partners will allow us to rapidly scale upon broad reimbursement for Galleri.

- **Employers**. As of March 31, 2024, we have engaged over 80 employers who offer Galleri as a benefit to eligible employees. We target medium and large self-insured employers with compelling and innovative healthcare offerings that are designed to attract and retain employees and to deepen health equity among employees. Cancer treatment costs now represent the highest spend category for self-insured employers according to the most recent Business Group on Health's 2023 Large Employers' Health Care Strategy and Plan Design Survey. Galleri offers earlier cancer detection to help reduce these costs. Our employer customer base includes large tech companies, large life insurance companies, professional services companies, major health systems, and educational institutions, among others.
- **Life insurance providers**. We have partnered with several leading life insurance providers to provide Galleri to their policyholders. Life insurers are committed to helping customers live longer, healthier, better lives and understand that preventative care and early detection are key to that mission. Galleri is offered by these providers as a preventative health benefit and is not used for underwriting, risk assessment or risk pooling.
- **Physician-directed channels**. We believe Galleri is compelling to physicians whose patients are focused on preventive health and wellness as well as to concierge and executive health practices. The physician practices we are targeting are known to offer innovative, cutting-edge health offerings, and market research suggests the members are willing to invest in differentiated healthcare services. We are targeting physicians serving this market segment in all major metropolitan population centers in the United States with our field-based sales team. Concierge medicine has been a key early adopter of Galleri. As our strategy evolves in the physician-directed channel, we are working to educate physicians and patients on the benefits of annual screening.
- **Payors**. We have announced pilot or benefit programs with leading payors and continue to engage with other progressive payors. These programs allow for measurement of the clinical utility and economic value of Galleri. These payors include Medicare Advantage plans, which generally must cover all of the services that traditional Medicare covers, but they have the discretion to offer their enrollees additional or supplemental benefits. This also includes early-adopting commercial payors.
- **First Responders**. We have worked with clinics, fire departments, municipalities, and unions to make Galleri available to firefighters who generally have exposure-related increased risk of cancer and are actively screening their populations and seeking new approaches. To date, thousands of firefighters have been tested with Galleri across more than 40 fire departments nationally.

Reimbursement Landscape for Screening Tests

United States

Traditional fee-for-service Medicare generally does not cover screening tests, which are considered preventive services, that are performed in the absence of signs or symptoms of illness or injury, unless there is a statutory provision that explicitly authorizes coverage of the test. The Medicare Improvements for Patients and Providers Act of 2008 authorizes the Centers for Medicare and Medicaid Services ("CMS") to cover additional preventive services that are not expressly covered by the statute if the service is (a) reasonable and necessary for the prevention or early detection of an illness or disability, (b) recommended with a grade of A or B by the

USPSTF, an independent, volunteer panel of experts in the field of prevention, evidence-based medicine and primary care, and (c) appropriate for Medicare beneficiaries under Part A or Part B. CMS establishes coverage through a national coverage determination ("NCD") process. In its discretion, the USPSTF generally waits for FDA authorization before it considers undertaking reviews of novel technology.

Because MCED is not expressly authorized for coverage by the Medicare statute, one possible pathway for Medicare reimbursement is to first obtain FDA approval and then obtain a grade of A or B recommendation from USPSTF, to enable CMS to issue an NCD. The last cancer screening test to receive a recommendation from USPSTF with a grade A/B and obtain Medicare coverage was LDCT to screen high-risk smokers for lung cancer in 2015.

Medicare coverage can also be changed by statute, thus a second possible pathway for Medicare reimbursement would be to amend the Medicare statute to cover MCED. This process would generally require new legislation to expressly authorize CMS to cover FDA-approved early cancer screening and detection tests. We are working with stakeholders to advance and shape the public reimbursement landscape to reflect that additional scope of coverage. Galleri is currently offered as an LDT in our CAP-accredited and CLIA-certified laboratories. We have a Breakthrough Device designation with the FDA and have begun the modular PMA submission process, which we expect to conclude with data from our ongoing pivotal studies. Under our Breakthrough Designation, interactions with the FDA have resulted in an anticipated timeline to submission, which we anticipate making in the first half of 2026. Nonetheless, the FDA requirements that will govern multi-cancer detection tests, as well as the breadth and nature of data we must provide the FDA, to support the proposed intended use, may be subject to change, and as such, it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use. Following FDA approval and assuming a statutory change in the reimbursement landscape, we plan to pursue broad reimbursement, for example, through Medicare reimbursement, and subsequently pursue inclusion of Galleri in the USPSTF guideline recommendation.

United Kingdom—Commercial agreement with NHS

In November 2020, we established a partnership with NHS England. The NHS-Galleri Trial, which was undertaken as part of the partnership established by our commercial agreement with NHS England, is a large randomized controlled trial taking place across eight regions in England. The trial aims to assist with the United Kingdom's ambitions for early cancer detection and to assess Galleri for potential population screening on a national scale. The primary objective of the trial is to assess whether implementation of Galleri can reduce the incidence of late-stage cancers through early cancer detection.

Subject to results of an early analysis from the first screening test (the prevalent screening round) representing one year of results out of the three-year trial period, the NHS may commence phased commercial implementation in England. Any initial commercial implementation would begin with a two-year pilot with the potential for further expansion subject to final results from the trial. In the event that we proceed with phased commercial implementation following such results, our partnership with the NHS would be our first national system implementation. Given that the NHS has a reputation for high evidence standards for new technologies, we expect NHS approval and implementation would expand adoption in the United Kingdom and could also facilitate adoption in other single payor systems around the world. The Galleri test is UKCA marked.

Other International

We intend to explore the launch of Galleri in select other geographies, including through distributors.

Operations

Significant Investments for Scale

We have made significant investments for scale in our CAP-accredited and CLIA-certified laboratory facilities in Menlo Park, California and Durham, North Carolina and demonstrated execution with more than

450,000 clinical and commercial individual samples processed through March 31, 2024. We have an established footprint in the United States and United Kingdom, with operations in Durham, North Carolina, Washington, D.C., and London, United Kingdom.

In total we have approximately 65,000 square feet of CAP-accredited, CLIA-certified laboratory space and laboratory support with sufficient capacity to support multiple years of growth. We have made significant investments to our Durham laboratory to improve the automation, including development of a fully automated laboratory testing platform consisting of robotic work cells connected by a central track system to increase efficiencies and reduce costs. Our lab operates 16 hours a day, seven days a week, and uses automation and other technology to reduce staff exposure to complicated, dangerous, repetitive, or injury-prone work. We believe that our current facilities are sufficient to meet our current and anticipated near-term needs.

Supply Chain and Agreements

Our supply chain includes industry leading vendors and we maintain significant supplies on hand of both laboratory consumables and other materials to avoid work stoppages and material delays. We rely on a limited number of suppliers, or in some cases, sole suppliers, to provide certain materials for our products and services. For example, Illumina, Inc. is our primary supplier of sequencers and certain laboratory reagents, Madison (who acquired our blood collection tube manufacturer Streck, Inc. in 2023) is our sole supplier of tubes used for sample collection and Twist is the sole supplier of our DNA probes. We rely on standard commercial carriers for the delivery of samples to our laboratories.

Our supply strategy is to maintain raw material and released reagent supplies at levels that ensure our clinical laboratories can maintain continuous operations 365 days a year. We utilize a risk-based approach such that higher risk materials (e.g, sole-sourced or more vulnerable supply chains) have a higher safety stock and lower risk materials (e.g, multi-sourced) may have lower safety stock levels.

We have entered into supply agreements with various parties, including Illumina, Madison, and Twist. In January 2016, we entered into a supply and commercialization arrangement with Illumina, which agreement was amended and restated in February 2017 and subsequently further amended ("Supply Agreement"). Pursuant to the Supply Agreement, Illumina granted us non-exclusive rights to use certain Illumina know-how and technology with Illumina products purchased under the agreement. Under the terms of the Supply Agreement, regardless of whether our products incorporate any Illumina technology, we were obligated to pay Illumina a high single-digit royalty, subject to certain reductions and floors, in perpetuity on net sales generated by our products or revenues otherwise generated or received by us, subject to certain exceptions, in the field of oncology. In August 2021, following Illumina's acquisition of us, the Supply Agreement was amended to suspend the perpetual royalty payment obligation to Illumina as long as we are an affiliate of Illumina or as long as any successor to us or any substantial part of our business is held by Illumina or an affiliate of Illumina. In connection with our separation from Illumina via the Spin-Off, we will no longer be an affiliate of Illumina, and the Supply Agreement will be further amended to extend the suspension of the perpetual royalty agreement until the earlier of two-and-a-half years or any earlier change of control of GRAIL, at which time royalty payments to Illumina will resume, without retroactive effect. In addition, upon the execution of such amendment, we may elect to purchase instruments, supplies, and services from Illumina either pursuant to Illumina's universal pricing terms applicable to all of its for-profit oncology customers in the United States since March 2021, as updated (the "Open Offer") or the pricing terms we had prior to Illumina's acquisition of us (the "Grandfathered Pricing").

Industry Participants

There are other companies, such as Adela, Inc., DELFI Diagnostics, Inc., Exact Sciences Corporation, Freenome Inc., Guardant Health, Inc., and Harbinger Health within the United States and AnchorDx, Anpac Bio-Medical Science Co., Ltd., Burning Rock Biotech Limited, Datar Cancer Genetics, Elypta AB, Gene Solutions JSC, Singlera Genomics, Inc. and Seekin, Inc. outside of the United States, among others, that are attempting to develop tests to detect certain types of cancer early, including some that will use cfDNA analyses. Some of these companies may have substantially greater financial and other resources than we have, such as larger research and development staff and well-established

marketing and sales forces, or may operate in jurisdictions where lower standards of evidence are required to bring products to market. For example, we are aware that some companies have conducted large-scale clinical studies for single-cancer early detection tests, including Guardant Health, Inc., Exact Sciences Corporation and Freenome Inc. in colon cancer, as well as AnchorDX in lung cancer (pulmonary nodules). In addition, other established diagnostic, medical technology, biotechnology, or pharmaceutical companies may decide in the future to invest to accelerate discovery and development of similar tests. If any tests are developed by these companies and do not perform to expectations or cause harm or injury to patients, it may result in lower confidence in early cancer detection tests in general, which could potentially adversely affect confidence in our products and services.

Given the numerous and rigorous requirements for a successful cancer detection test, we do not believe many companies would have the financial resources to invest in population-scale clinical studies and rigorous analytics to compete with our products. Further, among companies pursuing an early-detection product, we believe we are substantially differentiated by our robust intellectual property portfolio, extensive research, rigorous and objective approach, and multidisciplinary capabilities, which leverage the power of NGS, population-scale clinical studies, and advanced and trained machine learning algorithms and data science. We believe we are further differentiated by the extent of our investment in our facilities and operational workflows, including our high-capacity laboratories, which we built for rapid, automatic processing of samples and to scale as we grow and process more tests.

Additionally, certain of our other products in development, such as DAC, and our precision oncology offerings, could compete against a number of companies that are working to leverage blood-based technologies to improve cancer care. Many companies such as Roche / Foundation Medicine, Inc., Natera, Inc., Guardant, Inc., Tempus Labs, Inc., Invitae Corp., NeoGenomics Laboratories, Personalis, Inc., Twist Bioscience Corp. and Adaptive Biotechnologies Corp., among others, currently provide or are developing technologies focused on improving cancer care after a diagnosis of cancer is made, including enabling selection of therapy, monitoring of therapy, or detection of relapsed disease. Unlike with respect to MCED testing, precision oncology is a very competitive space with many industry participants. However, as DAC and our precision oncology portfolio leverage our methylation platform, we believe we are differentiated by the extent of the quality of our methylation platform and our investments to develop such platform through our population-scale clinical studies, rigorous analytics and machine learning expertise.

Intellectual Property

Our success depends in part on our ability to obtain and maintain intellectual property protection for our products and technology, including by seeking and maintaining patent protection, protecting our trade secrets and other proprietary information, obtaining and maintaining our licenses to use intellectual property owned by third parties, and continually evaluating third-party technologies for further licensing opportunities. We also seek trademark protection where appropriate to protect the names that identify us as the source of our products and services.

We own certain patents, patent applications, and other intellectual property, and also exclusively license certain patents, patent applications, and other intellectual property from third parties, including the Chinese University of Hong Kong. Our patent portfolio broadly relates to methods, techniques, systems, and chemistry used to generate and analyze data using our proprietary bioinformatics and classifiers, including, for example, cfNA sequencing, marker panels, methylation signatures, bioinformatics techniques and biologically directed machine learning classifiers, which are incorporated into or used for Galleri, our precision oncology portfolio, and DAC. We have also entered into certain supply and commercial agreements with various vendors and suppliers, including Illumina, under which we receive rights to their intellectual property for use in our products. Our material licenses and other agreements are described in more detail below.

As of March 31, 2024, we own or co-own more than 130 issued or granted patents and more than 630 pending patent applications globally, including 35 issued U.S. patents, 99 patents granted across Australia, Belgium, Canada, Switzerland, China, Denmark, Germany, Europe, France, the United Kingdom, Hong Kong, Indonesia, Ireland, Italy, Japan, Luxembourg, Malaysia, Netherlands, Norway, Sweden, Spain, Singapore, and Taiwan, and more than 160 pending U.S. non-provisional and provisional patent applications.

We also have exclusive licenses to approximately 530 issued or granted patents and more than 210 pending patent applications globally, including 54 issued U.S. patents and 476 patents granted across Albania, Austria, Australia, Belgium, Bulgaria, Brazil, Canada, Switzerland, China, Cyprus, Czechia, Germany, Denmark, Eurasia, Europe, Estonia, Spain, Finland, France, the United Kingdom, Greece, Hong Kong, Croatia, Hungary, Indonesia, Ireland, Israel, India, Iceland, Italy, Japan, South Korea, Lithuania, Luxembourg, Latvia, Monaco, North Macedonia, Macao, Malta, Mexico, Malaysia, Netherlands, Norway, New Zealand, Poland, Portugal, Romania, Serbia, Sweden, Singapore, Slovenia, Slovakia, San Marino, Turkey, Taiwan, and South Africa, and more than 30 pending U.S. non-provisional and provisional patent applications. We believe these patents cover, and that these patent applications upon grant will cover, various aspects of Galleri, DAC, and our precision oncology portfolio.

Of particular importance within our sizable patent portfolio are patents that relate to various aspects of our current commercial products such as Galleri. For example:

- with respect to methylation analysis, which is a foundational technology underlying our current products, we own or exclusively license 79 granted patents directed to systems, software, methods, mixtures, or kits for methylation analysis in Australia, Belgium, Brazil, Canada, Switzerland, Germany, Denmark, Eurasia, Europe, Spain, France, the United Kingdom, Hong Kong, Indonesia, Ireland, Israel, Italy, Japan, Korea, Luxemburg, Mexico, Malaysia, Netherlands, Norway, New Zealand, Poland, Portugal, Sweden, Singapore, Turkey, Taiwan, the United States, and South Africa. These patents are expected to expire between 2033 and 2040, subject to our payment of applicable maintenance fees and annuities;
- with respect to our technology for determining cancer type through identification of cancer signal of origin, we own or exclusively license 17 granted patents directed to systems, software, methods, or kits for determining cancer signal of origin in Australia, China, Israel, Japan, Korea, Mexico, Malaysia, Singapore, Taiwan, and the United States. These patents are expected to expire between 2033 and 2041, subject to our payment of applicable maintenance fees and annuities; and
- with respect to our assay chemistry and techniques for preparing and optimizing patient samples for analysis, we own or exclusively license 32 granted patents directed to methods, assay panels, compositions, or software for assay chemistry and techniques in Belgium, Switzerland, China, Germany, Europe, France, the United Kingdom, Hong Kong, Netherlands, Sweden, and the United States. These patents are expected to expire between 2034 and 2042, subject to our payment of applicable maintenance fees and annuities.

Our patent portfolio also includes granted patents and pending patent applications directed to other technologies that may have varying levels of importance to our current and future products, including, for example:

- systems, methods, kits, mixtures, and probes for sequencing, library preparation and enrichment (28 patent families with 77 granted patents and 58 pending applications; granted patents expected to expire between 2027 and 2042);
- methods and nucleic acid constructs for error correction for identifying somatic variants (3 patent families with 53 granted patents and 18 pending applications; granted patents expected to expire between 2030 and 2038);
- systems and methods for variant based assessment of cancer (13 patent families with 31 granted patents and 59 pending applications; granted patents expected to expire between 2033 and 2038);
- systems, software, and methods for sequencing based assessment of copy number aberrations in cancer (9 patent families with 83 granted patents and 57 pending applications; granted patents expected to expire between 2028 and 2042);
- systems, software, and methods for fragment length assessment in cancer detection (11 patent families with 102 granted patents and 93 pending applications; granted patents expected to expire between 2031 and 2039);

- systems, software, methods, and compositions for fragmentation based assessment of cancer (9 patent families with 39 granted patents and 82 pending applications; granted patents expected to expire between 2030 and 2039); and
- systems, software, and methods for viral based assessment of cancer (6 patent families with 19 granted patents and 56 pending applications; granted patents expected to expire between 2038 and 2040).

The expiration dates described above may not account for all potentially available patent term adjustments and are subject to our payment of applicable issue fees, maintenance fees and annuities. Patent expiration dates are estimates based on our calculations, taking into account terminal disclaimers and patent term adjustments.

Our in-licensed patents and patent applications, if issued as patents, expire or would be expected to expire, at the earliest, in 2027, absent any potentially available patent term adjustment and assuming our timely payment of applicable issue fees, maintenance fees and annuities. Our owned or co-owned patents and patent applications, if issued as patents, expire or would be expected to expire, at the earliest, in 2037, absent any potentially available patent term adjustment and assuming our timely payment of applicable issue fees, maintenance fees and annuities. The term of these patents depends upon the laws of the countries in which they are obtained, and in most countries in which we file, is 20 years from the earliest date of filing of a non-provisional patent application. A provisional patent application is not eligible to become an issued patent until, among other things, we file a non-provisional patent application within 12 months of the filing date of the provisional patent application. If we do not timely file non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. In the United States, patent term adjustments may be available depending upon the time the United States Patent and Trademark Office takes to examine and eventually issue a patent, and the patent term may be shorter than 20 years if we disclaim a portion of the patent term to overcome double patenting rejections. The protection of patents may vary on a country-by-country and claim-by-claim basis, which can vary the scope of protection afforded by such patents. In addition, we must generally pay fees to maintain our patents annually or at other specified intervals, or risk the patent lapsing. We cannot provide any assurance that any of our current or future owned or licensed patent applications will result in the issuance of patents in any jurisdiction, or that any of our current or future owned or licensed issued patents will effectively protect any of our products or technology or prevent others from commercializing competitive products or technology. Even if any of our current or future owned or licensed patent applications are granted as issued patents, those patents may be challenged, circumvented or invalidated by third parties.

We recently faced an opposition from anonymous challengers against one of our in-licensed European patents. The patent does not relate to aspects of Galleri, DAC or our precision oncology portfolio. The challengers asserted that this granted patent was invalid over prior art, among other arguments. The opposition concluded with the patent claims being maintained in amended form. The challengers have filed an appeal. While we believe that this patent is valid, there is a risk that the patent could be invalidated in its entirety, or certain claims of this patent could be amended and narrowed in scope during the appeal.

License Agreements with the Chinese University of Hong Kong

We have entered into five license agreements with the Chinese University of Hong Kong, each on substantially similar terms and with two dated April 7, 2016 and three dated May 29, 2017. Pursuant to these agreements, the Chinese University of Hong Kong has granted exclusive, worldwide intellectual property licenses to us for the use of certain nucleic acid sequencing and analysis technologies in all fields under one license and in all fields except prenatal diagnostics, prognostications, or analysis under four licenses. The Chinese University of Hong Kong reserves the right to use its technology for internal research and education purposes and for fulfilling governmental contractual obligations (to the extent they exist). Three of the licenses are subject to certain non-exclusive license rights granted by the Chinese University of Hong Kong to a certain third party, solely for such third party's internal research purposes in the field of cancer detection, cancer prognostication and other analysis for the screening and management of cancer.

To the extent our products use the licensed technology, such as our current Galleri, precision oncology and DAC products, we are required to pay the Chinese University of Hong Kong low single-digit percentage royalties on net sales of such products, subject to minimum annual guarantees, which began in 2018. In addition, for any sublicense of the licensed technology, we are obligated to pay the Chinese University of Hong Kong a specified portion of the revenue we receive from sublicensing. Our royalty and sublicense payment obligations with respect to each license for each product containing any licensed technology extends until the expiration or termination of such license, which shall be the later of a low double-digit number of years from our payment of the license issue fee or expiration of the last-to-expire licensed patent. We are additionally obligated to reimburse the Chinese University of Hong Kong for costs and expenses related to the filing, prosecution, maintenance, and defense of the licensed patents and patent applications.

Under these license agreements, we are obligated to use specified efforts to reach milestones relating to the development and sale of products that use the Chinese University of Hong Kong's technology, and our failure to do so could result in termination of the license agreements. The Chinese University of Hong Kong may also terminate the agreements under certain other circumstances, such as our uncured material breach of the agreements or cessation of our business. We may terminate the agreements at any time at our convenience, provided we give the Chinese University of Hong Kong a certain period of notice. We can also terminate the agreements for the Chinese University of Hong Kong's uncured material breach.

Trade Secrets

We also rely on trade secret protection for our confidential and proprietary information. Included in our trade secrets are the data from our genomics studies, various aspects of the operation of our laboratories, and various aspects of the algorithms used to process our data. Trade secrets are difficult to protect. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees, contractors, and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology via unauthorized means, such as hacking by private or state actors. Although state and federal courts in the United States are generally willing to protect trade secrets, some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

For further discussion of the risks relating to our intellectual property, see "Risk Factors—Risks Relating to Intellectual Property."

Properties

Our principal office and laboratory is approximately 74,300 square feet and located at 1525 O'Brien Drive, Menlo Park, California. We amended the related lease in June 2017 to add approximately 57,400 square feet at 1605 Adams Drive, Menlo Park, California. Our lease expires in 2026 and we have an option to extend the lease for an additional five years.

In June 2020, we entered into an agreement to lease approximately 200,000 square feet of a building in Durham, North Carolina. Our lease expires in 2033 and we have three separate options to extend the lease, each for an additional five years.

We hold CLIA Certificates of Accreditation Registration from the CMS and accreditations from CAP for our laboratories in Menlo Park, California, and Durham, North Carolina, and a Clinical Laboratory Certificate of Deemed Status from the State of California Department of Public Health. Our Menlo Park, California laboratory also holds a Clinical and Public Health Laboratory License from the California Department of Public Health.

We believe that our facilities are sufficient to meet our current and anticipated near-term needs.

Employees and Human Capital

As of March 31, 2024, we had approximately 1,360 full-time employees, the majority of which are based in the United States. We also engage with contractors, vendors, and consultants. We have invested substantial time

and resources into building our team. Our success depends in large part on our collective effort across our areas of expertise and across sites in Menlo Park, California, Durham, North Carolina, Washington, D.C., and London, United Kingdom. Therefore, it is crucial that we continue to attract and retain high-performing employees from all demographics by providing competitive compensation and benefits, and fostering a diverse, inclusive, and safe workplace, while making opportunities for all employees to grow and develop in their careers. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

Since our founding, we have built an entrepreneurial culture, driven to improve outcomes for cancer patients. We are led by a multidisciplinary team with extensive experience across biotechnology, life sciences, public health, genomics, computer science, data science, biostatistics, clinical development, medical affairs, government and regulatory affairs, quality assurance, and laboratory and commercial operations. We believe this confluence of talent from multiple disciplines has enabled us to make significant progress in improving cancer care and will enable us to remain at the forefront of our industry.

Fostering a Culture of Inclusivity and Belonging

We are an innovation-driven company where diversity, inclusion, and equity are critical drivers to our success. We embrace talent from all backgrounds, seek out diverse perspectives, and facilitate and invite open and authentic conversations. Our diverse employee pool includes expertise across the specialties that drive our business. Our diverse employee pool includes expertise from individuals with a variety of backgrounds and specialties, enriching our collective knowledge and skill-base.

We are investing in culture and creating opportunities to build community for our employees. We currently have six employee resource groups ("ERGs"), which are sponsored by members of our executive and senior leadership teams. ERGs are employee-led groups that can help create a more inclusive culture and amplify the voices of employees with shared identities and experiences across the company. We have invested in resources to educate our employees on building an inclusive culture and on recognizing and managing bias. Our leadership is committed to actively promoting and fostering a community of belonging and inclusivity where all employees feel inspired and empowered to innovate, collaborate, and deliver on our mission.

We believe that our company culture helps us to achieve our mission and is a core driver of our success.

- *Embrace Change*—We operate in a dynamic environment. We need to mirror the external world and be agile, adaptive, and able to adjust course to move in the direction required.
- *Solve Problems Together*—Working together allows us to take on increasingly complex problems.
- *Think BIG*—We are leading BIG changes that require a long runway, and we'll succeed by keeping our mission in sight as we work toward long-term goals.
- *Be Courageous*—We are going up against entrenched ways of thinking, which requires boldness, determination, and courage.
- *Bring an Open Mind*—We seek to improve cancer care, which requires engaging everyone in a conversation around what's needed, what's possible, and how to approach problems in different ways with creative thinking. We're open-minded, curious, and always learning.

Each value has defined behaviors that link to our leadership attributes and our programming to keep our values as the cornerstone for how we show up with one another and support our customers. These values are embedded in our recruiting and hiring practices and performance management. We believe that our focus on our values helps support a culture of inclusivity and belonging. We operate from a place of openness, taking initiative to drive our shared success, while seeking input in order to grow ourselves and our customers.

Compensating and Supporting Our Colleagues

We are committed to providing equitable compensation opportunities to attract and retain accountable, team-oriented, high-performing colleagues with the purpose of driving our mission. We consider external market data as well as internal parity considerations when making compensation decisions using data-informed actions to build desirable programs. To incentivize top performance, we aim to differentiate pay increases and incentive programs in recognition of colleague contributions aligned to the success of the business.

We take a holistic approach to supporting employee well-being through providing eligible colleagues and their eligible dependents with competitive health and wellness benefits, retirement savings plans, and work-life options designed to provide flexibility to thrive. We also provide flexible time off and other opportunities to enable balance. We are also devoted to investing in the development of our colleagues through learning and development opportunities to help them achieve their personal and professional goals.

Government Regulations

We are subject to complex and frequently changing national, state, and local laws and regulations that govern various aspects of our business. In many jurisdictions, including the United States, the clinical laboratory and medical device industries must operate in accordance with extensive and complex legal standards, including laws and regulations related to certification, licensing, development, research, testing, manufacturing, laboratory operations, distribution, ordering and billing practices, advertising, promotion, marketing, sales and pricing practices, anti-markup practices, health information privacy and security, and consumer protection and unfair trade practices.

In the United States, the laws and regulations governing the marketing of diagnostic products are evolving, extremely complex, and in some instances, there are no significant regulatory or judicial interpretations of these laws and regulations. Clinical laboratory tests are regulated under CLIA, as well as by applicable state laws. In addition, the Federal Food, Drug and Cosmetic Act ("FDC Act") defines a medical device to include any instrument, apparatus, implement, machine, contrivance, implant, *in vitro* reagent, or other similar or related article, including a component part or accessory intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease in man or other animals. The tests we are developing and marketing are considered by the FDA to be subject to regulation as medical devices. Among other things, pursuant to the FDC Act and its implementing regulations, the FDA regulates the research, testing, manufacturing, safety, labeling, storage, recordkeeping, premarket clearance or approval, marketing and promotion, and sales and distribution of medical devices in the United States to ensure that medical products distributed domestically are safe and effective for their intended uses. The FDA has statutory authority to assure that medical devices are safe and effective for their intended uses, but the FDA has historically exercised its enforcement discretion and not enforced certain applicable provisions of the FDC Act and regulations with respect to LDTs. However, the FDA recently issued a proposed rule to phase out its enforcement discretion with respect to LDTs, which, if finalized, would make LDTs subject to the FDA's medical device authority.

U.S. Regulation

Clinical Laboratory Improvement Amendments of 1988 (CLIA)

We are required to obtain and hold certain federal and state licenses, certificates, permits and accreditations to offer our products in the United States through our laboratory facilities in Menlo Park, California, and Durham, North Carolina. In 1988, Congress passed CLIA, establishing rigorous quality standards for laboratories in the United States that perform testing on human specimens for the purpose of providing information for the diagnosis, prevention, or treatment of disease or impairment of, or the assessment of the health of, human beings. Such testing may also include procedures to determine, measure, or otherwise describe the presence or absence of various substances or organisms in the body.

CLIA requires such laboratories to be certified by the federal government and mandates compliance with ongoing requirements intended to ensure the accuracy, reliability, and timeliness of medical test results. CLIA certification is also a prerequisite to be eligible to bill federal and state healthcare programs, as well as many commercial third-party payors, for laboratory testing services. We hold CLIA Certificates of Accreditation from the CMS and accreditations from CAP for our Menlo Park, California and Durham, North Carolina laboratories, and a Clinical Laboratory Certificate of Deemed Status from the State of California Department of Public Health. Our Menlo Park, California laboratory also holds a Clinical and Public Health Laboratory License from the California Department of Public Health. In order to obtain a CLIA certification, a laboratory must validate the test (ensure and document that the test provides accurate and reliable test results) and add the applicable specialty or subspecialty to the test menu. Before introducing and reporting patient results from an LDT, a laboratory is required to establish the specifications for a variety of performance characteristics, including accuracy, precision, analytical sensitivity, analytical specificity, reportable range, and reference interval. Such analytical validation is based on, among other things, the specific conditions, staff, and equipment of the particular laboratory.

Prior to offering a new test at our laboratories, we must also satisfy certain notification requirements to change our testing menu, such as notifications to regulatory and accrediting bodies, CMS, the California Department of Public Health Laboratory Field Services, and CAP. At their discretion, any of these entities may inspect our clinical laboratory at any time. In connection with a CLIA certification, laboratories are subject to routine survey and inspection every other year, as well as additional random or "for cause" inspections. Under CLIA, a survey is generally conducted every two years by CMS, a CMS agent (typically a state agency), or, if the laboratory holds a CLIA Certificate of Accreditation, a CMS-approved accreditation organization (for example, CAP). The routine biennial survey includes review of the laboratory's analytical validation of any LDTs performed by the laboratory.

Penalties for non-compliance with CLIA requirements include a range of enforcement actions, including suspension, limitation or revocation of the laboratory's CLIA certificate, as well as directed plan of correction, state on-site monitoring, civil monetary penalties, civil injunctive suit or criminal penalties.

CLIA provides that a state may adopt laboratory regulations that are more stringent than those under federal law, and a number of states have implemented their own more stringent laboratory regulatory requirements. State laws may require that laboratory personnel meet certain qualifications and obtain licenses, specify certain quality control procedures and facility requirements, or prescribe record maintenance requirements. For more information on state licensing and other requirements, see "—State Licensing Laws."

State Licensing Laws

In addition to the federal certification requirement for laboratories under CLIA, many states require licensure for laboratories under state law. For example, both California and North Carolina require laboratories to maintain in-state licenses to conduct testing in the state. In addition to in-state licensing requirements, certain states require licensing of out-of-state laboratories when specimens are collected or received from patients in such states. The state laboratory licensure requirements establish standards for the day-to-day operation of a clinical laboratory, including the training and qualifications required of personnel, quality control, and proficiency testing. Moreover, certain states, such as New York, require state approval of certain tests, including certain tests that have not been cleared or approved by the FDA (such as LDTs), through a premarket submission containing, among other information, documentation relating to device analytical and clinical performance data. The New York Department of Health also mandates proficiency testing for laboratories granted a permit under New York State law, regardless of whether or not such laboratories are located in New York. Clinical laboratory licensing laws in certain states, however, do not apply to laboratories operated for research purposes that do not return patient-specific results for the purpose of diagnosis or treatment.

Non-compliance with state laboratory licensure requirements may cause the state agency to suspend, restrict, or revoke a license to operate the clinical laboratory, disapprove a licensure application, assess

substantial civil money penalties, require onsite monitoring or impose specific corrective action plans. Certain statutory or regulatory noncompliance may also result in misdemeanor charges under state law. CLIA does not preempt state laws that have established laboratory quality standards that are at least as stringent as the federal law requirements under CLIA.

In addition to laboratory licensing, certain states, including California, impose registration and/or licensing requirements on companies that manufacture medical devices. These laws can apply to a manufacturer before its products are commercialized, including when a company is evaluating its product candidates in clinical trials. Violations of these laws may result in the denial, suspension, or revocation of the registration or license, as well as other fines and penalties, including imprisonment.

U.S. Food and Drug Administration

In the United States, laboratory tests, such as Galleri and DAC, are subject to regulation by the FDA under the FDC Act and its implementing regulations, and other federal and state statutes and regulations. The laws and regulations govern, among other things, medical device development, testing, manufacture, labeling, storage, premarket clearance or approval, advertising and promotion, export, import, and product sales and distribution.

Laboratory Developed Tests

Under the FDA's regulatory framework, *in vitro* diagnostic devices ("IVDs"), such as Galleri and DAC, are a type of medical device, including tests that can be used in the diagnosis or detection of diseases, such as cancer, or other conditions. The FDA considers LDTs to be a subset of IVDs that are intended for clinical use and are designed, manufactured, and used within a single laboratory. Although the FDA has statutory authority to assure that medical devices, including IVDs, are safe and effective for their intended uses, the FDA has historically exercised its enforcement discretion and not enforced certain applicable provisions of the FDC Act and regulations with respect to LDTs, with certain exceptions such as in the case of tests for public health emergencies or where the tests are offered directly to the consumer. Even under its current enforcement discretion policy, the FDA has issued warning letters to and safety communications about *in vitro* diagnostic device manufacturers for commercializing laboratory tests that were purported to be LDTs but that the FDA alleged failed to meet the definition of an LDT or otherwise were not subject to the FDA's enforcement discretion policy.

The FDA has for a number of years stated its intention to modify its enforcement discretion policy with respect to LDTs and impose applicable medical device requirements to LDTs more broadly. Most recently, the FDA proposed an amendment to its regulations in October 2023 that, if finalized, would clarify the FDA's historical view that LDTs are medical devices subject to the requirements applicable to other IVDs, and to phase out its enforcement discretion policy over a period of four years from issuance of the final rule. In addition, Congress has, for over the past decade, considered a number of proposals, which if enacted, would subject LDTs to additional regulatory requirements. For example, in recent years Congress has worked on legislation to create a novel regulatory framework governing a new category of FDA-regulated products, referred to as *in vitro* clinical tests ("IVCTs"), which would govern LDTs and would be separate and distinct from the existing medical device regulatory framework. For example, most recently, in March 2023, the Verifying Accurate Leading-edge IVCT Development Act of 2023 (the "Valid Act") was introduced. The bill would establish a risk-based approach to imposing requirements related to premarket review, quality systems, and labeling requirements on all IVCTs, including LDTs, but would grandfather certain LDTs marketed before the effective date of the bill and exempt them from certain requirements. Depending on the approach adopted under any potential legislation, certain LDTs (likely those of higher risk) may be required to undergo some form of premarket review, potentially with a transition period for compliance and a grandfathering provision. Pending the FDA's issuance of the final rule or Congress's enactment of legislation governing LDTs, LDTs remain subject to the FDA's existing policy of enforcement discretion.

PMA Pathway

The FDA categorizes medical devices into one of three classes—class I, II, or III—based on the risks presented by the device and the regulatory controls necessary to provide a reasonable assurance of the device's safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the Quality System Regulation ("QSR") facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. Special controls are established by the FDA for a specific device type and often include specific labeling provisions, performance metrics, and other types of controls that mitigate risks of the device (usually incorrect results for an IVD). Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. Some pre-amendment devices are unclassified, but are subject to the FDA's premarket notification and clearance process in order to be commercially distributed.

Class III devices generally require PMA approval before they can be marketed. Obtaining PMA approval requires the submission of "valid scientific evidence" to the FDA to support a finding of a reasonable assurance of the safety and effectiveness of the device. A PMA must provide complete analytical and clinical performance data and also information about the device and its components regarding, among other things, device design, manufacturing, and labeling. Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, it has 180 days under the FDC Act to complete its review of a PMA, although in practice, the FDA's review often takes significantly longer, and can take up to several years. An advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. As part of the FDA's review of a PMA, the FDA will typically inspect the manufacturer's facilities for compliance with QSR requirements, which impose requirements related to design controls, manufacturing controls, documentation, and other quality assurance procedures. The user fee costs and the length of the FDA review time for obtaining PMA approval are significantly higher than for a 510(k) notification or a *de novo* classification.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA with post-approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution, and collection of long-term follow-up data from patients in the clinical study that supported PMA approval or requirements to conduct additional clinical studies post-approval. The FDA may condition PMA approval on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

Certain changes to an approved device, such as changes in manufacturing facilities, methods, or quality control procedures, or changes in the design performance specifications, which affect the safety or effectiveness of the device, require submission of a PMA supplement. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may not require as extensive clinical data or the convening of an advisory panel. Certain other changes to an approved device require the submission of a new

PMA, such as when the design change causes a different intended use, mode of operation, and technical basis of operation, or when the design change is so significant that a new generation of the device will be developed, and the data that were submitted with the original PMA are not applicable for the change in demonstrating a reasonable assurance of safety and effectiveness.

510(k) Notification Pathway. To obtain 510(k) clearance, a manufacturer must submit a premarket notification demonstrating to the FDA's satisfaction that the proposed device is "substantially equivalent" to another legally marketed device that itself does not require PMA approval (a predicate device). A predicate device is a legally marketed device that is not subject to premarket approval, i.e., a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) process. The FDA's 510(k) clearance process usually takes from three to 12 months, but often takes longer. The FDA may require additional information, including clinical data, to make a determination regarding substantial equivalence. In addition, the FDA collects user fees for certain medical device submissions and annual fees for medical device establishments.

If the FDA agrees that the device is substantially equivalent to a lawfully marketed predicate device, it will grant 510(k) clearance to authorize the device for commercialization. If the FDA determines that the device is "not substantially equivalent" to a previously cleared device, the device is automatically designated as a Class III device. The device sponsor must then fulfill more rigorous PMA requirements, or can request a risk-based classification determination for the device in accordance with the *de novo* process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device. Once a *de novo* petition is reviewed and approved, it results in the device having a Class II status, and future devices from the company or a third party may use the company *de novo*-classified device as a 510(k) predicate.

After a device receives 510(k) clearance or *de novo* classification, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) clearance or, depending on the modification, PMA approval or new *de novo* classification. The FDA requires each manufacturer to determine whether the proposed change requires submission of a 510(k) or a PMA in the first instance, but the FDA can review any such decision and disagree with a manufacturer's determination. Modifications that do not rise to the level of requiring a new 510(k) are accomplished through a "letter to file" in which the company documents the rationale for the change and why a new 510(k) is not required. However, if the FDA disagrees with a manufacturer's determination, the FDA can require the manufacturer to cease marketing and/or request the recall of the modified device until new marketing authorization for the change is obtained. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines or penalties.

Over the last several years, the FDA has proposed reforms to its 510(k) clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more difficult for manufacturers to utilize the 510(k) clearance process for their products. For example, in September 2023, the FDA issued three draft guidance documents to strengthen and modernize the 510(k) program, and the FDA noted that in light of increasing technical complexity, clinical data are increasingly being required to support substantial equivalence determinations.

De Novo Classification Pathway. If no legally marketed predicate can be identified for a new device to enable use of the 510(k) pathway, the device is automatically classified under the FDC Act into class III, which generally requires PMA approval. However, the FDA can reclassify or use "*de novo* classification" for a device that meets the FDC Act standards for a class I or class II device, permitting the device to be marketed without PMA approval. To grant such a reclassification, the FDA must determine that the FDC Act's general controls alone, or general controls and special controls together, are sufficient to provide a reasonable assurance of the device's safety and effectiveness. The *de novo* classification route is generally less burdensome than the PMA approval process.

Investigational Device Exemption Process. Clinical trials are almost always required to support a PMA and are sometimes required to support a 510(k) submission. All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA's investigational device exemption ("IDE") regulations which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting, and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk" to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. A significant risk device is one that presents a potential for serious risk to the health, safety, or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval.

In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board ("IRB") for each clinical site. The IRB is responsible for the initial and continuing review of the IDE, and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical trials may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements. Acceptance of an IDE application for review does not guarantee that the FDA will allow the IDE to become effective and, if it does become effective, the FDA may or may not determine that the data derived from the trials support the safety and effectiveness of the device or warrant the continuation of clinical trials. An IDE supplement must be submitted to, and approved by, the FDA before a sponsor or investigator may make a change to the investigational plan that may affect its scientific soundness, study plan or the rights, safety or welfare of human subjects.

During a study, the sponsor is required to comply with the applicable FDA requirements, including, for example, trial monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping, and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a trial begins, we, the FDA or the IRB could suspend or terminate a clinical trial at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits.

Expedited Development and Review Programs. The FDA has established programs to support and expedite the development of devices that meet criteria for Breakthrough Device designation, which can be voluntarily requested by sponsors. The program offers manufacturers of certain devices an opportunity to interact with the FDA more frequently and efficiently as they develop their products with the goal of expediting commercialization of such products to help patients have more timely access, as well as use of post-market data collection, when scientifically appropriate, to facilitate expedited and efficient development and review of the device, opportunities for efficient and flexible clinical study design, and priority review of premarket submissions. The program is available to medical devices that meet certain eligibility criteria, including that the device provides more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions, and constitutes a device (i) that represents a breakthrough technology, (ii) for which no approved or

cleared alternatives exist, (iii) that offer significant advantages over existing approved or cleared alternatives, or (iv) the availability of which is in the best interest of patients.

Postmarket Regulation. After a device is cleared or approved by the FDA for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of "off-label" uses of cleared or approved products;
- requirements related to promotional activities;
- clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices, or approval of certain modifications to PMA-approved devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDC Act that may present a risk to health;
- the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Device manufacturing processes subject to FDA oversight are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation, and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. Manufacturers are subject to periodic scheduled or unscheduled inspections by the FDA. A failure to maintain compliance with the QSR requirements could result in the shut-down of, or restrictions on, manufacturing operations and the recall or seizure of products. The discovery of previously unknown problems with products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls.

FDA Enforcement Powers. The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that a manufacturer has failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, including the following:

- issuance of warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- requesting or requiring recalls, withdrawals, or administrative detention or seizure of our products;
- imposing operating restrictions or partial suspension or total shutdown of production;

- refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to grant export approvals for our products; or
- criminal prosecution.

Federal and State Physician Self-Referral Prohibitions

We are subject to the federal physician self-referral prohibitions, commonly known as the Stark Law. The Stark Law generally prohibits us from billing, presenting, or causing to be presented a claim for any clinical laboratory services or other designated health services payable by the Medicare or Medicaid programs when the physician ordering the service, or any member of such physician's immediate family, has an ownership interest in, or compensation arrangement with, us, unless the arrangement meets an exception to the prohibition. The Stark Law contains several exceptions, including an exception for compensation paid to a physician for personal services rendered by the physician provided that several conditions are met, including that the payment is set at fair market value for the services furnished and the terms of the arrangement be set out in writing and signed by the parties. These prohibitions apply regardless of the reasons for the financial relationship and the referral. The Stark Law is a strict liability statute, and thus no finding of intent is required for a violation.

Sanctions for a violation of the Stark Law include the following:

- denial of payment for the services provided in violation of the prohibition;
- refunds of amounts collected by an entity in violation of the Stark Law;
- monetary penalties; and
- exclusion from federal healthcare programs, including Medicare and Medicaid.

In addition, violations of the Stark Law may also serve as the basis for liability under the Federal False Claims Act, which prohibits knowingly presenting, or causing to be presented, a false or fraudulent claim for payment to the federal government.

Many states, including California, also have laws restricting physicians from referring persons for certain services to entities in which the referring physician has a financial interest, which may apply regardless of whether the payor for such claims is Medicare or Medicaid. For example, we are subject to the California Physician Ownership and Referral Act of 1993 ("PORA"). PORA, which applies regardless of payor type, generally prohibits physicians from referring individuals for certain services, including laboratory or diagnostic services, if the physician or his or her immediate family has a financial interest in the entity receiving the referral. PORA would generally prohibit us from billing an individual or any governmental or private payor for any laboratory or diagnostic services when the physician ordering the service, or any member of such physician's immediate family, has an investment interest in, or compensation arrangement with, us, unless the arrangement falls under one of the statutory exceptions. Further, certain violations of PORA are a misdemeanor, and violations generally could result in civil penalties, criminal fines, and disciplinary action by the applicable governmental agency. Finally, other states have self-referral restrictions with which we have to comply, which may differ from those imposed by federal and California law.

Healthcare Fraud and Abuse

If and when we commercially launch a product in the United States, our business operations, including any relationship we may form with physicians, healthcare providers or other potential customers or business partners, will need to comply with various healthcare fraud and abuse laws.

The federal healthcare program Anti-Kickback Statute makes it a felony for a person or entity, including a laboratory, to knowingly and willfully offer, pay, solicit, or receive remuneration, directly or indirectly, in order to induce business that is reimbursable under any federal healthcare program, including the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. The Anti-Kickback Statute contains certain statutory exceptions and regulatory safe harbors that protect certain interactions if specific requirements are met. If an arrangement meets the provisions of a safe harbor, it is deemed not to violate the Anti-Kickback Statute. An arrangement must fully comply with each element of an applicable safe harbor in order to qualify for protection. The failure of a transaction or arrangement to fit within a specific safe harbor, however, does not necessarily mean that the transaction or arrangement is illegal or that prosecution under the federal Anti-Kickback Statute will be pursued if the arrangement is determined by the government not to be abusive. A violation of the Anti-Kickback Statute may result in imprisonment, fines and possible exclusion from Medicare, Medicaid, and other federal healthcare programs. Actions that violate the Anti-Kickback Statute or any similar laws may also incur liability under the Federal False Claims Act.

Although the Anti-Kickback Statute applies only to federal healthcare programs, a number of states have passed statutes substantially similar to the Anti-Kickback Statute. For example, California has enacted the PORA (see "—Federal and State Physician Self-Referral Prohibitions" above) and a Medi-Cal Anti-Kickback Statute, Welfare and Institutions Code Section 14107.2, that prohibit conduct similar to that prohibited by the Anti-Kickback Statute. Violations of PORA and Section 14107.2 are both punishable by imprisonment and fines. Many other states have all-payor statutes that extend the provisions of the state anti-kickback statute to not only governmental payors, but also private payors and self-pay patients.

Federal and state law enforcement authorities scrutinize arrangements between healthcare providers and potential referral sources to ensure that the arrangements are not designed as a mechanism to induce healthcare referrals or induce the purchase, prescribing or ordering of particular products or services. Law enforcement authorities and the courts have also demonstrated a willingness to look behind the formalities of a transaction to determine the underlying purpose of any remuneration exchanged between healthcare providers and actual or potential referral sources. Generally, courts have taken a broad interpretation of the scope of the Anti-Kickback Statute, holding that the statute may be violated if merely one purpose of a payment arrangement is to induce referrals or purchases. Investigation or challenge under the federal Anti-Kickback Statute and analogous state laws of any relationship we may form with physicians, healthcare providers or other potential customers or business partners could lead to sanctions that could have a negative effect on our business.

In addition, other healthcare fraud and abuse laws could have an effect on our business. For example, in 2018, Congress enacted the Eliminating Kickbacks in Recovery Act of 2018 ("EKRA"), which establishes an all-payor anti-kickback prohibition for, among other things, knowingly and willfully paying or offering any remuneration directly or indirectly to induce a referral of an individual to a clinical laboratory. Violations of EKRA may result in fines, imprisonment, or both.

The federal Civil Monetary Penalties law prohibits, among other things, offering or transferring remuneration to a federal healthcare program beneficiary that a person knows or should know is likely to influence the beneficiary's decision to order or receive items or services reimbursable by a federal healthcare program from a particular provider or supplier. Penalties for violating the Civil Monetary Penalties law may include exclusion from federal healthcare programs and substantial fines.

The Federal False Claims Act prohibits a person from knowingly submitting (or causing to be submitted) a claim, making a false record or statement in order to secure payment, or retaining an overpayment by the federal government. Moreover, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act. In addition to actions initiated by the government itself, the statute authorizes actions to be brought on behalf of the federal government by a private party known as the "relator" who has knowledge of the

alleged fraud. These types of actions are also known as qui tam or "whistleblower" lawsuits. Because the complaint is initially filed under seal, the action may be pending for some time before the defendant is even aware of the action. If the government is ultimately successful in obtaining redress in the matter or if the plaintiff succeeds in obtaining redress without the government's involvement, then the plaintiff will receive a percentage of the recovery. It is not uncommon for qui tam lawsuits to be filed by employees, third parties or consultants of healthcare providers, including clinical laboratories. Several states have also enacted similar false claims laws.

Further, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") created two federal crimes: healthcare fraud and false statements relating to healthcare matters, in addition to the privacy and security regulations described below under "—Privacy Regulation." The healthcare fraud statute prohibits knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private payors. A violation of this statute is a felony and may result in fines, imprisonment, or exclusion from government-sponsored programs. The false statements statute prohibits knowingly and willfully falsifying, concealing, or covering up a material fact, or making any materially false, fictitious, or fraudulent statement in connection with the delivery of, or payment for, healthcare benefits, items, or services. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. A violation of this statute is a felony and may result in fines or imprisonment.

Similar foreign laws and regulations may apply to us if we offer our products in foreign jurisdictions in the future.

While we intend fully to comply with applicable federal and state fraud and abuse laws, and similar laws of other states and countries as we commercialize products, it is possible that some of our arrangements or arrangements we may enter into in the future could become subject to regulatory scrutiny, and we cannot provide assurance that we will be found to be in compliance with these laws following any such regulatory review.

Transparency Laws

The Sunshine Act was enacted by Congress in 2010 as part of the Affordable Care Act ("ACA") and was amended in 2018 by the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act. The Sunshine Act requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to report annually to CMS certain data on payments and other transfers of value made to U.S.-licensed physicians (as defined by statute), teaching hospitals, and certain non-physician practitioners, including physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse-midwives. The data are sent to CMS for public disclosure on the Open Payments.

Additional International Regulation and Product Approval

We may have to obtain or submit approvals, markings, notifications, certifications or satisfy other premarket requirements from regulatory authorities in non-U.S. jurisdictions prior to marketing our products in those countries and territories. The laws and regulations in other jurisdictions vary from those in the United States and may be easier or more difficult to satisfy, and they are subject to change, in some cases frequently. Certain regulatory authorities regulate LDTs and IVDs differently than the United States, and our products may need to satisfy additional requirements to be offered commercially within the jurisdictions.

Foreign Regulation

Medical devices (including IVDs) are subject to extensive regulation, such as premarket review, marketing authorization or certification, by similar agencies or notified bodies in other countries. Regulatory requirements

and approval or certification processes are not harmonized and vary from one country to another. International regulators and notified bodies are independent and not bound by the findings of the FDA.

Regulation of In Vitro Diagnostic Medical Devices in the European Union

We are or may become subject to new laws, regulations, and industry standards concerning medical devices proposed and enacted in various foreign jurisdictions, including the European Union ("EU"). The EU has adopted specific directives and regulations regulating the design, manufacture, clinical investigation, conformity assessment, labeling, and adverse event reporting for IVDs. Until May 25, 2022, IVDs were regulated by Directive 98/79/EC ("EU IVDD"), which has been repealed and replaced by Regulation (EU) No 2017/746 ("EU IVDR"). The EU IVDR became effective on May 26, 2022. However, to prevent disruption in the supply of IVDs on the EU market, a regulation adopted by the European Parliament and the Council on December 15, 2021 enacted a "progressive" roll-out of the EU IVDR and provided for a tiered grace period for most devices depending on the risk classification of the device. Galleri currently benefits from the grace period applicable to Class C IVDs, and therefore must only be fully compliant with the EU IVDR requirements by May 26, 2026. Galleri has been assessed in accordance with the EU IVDD whose regime is described below. However, as of May 26, 2022 and regardless of the tiered grace period, some of the EU IVDR requirements apply in place of the corresponding requirements of the EU IVDD with regard to registration of economic operators and of devices, post-market surveillance and vigilance requirements. Pursuing marketing of IVDs in the EU will notably require that our devices be certified under the new regime set forth in the EU IVDR when our current certificates expire.

In Vitro Diagnostic Medical Devices Directive

Under the EU IVDD, an IVD may be placed on the market only if it conforms the essential requirements set out in the EU IVDD including the requirement that an IVD must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performances intended by the manufacturer and be designed, manufactured, and packaged in a suitable manner. The European Commission has adopted various standards applicable to medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is viewed as the easiest way to satisfy the essential requirements as a practical matter as it creates a rebuttable presumption that the device satisfies that essential requirement.

As a general rule, demonstration of conformity of IVDs and their manufacturers with the essential requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence.

In Vitro Diagnostic Medical Devices Regulation

The regulatory landscape related to IVDs in the EU recently evolved. On April 5, 2017, the EU IVDR was adopted with the aim of ensuring better protection of public health and patient safety. The EU IVDR establishes a uniform, transparent, predictable and sustainable regulatory framework across the EU for IVDs and ensures a high level of safety and health while supporting innovation. Unlike the EU IVDD, the EU IVDR is directly applicable in EU member states without the need for member states to implement it into national law. This aims at increasing harmonization across the EU.

The EU IVDR became effective on May 26, 2022. IVDs lawfully placed on the market pursuant to the EU IVDD prior to May 26, 2022 may generally continue to be made available on the market or put into service, provided that the requirements of the transitional provisions are fulfilled. However, even in this case,

manufacturers must comply with a number of new or reinforced requirements set forth in the EU IVDR, in particular the obligations described below.

All manufacturers placing medical devices into the market in the EU must comply with the EU medical device vigilance system. Under this system, serious incidents and Field Safety Corrective Actions ("FSCAs") must be reported to the relevant authorities of the EU member states. Manufacturers are required to take FSCAs defined as any corrective action for technical or medical reasons to prevent or reduce a risk of a serious incident associated with the use of a medical device that is made available on the market. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device.

The aforementioned EU rules are generally applicable in the European Economic Area ("EEA"), which consists of the 27 EU member states plus Norway, Liechtenstein, and Iceland.

Regulations Related to Clinical Laboratories in the European Union

The EU does not have an overarching law or regulation that governs the legal framework surrounding the operations of clinical laboratories in a way that would be analogous to CLIA in the United States. However, EU member states' laws may affect how our business as a diagnostic testing service provider is carried out.

Other laws and guidelines that impact clinical laboratories' work include the Convention for the Protection of Human Rights and Dignity of the Human Being with regard to the Application of Biology and Medicine, the Declaration of Helsinki adopted by the World Medical Association and related codes of conduct and guidelines issued by the relevant research ethics committees.

The aforementioned EU rules are generally applicable in the EEA.

Regulation of In Vitro Diagnostic Medical Devices in the United Kingdom

Following Brexit, EU laws no longer apply directly in Great Britain. The regulations on IVDs in Great Britain continue to be based largely on the EU IVDD, which preceded the EU IVDR, as implemented into national law by the Medical Devices Regulation 2002 ("UK MDR"). However, under the terms of the Protocol on Ireland/Northern Ireland, the EU IVDR does apply to Northern Ireland. Consequently, there are currently different regulations in place in Great Britain as compared to both Northern Ireland and the EU, respectively. The United Kingdom government has passed a new Medicines and Medical Devices Act 2021, which introduces delegated powers in favor of the Secretary of State or an "appropriate authority" to amend or supplement existing regulations in the area of medicinal products and medical devices. This allows new rules to be introduced in the future by way of secondary legislation, which aims to allow flexibility in addressing regulatory gaps and future changes in the fields of human medicines, clinical trials and medical devices.

Under the powers granted by the Medicines and Medical Devices Act 2021, the United Kingdom is currently drafting amendments to the UK MDR which is likely to result in further changes to the Great Britain regulations in the near future. For example, subject to transitional periods for validly certified devices, the new Great Britain regulations are expected to require IVDs placed on the Great Britain market to be "UKCA" certified by a United Kingdom-approved body in order to be lawfully placed on the market. The United Kingdom has stated that the core elements of the future regime are expected to apply from July 1, 2025, but that IVDs in compliance with either the EU IVDD or IVDR can continue to be placed on the Great Britain market until the sooner of certificate expiration or June 30, 2030. Following these transitional periods, it is expected that all IVDs will require a United Kingdom Conformity Assessment ("UKCA") mark. Manufacturers may choose to use the UKCA mark on a voluntary basis prior to the regulations coming into force. However, from July 2025, it is expected that products which do not have existing and valid CE certification will be required to carry the UKCA mark if they are to be sold into the market in Great Britain. UKCA marking will not be recognized in the EU.

Since January 1, 2021, the Medicines and Healthcare Products Regulatory Agency ("MHRA") has become the sovereign regulatory authority responsible for Great Britain. All IVDs are required to be registered with the MHRA, and since January 1, 2022, manufacturers based outside the UK have been required to appoint a UK responsible person that has a registered place of business in the UK to register devices with the MHRA.

Coverage and Reimbursement

We are pursuing payment for our products through a diverse and broad range of channels, including sales to self-insured employers, integrated health systems, healthcare providers, life insurance companies, and patients, as well as, where available, through coverage and reimbursement by government healthcare programs and commercial third-party payors.

United States

In the United States, there is no uniform coverage for clinical laboratory tests. The extent of coverage and rate of payment for covered services varies from payor to payor. Obtaining coverage for tests like ours that involve genomic sequencing can be particularly challenging.

Medicare is the single largest healthcare payor in the United States, and a particularly significant payor for many cancer-related laboratory services given the demographics of the Medicare population, a large portion of which includes elderly individuals. Many other U.S. payors look to the Medicare policies as a benchmark and model for their own. Medicare provides two main forms of insurance coverage: traditional Medicare fee-for-service, administered by the federal government and its contractors, and Medicare Advantage, where coverage is provided by private insurers approved by CMS that must follow federal rules and guidelines.

Generally, Medicare will not cover screening tests, which are considered preventive services, that are performed in the absence of signs or symptoms of illness or injury, except if explicitly authorized by statute. CMS, the agency responsible for administering the Medicare program, authorizes certain additional preventive services including certain screening tests that are not expressly covered by statute if the service is (a) reasonable and necessary for the prevention or early detection of an illness or disability, (b) recommended with a grade of A or B by the USPSTF, an independent, volunteer panel of experts in the field of prevention, evidence-based medicine and primary care, and (c) appropriate for Medicare beneficiaries under Part A or Part B. CMS establishes coverage through an NCD process. In making the NCD determination, CMS may also consider, among other things, the relationship between predicted outcomes and expenditures for such services, and take into account the results of such an assessment in making such determination. In its discretion, the USPSTF generally waits for FDA authorization before it considers undertaking review of novel technology.

Galleri could be considered a screening test under Medicare and, accordingly, is unlikely to be covered by Medicare without pursuing the CMS NCD-related measures described above. These processes may take multiple years to complete as currently, coverage decisions for preventive services are not made prior to FDA authorization. Even if we pursue these processes, it is possible that Galleri will never become eligible for Medicare coverage and reimbursement. We are evaluating opportunities for nearer-term reimbursement through Medicare Advantage plans, while generating evidence to meet the requirements of the traditional Medicare path. Medicare Advantage plans generally must cover all of the services that traditional Medicare covers (except hospice care), but they have the discretion to offer their enrollees additional, or supplemental, benefits not otherwise covered under traditional Medicare, including those benefits referred to as optional supplemental benefits, for which enrollees may elect to pay extra to receive coverage. Obtaining such coverage may, however, involve lengthy negotiations with individual Medicare Advantage plans, and there is no guarantee that we will receive such coverage. We also intend to continue to pursue coverage and reimbursement from private payors for our products. Many of these private payors must cover certain services required by federal and state laws, such as preventive health services that have received a rating of A or B by the USPSTF. Like Medicare Advantage plans, private payors have discretion to extend greater coverage than recognized under traditional Medicare, but

obtaining coverage from such payors generally involves lengthy negotiations, and there is no guarantee that we will receive such coverage. State Medicaid programs make individual coverage decisions for diagnostic tests and have taken steps to control the cost, utilization and delivery of healthcare services, meaning that, even if Galleri receives coverage through private payors, there is no guarantee that it will be covered by individual state Medicaid programs.

DAC is intended to be a diagnostic product, and we believe we could obtain Medicare coverage and reimbursement of DAC as a medical benefit in the next several years, although there are no assurances that we will be successful in doing so. We may explore Medicare local coverage of DAC by Medicare Administrative Contractors ("MACs") by demonstrating utility of our product in a clinical study. MACs administer the Medicare program in their respective designated regions and have some discretion in determining coverage. We may seek FDA clearance or approval, which, if obtained, would help us obtain coverage and reimbursement for DAC.

If eligible for reimbursement, laboratory tests such as ours generally are classified for reimbursement purposes under CMS's Healthcare Common Procedure Coding System ("HCPCS") and the American Medical Association's ("AMA") Current Procedural Terminology ("CPT") coding systems. We and payors must use those coding systems to bill and pay for our diagnostic tests, respectively. These HCPCS and CPT codes are associated with the particular product or service that is provided to the individual. Accordingly, without an HCPCS or CPT code applicable to our tests, the submission and payment of claims would be a significant challenge. Once CMS creates an HCPCS code or the AMA establishes a CPT code, CMS establishes payment rates and coverage rules under traditional Medicare, and private payors establish rates and coverage rules independently. Under Medicare, payment for laboratory tests is generally made under the Clinical Laboratory Fee Schedule ("CLFS") with payment amounts assigned to specific HCPCS and CPT codes.

In April 2014, Congress passed the Protecting Access to Medicare Act of 2014 ("PAMA"), which included substantial changes to the way in which clinical laboratory services are paid under Medicare. Under PAMA (as amended by the Further Consolidated Appropriations Act, 2020), laboratories that receive the majority of their Medicare revenue from payments made under the CLFS and Physician Fee Schedule and receive at least $12,500 in Medicare revenues for CLFS services during a data collection period are subject to certain reporting requirements. CMS uses the data reported, which includes certain private payor payment rates for each test the laboratory performs, the volume of tests paid at each rate, and the HCPCS code associated with the test, to calculate a weighted median payment rate for each test, which is used to establish revised Medicare CLFS reimbursement rates for clinical diagnostic laboratory tests ("CDLTs"). If the test is an advanced diagnostic laboratory test ("ADLT"), the test will be paid based on an actual list charge for an initial period of three quarters before being shifted to the weighted median private payor rate reported by the laboratory performing the ADLT. Laboratories offering ADLTs are subject to recoupment if the actual list charge exceeds the weighted median private payor rate by a certain amount. Accordingly, if our tests receive Medicare coverage in the future, the reimbursement rate we receive for such tests may be affected by payment rates made by private payors for such tests.

The revised reimbursement methodology described above generally results in relatively lower reimbursement amounts under Medicare for clinical laboratory services than has been historically reimbursed. Any reductions to reimbursement rates resulting from the new methodology are limited to 0% in 2023 and 15% per test per year in each of 2024 through 2026.

In addition, PAMA codified Medicare coverage rules for laboratory tests by requiring any local coverage determination to be made following the local coverage determination process. PAMA also authorizes CMS to consolidate coverage policies for clinical laboratory tests among one to four laboratory-specific MACs. These same contractors may also be designated to process claims if CMS determines that such a model is appropriate. It is unclear whether CMS will proceed with contractor consolidation under this authorization.

General Coverage and Reimbursement Considerations

Across jurisdictions, a decision to provide coverage for a product from a government payor, such as Medicare, or other third-party payor does not imply that an adequate reimbursement rate will be approved. Further, coverage and reimbursement for products, and services that utilize such products, can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance or at all.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, including clinical laboratory tests, in addition to their safety and efficacy. In certain foreign markets, the government controls the coverage and pricing of many healthcare products, including IVDs and clinical laboratory tests. In order to obtain coverage and reimbursement for any product that might be cleared or approved by regulators for sale (or certified by a notified body), or for any procedure that utilizes such product, it may be necessary to conduct health economic studies in order to demonstrate the medical necessity and cost-effectiveness of the products. The cost of such studies would be in addition to the costs required to obtain regulatory approvals or certifications. If third-party payors do not consider a product to be cost-effective compared to other available products, they may not cover the product after approval (or certification) as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit. Tests such as ours that will cover a large population and could potentially generate a significant number of false-positive results on an absolute basis may face incremental scrutiny in obtaining reimbursement from third-party payors given the additional costs of further diagnostic workup.

The marketability of Galleri and DAC may suffer if government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased, and we expect will continue to increase the pressure on medical products and services pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for our tests, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare Reform

In the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the healthcare system. Changes in healthcare policy could increase our costs and subject us to additional regulatory requirements that may interrupt commercialization of our products, decrease our revenue and adversely impact sales of, and pricing of and reimbursement for, our products. For example, in March 2010, the ACA was signed into law, which substantially changed the way healthcare is financed by both governmental and private insurers in the United States. The ACA contains a number of provisions, including those governing enrollment in federal healthcare programs, reimbursement adjustments, and fraud and abuse changes.

The implementation of the ACA in the United States, for example, has changed healthcare financing and delivery by both governmental and private insurers substantially, and affected medical device manufacturers significantly. The ACA included, among other things, provisions governing enrollment in federal and state healthcare programs, reimbursement matters, and fraud and abuse. Since its enactment, there have been judicial, U.S. Congressional and executive branch challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. It is unclear how other healthcare reform measures, if any, will impact our business.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, the Budget Control Act of 2011, among other things, resulted in reductions in payments to Medicare providers, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced CMS payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover Medicare overpayments to providers from three to five years.

In the EU, on December 13, 2021, Regulation No 2021/2282 on Health Technology Assessment ("HTA") amending Directive 2011/24/EU, was adopted. While the regulation entered into force in January 2022, it will only begin to apply from January 2025 onwards, with preparatory and implementation-related steps to take place in the interim. Once the regulation becomes applicable, it will have a phased implementation depending on the concerned products. This regulation intends to boost cooperation among EU member states in assessing health technologies, including certain high-risk medical devices and providing the basis for cooperation at the EU level for joint clinical assessments in these areas. The regulation will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

We believe that there will continue to be proposals by legislators at both the federal and state levels and in foreign jurisdictions, regulators and third-party payors to reduce costs while expanding individual healthcare benefits. Certain of these proposals to further reform healthcare or reduce healthcare costs may limit coverage of or lower reimbursement for the procedures associated with the use of our products. Changes in healthcare policy could increase our costs, decrease our revenue and impact sales of and reimbursement for our products.

Data Privacy and Security Regulation

Data Privacy and Security Laws

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information, and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing. For additional information, see the section entitled "Risk Factors" beginning on page 31 of this Information Statement.

Legal Proceedings

We are not currently a party to any material legal proceedings. From time to time, we are and may become involved in legal proceedings or investigations. For example, we are currently involved in various lawsuits and claims with respect to employment matters. Lawsuits or other legal proceedings could have an adverse impact on our reputation, business, financial condition, results of operations, or cash flows, and could divert the attention of our management from the operation of our business.

Emerging Growth Company Status

We are an "emerging growth company," as defined by the Jumpstart Our Business Startups Act of 2012. We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year in which our total annual gross revenues first meet or exceed $1.235 billion (as adjusted for inflation);
- the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt;
- the last day of the fiscal year in which we (i) have an aggregate worldwide market value of common stock held by non-affiliates of $700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (ii) have been a reporting company under the Securities Exchange Act of 1934, which refer to as the "Exchange Act," for at least one year (and have filed at least one annual report under the Exchange Act); or
- the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933.

For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002, exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies, reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, and exemptions from the requirement of holding a nonbinding advisory vote on executive compensation and stockholder approval on golden parachute compensation not previously approved. We may choose to take advantage of some or all of these reduced burdens. For example, we have taken advantage of the reduced disclosure obligations regarding executive compensation in this Information Statement. For as long as we take advantage of the reduced reporting obligations, the information we provide stockholders may be different from information provided by other public companies. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in the price of our common stock.

We have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this Information Statement, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

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

You should read the following discussion of our results of operations and financial condition together with our accompanying consolidated financial statements, which we refer to as the "Consolidated Financial Statements," and the notes thereto included under the section entitled "Index to Consolidated Financial Statements" beginning on page F-1 of this Information Statement, as well as the discussion in the sections entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements" and "Business" beginning on pages 117 and 123, respectively, of this Information Statement. This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry and our business and financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" beginning on pages 31 and 99, respectively, of this Information Statement.

GRAIL, LLC, previously named SDG Ops, LLC, was formed in the state of Delaware as a wholly owned subsidiary of Illumina, Inc. ("Illumina"). SDG Ops, LLC, along with SDG Ops, Inc., a Delaware corporation and wholly owned subsidiary of Illumina, were formed for the purpose of completing a merger transaction between GRAIL, Inc., and Illumina (the "Acquisition") in order to carry on the business of GRAIL, Inc. and its subsidiaries.

On September 20, 2020, GRAIL, Inc., Illumina and its subsidiaries, SDG Ops, LLC, and SDG Ops, Inc., entered into an agreement and plan of merger (the "Merger Agreement"). On August 18, 2021 (the "Closing Date"), Illumina completed its acquisition of GRAIL, Inc. ("predecessor"). According to the terms and conditions of the Merger Agreement, SDG Ops, Inc. and GRAIL, Inc. merged, with GRAIL, Inc. surviving and now a wholly owned subsidiary of Illumina (the "First Merger"). Immediately following the First Merger and as part of the same overall transaction, GRAIL, Inc., as the surviving corporation, merged with SDG Ops, LLC (the "Second Merger"). According to the terms and conditions of the Merger Agreement, SDG Ops, LLC became the surviving company and was renamed GRAIL, LLC ("successor").

Prior to the Closing Date, and unless the context otherwise requires, references to "GRAIL," "we," and "us" within this Information Statement refer to GRAIL, Inc., and its consolidated subsidiaries, while references to "GRAIL," "we," and "us" on or after the Closing Date refer to GRAIL, LLC and its consolidated subsidiaries unless the context otherwise requires.

Overview

Our Business

We are an innovative commercial-stage healthcare company focused on saving lives and shifting the paradigm in early cancer detection. We believe screening individuals for many types of cancer with a single test represents a significant opportunity to reduce the global burden of cancer. Our Galleri test is a commercially available screening test for early detection of multiple types of cancer, which we termed multi-cancer early detection ("MCED"). We believe Galleri is clinically validated based on the results of its clinical studies completed to date, including the results of its foundational case-control Circulating Cell-free Genome Atlas ("CCGA") study and interventional PATHFINDER study which together enrolled more than 21,000 participants. In these studies, Galleri demonstrated an ability to detect a shared cancer signal across more than 50 types of cancer, accurately predict the specific organ or tissue type where the cancer signal originated, and yield high positive predictive values and low false positive rates, all from a simple blood draw. See "Business—Our Products: Galleri and Beyond" and "—Our Clinical Studies." Galleri results can help guide next steps for diagnosis of cancer by healthcare providers in required follow-up diagnostic testing. Galleri is not a diagnostic

test and has not been approved or cleared by the U.S. Food and Drug Administration. We launched Galleri in the United States in mid-2021. As of March 31, 2024, we have sold more than 180,000 commercial tests and established over 100 commercial partnerships, including leading healthcare systems, employers, payors, and life insurance providers. Commercial use of Galleri has detected some of the most aggressive cancers in early stages including, among others, endometrial, esophageal, gastrointestinal stromal, head and neck, liver, pancreatic, and rectal cancers.

Since our inception, we have incurred net losses each year. We incurred net losses of $218.9 million and $193.7 million for the three months ended March 31, 2024 and April 2, 2023, respectively. Our net losses were $1.5 billion for fiscal year 2023 (which includes $718.5 million of goodwill and intangible impairment), $5.4 billion for fiscal year 2022 (which includes $4.7 billion in goodwill impairment), $911.5 million for the 2021 successor period and $336.2 million for 2021 predecessor period (see "Basis of Presentation" below for a description of applicable fiscal periods). Adjusted EBITDA was $(152.0) million and $(137.8) million for the three months ended March 31, 2024 and April 2, 2023, respectively. Adjusted EBITDA was $(523.9) million for fiscal year 2023, $(500.1) million for fiscal year 2022, $(216.5) million for the 2021 successor period and $(216.5) million for the 2021 predecessor period. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to the most directly comparable U.S. generally accepted accounting principle ("GAAP") financial measure, information about why we consider Adjusted EBITDA useful and a discussion of the material risks and limitations of these measures, please see "Non-GAAP Financial Measures" below. Substantially all of our net losses resulted from the application of pushdown accounting, including goodwill and intangible impairment, amortization of intangible assets, as well as our research and development programs, general and administrative ("G&A") expenses associated with our operations and sales and marketing costs associated with commercializing our products. Additionally, due to the application of pushdown accounting, our balance sheet includes goodwill and intangible assets recognized by Illumina in connection with their acquisition of us that may be subject to additional impairment over time. We expect to continue to incur operating losses over at least the next several years as we continue to invest in research and development of new and existing products.

Separation from Illumina

On , 2024, Illumina announced plans for the separation of GRAIL from Illumina via the Spin-Off.

To effect the Spin-Off, Illumina will distribute at least 85.5% of the shares of GRAIL's common stock owned by Illumina to Illumina's stockholders on a pro rata basis, and GRAIL will become an independent, publicly traded company. Immediately after the Distribution becomes effective, Illumina may retain up to 14.5% of GRAIL's common stock.

Immediately prior to the completion of the Spin-Off, GRAIL will be converted into a Delaware corporation and will be renamed GRAIL, Inc. Prior to completion of the Spin-Off, we intend to enter into a Separation and Distribution Agreement and several other agreements with Illumina related to the Spin-Off. These agreements will govern the relationship between Illumina and us up to and after completion of the Spin-Off and allocate between Illumina and us various assets, liabilities, and obligations, including those related to employees and compensation and benefits plans and programs and tax-related assets and liabilities. See the section entitled "Certain Relationships and Related Party Transactions" beginning on page 229 of this Information Statement for more detail. No approval of Illumina's stockholders is required in connection with the Spin-Off, and Illumina's stockholders will not have any appraisal rights in connection with the Spin-Off.

Completion of the Spin-Off is subject to the satisfaction, or the waiver by Illumina's board of directors (the "Illumina Board") of a number of conditions.

In addition, Illumina has the right not to complete the Spin-Off if, at any time, the Illumina Board determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of Illumina or its stockholders or is otherwise not advisable. If the Spin-Off is not completed for any reason, Illumina and GRAIL

will have incurred significant costs related to the Spin-Off, including fees for consultants, financial and legal advisors, accountants, and auditors, that will not be recouped. Total one-time transaction costs associated with the Spin-Off are preliminarily estimated to range from $ to $ if the Spin-Off is completed. If the Spin-Off is not completed for any reason, the one-time transaction costs will generally be limited to the transaction costs incurred for services rendered as of the date the Spin-Off is abandoned, which will be less than the range noted above. Our management will also have devoted significant time to manage the Spin-Off process, which will decrease the time they will have to manage our business. See the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement for more detail.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on a stand-alone basis using the consolidated financial statements and accounting records of Illumina. These consolidated financial statements reflect GRAIL's consolidated historical financial position, results of operations and cash flows as historically managed, in accordance with GAAP. The Consolidated Financial Statements may not be indicative of GRAIL's future performance and do not necessarily reflect what the financial position, results of operations and cash flows would have been, and may not include all expenses that would have been incurred, had GRAIL been operated as an independent, publicly traded company during the periods presented. Certain situations require management to make estimates based on judgments and assumptions, which may affect the reported amounts of assets and respective disclosures at the date of the financial statements. Management's judgments and assumptions may also affect the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these management estimates.

GRAIL's fiscal year is the 52 or 53 weeks ending the Sunday closest to December 31, with quarters of 13 or 14 weeks ending the Sunday closest to March 31, June 30, September 30, and December 31. References to Q1 2024 and Q1 2023 refer to the three months ended March 31, 2024 and April 2, 2023, respectively, which were both 13 weeks. Upon the closing of the Spin-Off, GRAIL will have a fiscal year end of December 31. References herein to (i) the "2021 predecessor period" refer to the period from January 1, 2021 through August 18, 2021 and reflect the pre-Acquisition activity of GRAIL, (ii) the "2021 successor period" refer to the period from August 19, 2021 through January 2, 2022 and reflect the post-Acquisition activity of GRAIL, (iii) "fiscal year 2022" refer to the period from January 2, 2022 through January 1, 2023, and (iv) "fiscal year 2023" refer to the period from January 2, 2023 to December 31, 2023.

The Acquisition represented a change of control with respect to GRAIL. Given GRAIL, Inc. merged with SDG Ops, Inc., which then merged with SDG Ops LLC, authoritative guidance (ASC 805-50-30) required pushdown accounting to be applied for the Second Merger amongst entities under common control. As a result of the application of pushdown accounting, the separately issued financial statements of GRAIL reflect Illumina's basis in the assets and liabilities of GRAIL which were remeasured to fair value as of the Closing Date. Intangible assets included developed technology, in-process research and development, and tradenames, as well as goodwill. There were also various other purchase price adjustment entries made in connection with the Acquisition that impacted the GRAIL standalone financial statements. We have explained these fluctuations within the section titled "—Results of Operations" below.

Subsequent to the separation from Illumina, we expect to incur additional costs as a separate public company. These additional costs are primarily related to certain supporting functions that may differ from and be higher than the costs historically incurred or allocated to us.

The additional costs we expect to incur as a separate public company are summarized as follows:

- Accounting and audit related costs, professional services, and new systems and software to support the accounting, financial reporting, and audits as a standalone public company;
- Personnel costs, including compensation-related expenses for additional headcount to enhance our capabilities in areas such as investor relations, accounting, financial reporting, treasury, risk management, and equity administration, among others; and

- Corporate governance costs, including but not limited to board of directors compensation and expenses, insurance, legal and other professional services fees, annual report and proxy statement costs, SEC filing fees, transfer agent fees, and stock exchange listing fees.

These additional costs are expected to increase our G&A expenses. Certain factors could impact the nature and amount of these separate public company costs, including the finalization of our staffing and infrastructure needs.

Key Factors Affecting Performance

We believe there are several important factors that have impacted and that we expect will impact our operating performance and results of operations, including:

- ***Continued development of the market for MCED testing***. Multi-cancer early detection is a relatively novel concept and the market for MCED tests is rapidly evolving. We coined the term "multi-cancer early detection" and continue to drive MCED as a solution to one of healthcare's most important challenges. Our performance depends on the extent to which key stakeholders, including current and potential commercial partners, payors and health systems, regulators, policy makers, academic and community medical centers, and key opinion leaders and advocates, understand and support MCED testing as an effective solution for cancer screening. We make significant efforts to educate these key stakeholders regarding the benefits of MCED and the clinical and economic value of our products, which we believe will continue to drive awareness of MCED and expand the commercial opportunity for our products.
- ***Demand for our products and customer mix***. A key factor to our future success is and will be our ability to increase demand for, and sales of, Galleri and our other products from new and existing customers. Our commercial strategy is focused on innovative value-oriented partnerships and targets health systems, employers, payors, and life insurance providers, as well as other at-risk populations. As Galleri is not currently broadly reimbursed, our ability to drive demand from these customers is directly linked to our ability to demonstrate the clinical and economic value of our test through clinical validation and real-world experience. As of March 31, 2024, we have entered into over 100 commercial partnerships, including with leading healthcare systems, employers, payors, and life insurance providers, and have established a network of over 10,000 prescribers across the United States in a pre-reimbursement setting. We believe this commercial network represents a significant opportunity to drive further demand for Galleri. The mix of customers from which we generate revenue from period to period has an impact on our revenue and gross margin. Galleri test pricing is generally based on our list price or, for certain customers, such as larger, higher-volume customers, negotiated contractual rates. For certain customers, we also offer rebates or discounts from time to time. Revenue generated from customers with negotiated contractual rates, or with rebates or discounts, is generally lower margin as compared to revenue generated based on list pricing. In addition, we have entered into a number of biopharmaceutical research partnerships for our research-use-only ("RUO") offering under our precision oncology portfolio. Large customers, such as healthcare systems, employers, and biopharmaceutical partners, generally begin using our products by initiating pilots involving a limited number of tests. We believe that our ability to convert these initial pilots into long-term customer relationships has the potential to drive substantial long-term revenue. We also expect to increase demand from new customers through our efforts to further develop the market for MCED testing.
- ***FDA and regulatory approval and reimbursement***. Our performance will be impacted by the extent to which we can secure reimbursement and coverage for our products. Prior to broader coverage and reimbursement in the United States, we will continue our work with clinics and health systems to accelerate utilization, and with self-insured employers and health insurers to offer and cover Galleri. Galleri is currently available as an LDT in the United States and we have established private reimbursement from a number of self-insured employers and health plans, but do not currently have broader coverage and reimbursement by government healthcare programs, such as Medicare. While Galleri has not been approved or cleared by the FDA, FDA approval is currently not required to market

our tests in the United States. We plan to pursue FDA approval to support broad access for Galleri in the United States. We plan to complete a PMA submission with the FDA in the first half of 2026. Obtaining PMA approval can take several years from the time an application is submitted, if at all. Moreover, the FDA requirements that will govern MCED tests, as well as the breadth and nature of data we must provide the FDA to support the proposed intended use, may be subject to change, and as such it is difficult to predict what information we will need to submit to obtain approval of a PMA from the FDA for a proposed intended use. We believe that FDA approval, if obtained, could unlock large commercial payors in the United States and we are working with stakeholders to advance and shape the public reimbursement landscape in the United States to enable coverage of FDA-approved MCED tests by Medicare. Following FDA approval, we expect to pursue inclusion of Galleri in the USPSTF's guideline recommendation, although such inclusion is not certain even with FDA approval. We believe such inclusion would further increase adoption and market acceptance of our tests. Over time, to the extent Galleri becomes more accessible in the United States, we may opt to reduce pricing in order to access a broader population base and accelerate adoption. In the United Kingdom, we are working with NHS England to complete our NHS-Galleri Trial. The NHS is currently evaluating results of an early analysis from the first screening test (the prevalent screening round) representing limited information from one year out of the three-year trial period to determine whether to commence phased commercial implementation in England. The results of this early analysis represent limited information from only one year out of the three-year trial period, and final results from the full three-year period may differ from the early analysis for a variety of reasons. While no decision has been made by the NHS regarding phased commercial implementation at this time, a phased commercial implementation, if pursued by NHS, would begin with a two-year pilot in England. Potential commercial implementation (or further expansion of the potential initial two-year pilot) would be subject to final results from the NHS-Galleri Trial, which are expected to be available in 2026. We believe our work with the NHS and data generated from our NHS-Galleri Trial could facilitate adoption in other single-payor systems around the world and support evidence of clinical utility worldwide.

- ***Investment in clinical studies and innovation to support our strategy and growth***. A significant aspect of our business is our investment in research and development, including the development of new and improved products, and the ongoing evidence generation supporting the clinical utility of Galleri. In particular, we have invested heavily in clinical studies and designed and executed what we believe is the largest clinical program in genomic medicine to date. These studies include: NHS-Galleri, CCGA, SUMMIT, STRIVE, SYMPLIFY, PATHFINDER, PATHFINDER 2, REFLECTION and Galleri-Medicare. We have established and maintained a leading voice in conversations regarding the early detection of multiple cancer types in the peer-reviewed literature. We have published data from these studies in high-profile journals and have presented such data at renowned medical conferences. We believe these studies are critical to driving adoption of our tests, as well as favorable coverage decisions, and expect our investments to continue. In addition, we have invested heavily in the development of our methylation platform and extensive technological infrastructure. We expect our research and development expenses to plateau over the coming three to four years as our existing clinical studies and development of our automated platform conclude. We will continue our research and development activities for new products, to enhance existing products, and initiate and conduct additional clinical studies to provide the evidence to support our product.
- ***Leverage our operational infrastructure***. We have made significant investments to build a scalable infrastructure capable of meeting significant demand while satisfying stringent certification parameters. Our facilities are able to process a substantial number of tests annually and are CAP-accredited and CLIA-certified. In addition, we engineered custom technology infrastructure and cloud-based tools to enable scalable data collection and analysis capabilities. With this foundational infrastructure in place, we have been able to generate scale efficiencies as the volume of tests sold has increased. As demand for our products increases, we expect to further leverage the scale efficiencies of our infrastructure and platform technology, which we believe will positively impact margins over time. In addition, we may invest significant amounts in infrastructure to support new products resulting from our research and development activities.

- ***International expansion***. A component of our long-term growth strategy is to expand our commercial reach internationally. We have expanded internationally into the United Kingdom, and we expect to launch Galleri in the United Kingdom through our partnership with NHS England. We continue to evaluate international expansion opportunities and expect to expand into additional select geographies over time, including through distributors.

While each of these areas presents significant opportunities for us, they also pose significant risks and challenges that we must address. See "Risk Factors" for more information.

Components of Results of Operations

Screening Revenue and Screening Revenue—Related Parties

We currently derive screening revenue through the sale of Galleri within the United States and primarily through primary care physicians, health systems, employers, payors, and life insurance providers. Galleri is not currently broadly reimbursed. The test price is based on the negotiated contractual rate with our contracted customers, otherwise our standard list price applies. We identify each sale of our test to our customer as a single performance obligation; therefore, revenue is recognized at the point of time when the test result report is delivered. For self-pay patients, we have concluded that an implied contract exists, however the transaction price for the implied contract represents variable consideration as there are situations in which we do not expect to collect the full invoiced amounts from self-pay patients due to price concessions. We utilize the expected value approach to estimate the transaction price and apply a constraint for such variable consideration, on a portfolio basis. We monitor the estimated amounts to be collected at each reporting period based on actual cash collections in order to assess whether a revision to the estimate is required.

Development Services Revenue

We also derive revenue through our development services, which consist of services we provide to biopharmaceutical and clinical customers including support of clinical studies, pilot testing, research, and therapy development. We evaluate the terms and conditions included within our development services contracts with biopharmaceutical customers to ensure appropriate revenue recognition, including whether services are considered distinct performance obligations that should be accounted for separately versus together. Revenue from pilot and research services performed is recognized as performance obligations are achieved. We recognize revenue from development service agreements to support clinical study and companion diagnostic device development and regulatory submissions for the developed product(s) using an input method based on costs incurred to measure progress toward the completion and satisfaction of performance obligations.

Cost of Screening Revenue (Exclusive of Amortization of Intangible Assets), Cost of Development Services Revenue, Cost of Screening Revenue—Related Parties, and Cost of Development Services Revenue—Related Parties

Cost of revenue represents expenses that are incurred to produce and sell our products and services. For screening revenue, these costs consist of direct materials, direct labor including salaries and wages, bonus, benefits and stock-based compensation, shipping, royalties, and allocations of overhead and equipment depreciation. For development services, these costs consist of direct materials and patient sample acquisition, direct labor including salaries and wages, bonus, benefits and stock-based compensation, royalties, and allocations of overhead and equipment depreciation. Cost of screening revenue—related parties and cost of development services revenue—related parties represent the costs of supplies purchased from related parties used in the generation of revenue from all customers.

Cost of Revenue—Amortization of Intangible Assets

As a result of the application of pushdown accounting, intangible assets recognized in our standalone financial statements relate to our own technology, and consist of developed technologies and in-process research and development that were measured at fair value upon the Acquisition. Our developed technology includes intangible assets related to Galleri, designed as a cancer screening test for asymptomatic individuals over 50 years of age, as well as DAC that is being designed to accelerate diagnostic resolution for patients for whom there is a clinical suspicion of cancer. The cost of identifiable intangible assets with finite lives, such as developed technology assets, are amortized on a straight-line basis over the assets' respective estimated useful lives of 18 years.

Research and Development and Research and Development—Related Parties

Research and development expenses include costs incurred to develop our technology (prior to establishing technological feasibility), collect clinical samples, and conduct clinical studies to develop and support our products. These costs consist of personnel costs, including salaries, benefits, and stock-based compensation expense associated with our research and development personnel, costs associated with setting up and conducting clinical studies at domestic and international sites, laboratory supplies, consulting costs, depreciation, and allocated overhead including facilities and information technology expenses, which we do not allocate by product. We expense both internal and external research and development costs in the periods in which they are incurred. Research and development—related parties expenses include only those costs incurred with related parties as further discussed in Note 8 to our audited Consolidated Financial Statements included elsewhere in this Information Statement. Nonrefundable advance payments for goods and services that will be used or rendered in future research and development activities are deferred and recognized as expense in the period in which the related goods are delivered or services are performed. We expect our research and development expenses to plateau over the coming three to four years as our existing clinical studies and development of our automated platform conclude. We will continue our research and development activities for new products, to enhance existing products, and initiate and conduct additional clinical studies to provide the evidence to support our products.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel costs, including salaries, benefits and stock-based compensation expense, consulting costs, allocated overhead including facilities and information technology expenses, and travel associated with our commercial organization. Also included are costs associated with advertising programs that consist of brand and product awareness activities and trade events and conferences. Sales and marketing expenses in the successor periods also includes amortization of the tradename intangible asset that was recognized upon the Acquisition, which has been recorded in our financial statements as a result of the application of pushdown accounting. The cost of identifiable intangible assets with finite lives, such as trade names, are amortized on a straight-line basis over the assets' respective estimated useful lives of 9 years. We expect our sales and marketing expenses to continue to increase as we continue to invest in building brand awareness of our current products and services, as well as additional product marketing and sales functions.

General and Administrative and General and Administrative—Related Parties

G&A expenses consist of personnel expenses, including salaries, benefits and stock-based compensation expense, for executive, finance and accounting, legal, human resources, business development, corporate communications, and management information systems personnel. Also included are professional fees, legal costs, including patent and trademark-related expenses. The related party amount represents allocated audit fees and stock administration expenses from Illumina. We expect our G&A expenses to increase as we become a standalone public company and continue to grow our business. We will incur additional expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the

SEC, director and officer insurance premiums, investor relations activities, and other expenses related to administrative and professional services. We also expect to increase our administrative headcount as a standalone public company.

Goodwill Impairment

Upon the Acquisition, excess consideration over the aggregate fair value of tangible and intangible assets, net of liabilities assumed, was recognized by Illumina as goodwill. As a result of the application of pushdown accounting, the separately issued financial statements of GRAIL reflect the goodwill recorded by Illumina upon the Acquisition.

On July 13, 2022, the European General Court ruled that the European Commission has jurisdiction under the European Union Merger Regulation to review the Acquisition. Additionally, on September 6, 2022, the European Commission issued a decision prohibiting the Acquisition. These decisions constituted substantive changes in circumstances that would more likely than not reduce the fair value of goodwill. We recognized a goodwill impairment for $4.7 billion in 2022. In the third quarter of 2023, we concluded the sustained decrease in Illumina's stock price and overall market capitalization during the quarter was a triggering event indicating the fair value of GRAIL might be less than its carrying amount that led us to test goodwill for impairment. We recognized an additional goodwill impairment of $608.5 million in 2023 primarily due to changes to expected timing of revenue and a higher discount rate. We evaluate goodwill impairment annually or more frequently if an event occurs or circumstances change in the interim that would more likely than not reduce the fair value of the asset below its carrying amount. See "Note 2—Summary of Significant Accounting Policies—Goodwill and Intangible Assets" to our Consolidated Financial Statements.

Interest Income

Interest income consists primarily of interest income earned on our cash and cash equivalents.

Other Income (Expense), Net

Other income (expense), net primarily consists of foreign currency gains and losses as a result of our intercompany agreements.

Benefit from Income Taxes

Upon closing of the Acquisition, as a wholly owned entity of Illumina, we were no longer subject to U.S. income tax for the successor periods on a standalone basis and U.S. income tax is combined into Illumina's consolidated income tax return as a division of Illumina. However, for financial statement purposes, we have elected to compute our income tax provision, including current and deferred taxes, as if we filed a separate income tax return and were not included in Illumina's consolidated return. Including the provision for income taxes in our standalone financials is more representative of our financial position as a standalone company.

Under this method, various tax attributes, such as net operating losses and tax credits, are also presented on a separate return basis. For income tax purposes, since GRAIL is not a separate taxpayer and merely a division of Illumina, these tax attributes, including net operating losses and tax credits, are the property of Illumina and have either already been utilized by Illumina in its consolidated or combined income tax returns or will be utilized by Illumina in its returns in the future. Accordingly, such tax attributes will not be available to a standalone GRAIL entity on its income tax returns in the future.

Results of Operations

Comparisons of the Three Months Ended March 31, 2024 and April 2, 2023

The following table summarizes our results of operations for the three months ended March 31, 2024 and April 2, 2023.

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended April 2, 2023	Change $	Change %
Revenue:				
Screening revenue	$ 23,410	$ 15,320	$ 8,090	53%
Screening revenue—related parties	129	252	(123)	(49%)
Development services revenue	3,182	4,071	(889)	(22%)
Total revenue	26,721	19,643	7,078	36%
Costs and operating expenses:				
Cost of screening revenue (exclusive of amortization of intangible assets)	10,990	8,846	2,144	24%
Cost of screening revenue—related parties	2,732	1,579	1,153	73%
Cost of development services revenue	1,391	1,336	55	4%
Cost of development services revenue— related parties	45	24	21	88%
Cost of revenue—amortization of intangible assets	33,472	33,472	—	— %
Research and development	96,390	80,521	15,869	20%
Research and development—related parties	5,235	5,352	(117)	(2%)
Sales and marketing	46,819	45,835	984	2%
General and administrative	57,018	46,658	10,360	22%
General and administrative—related parties	51	51	—	— %
Total costs and operating expenses	254,143	223,674	30,469	14%
Loss from operations	(227,422)	(204,031)	(23,391)	11%
Other income:				
Interest income	2,901	2,227	674	30%
Other income, net	42	95	(53)	(56%)
Total other income (expense), net	2,943	2,322	621	27%
Loss before income taxes	(224,479)	(201,709)	(22,770)	11%
Benefit from income taxes	5,565	8,043	(2,478)	(31%)
Net loss	$ (218,914)	$ (193,666)	$(25,248)	13%

Comparison of the Three Months Ended March 31, 2024 and April 2, 2023:

Revenue

Screening Revenue and Screening Revenue—Related Parties

The increase in screening revenue of $8.0 million was primarily attributable to an increase in Galleri sales volume. The Galleri sales volume increased in 2024 as a result of the continued ramp in our commercial activity, expansion of our network of ordering providers, additional commercial partnerships and new promotional campaigns.

Development Services Revenue

The decrease in development services revenue of $0.9 million was primarily due to a decrease in revenue earned from pilots with biopharmaceutical partners as a result of milestones earned in 2023 that did not reoccur.

Cost of Screening Revenue (Exclusive of Amortization of Intangible Assets) and Cost of Screening Revenue—Related Parties

The increase in cost of screening revenue (exclusive of amortization of intangible assets) and cost of screening revenue—related parties of $3.3 million was primarily attributable to an increase in test volume. Cost of screening revenue (exclusive of amortization of intangible assets) and cost of screening revenue—related parties as a percent of revenue decreased in the first quarter of 2024 primarily due to improved efficiency of Galleri testing process and increased Galleri sales volume.

Cost of Development Services Revenue and Cost of Development Services Revenue—Related Parties

The cost of development services revenue and cost of development services revenue—related parties increased due to an increase in cost of supplies utilized in development services projects completed during the period.

Cost of Revenue—Amortization of Intangible Assets

Cost of revenue—amortization of intangible assets remained consistent period over period.

Research and Development and Research and Development—Related Parties

Research and development and research and development—related parties expenses for the three months ended March 31, 2024 and April 2, 2023 were as follows:

(in thousands)	Three Months Ended		Change	
	March 31, 2024	April 2, 2023	$	%
Compensation expenses	$ 50,291	$ 43,987	$ 6,304	14%
Clinical studies and research collaboration expenses	16,083	14,382	1,701	12%
Laboratory supplies and expenses	16,268	10,352	5,916	57%
Cloud computing expenses	2,136	2,235	(99)	(4)%
Depreciation expenses	3,281	3,230	51	2%
Allocated and other expenses	13,566	11,687	1,879	16%
Total research and development and research and development—related parties expenses	$ 101,625	$ 85,873	$15,752	18%

The increase in the compensation expenses of $6.3 million was primarily attributable to increased headcount and employee long-term incentive awards. The increase in clinical studies and research collaboration expenses of $1.7 million was primarily driven by an increase in clinical study enrollment activity and an increase in research collaboration expenses. The increase in laboratory supplies and expenses of $5.9 million was primarily driven by increased research and development, clinical study sample processing, and validation testing. The decrease of $0.1 million in cloud computing expenses was primarily due to cost optimization efforts. The increase of $0.1 million in depreciation expenses was attributable to an increase in depreciation on laboratory equipment placed into service. The increase of $1.9 million in allocated and other expenses was primarily driven by higher software, IT, and facilities expenses being allocated to the research and development function, in addition to an increase in the use of contractors and temporary labor.

Sales and Marketing

The increase in sales and marketing expenses of $1.0 million was primarily attributable to an increase of $2.4 million in compensation expenses, primarily due to increased headcount. This increase was partially offset by a decrease of $1.5 million in third-party marketing and professional services expenses as well as decreases in allocated facilities expenses.

General and Administrative

The increase in general and administrative expenses of $10.4 million was primarily attributable to an increase of $7.5 million in compensation expenses due to increased headcount and employee long-term incentive awards. Legal and professional services increased by $3.2 million primarily related to legal and professional services costs associated with the antitrust litigation and divestiture related costs. Corporate IT expenses increased by $0.5 million to support the increase in headcount. These increases were partially offset by decreases in facilities costs, net of allocation.

Interest Income

The increase in interest income of $0.7 million was primarily driven by an increase in interest earned on our money market accounts primarily due an increase in the balance of money market funds held.

Other Income

The decrease in other income was primarily a result the fluctuation of foreign currency exchange rates.

Comparisons of Fiscal Year 2023 to Fiscal Year 2022

The following table summarizes our results of operations for fiscal year 2023 and fiscal year 2022.

	Year Ended		Change	
(in thousands)	December 31, 2023	January 2, 2022	$	%
Revenue:				
Screening revenue	$ 74,347	$ 39,123	$ 35,224	90%
Screening revenue—related parties	652	694	(42)	(6%)
Development services revenue	18,106	15,733	2,373	15%
Total revenue	93,105	55,550	37,555	68%
Costs and operating expenses:				
Cost of screening revenue (exclusive of amortization of intangible assets)	39,284	27,998	11,286	40%
Cost of screening revenue—related parties	8,682	4,142	4,540	110%
Cost of development services revenue	6,623	5,741	882	15%
Cost of development services revenue—related parties	238	227	11	5%
Cost of revenue—amortization of intangible assets	133,889	133,889	—	— %
Research and development	318,088	310,431	7,657	2%
Research and development—related parties	20,657	19,145	1,512	8%
Sales and marketing	162,292	122,328	39,964	33%
General and administrative	200,062	173,494	26,568	15%
General and administrative—related parties	206	614	(408)	(66%)
Goodwill and intangible impairment	718,466	4,700,431	(3,981,965)	(85%)
Total costs and operating expenses	1,608,487	5,498,440	(3,889,953)	(71%)
Loss from operations	(1,515,382)	(5,442,890)	3,927,508	(72%)
Other income (expense):				
Interest income	7,954	1,740	6,214	357%
Other income (expense), net	(208)	(238)	30	(13%)
Total other income (expense), net	7,746	1,502	6,244	416%
Loss before income taxes	(1,507,636)	(5,441,388)	3,933,752	(72%)
Benefit from income taxes	41,951	42,290	(339)	(1%)
Net loss	$(1,465,685)	$(5,399,098)	$ 3,933,413	(73%)

Comparison of Fiscal Year 2023 to Fiscal Year 2022:

Revenue

Screening Revenue and Screening Revenue—Related Parties

The increase in screening revenue of $35.2 million was primarily attributable to an increase in Galleri sales volume. The Galleri sales volume increased in 2023 as a result of the continued ramp in our commercial activity, including as a result of our expansion of our dedicated sales team in 2022, expansion of our network of ordering providers, additional commercial partnerships, and additional marketing efforts.

Development Services Revenue

The increase in development services revenue of $2.4 million was primarily due to an increase in samples processed in pilots with biopharmaceutical partners in fiscal year 2023.

Cost of Screening Revenue (Exclusive of Amortization of Intangible Assets) and Cost of Screening Revenue—Related Parties

The increase in cost of screening revenue (exclusive of amortization of intangible assets) and cost of screening revenue—related parties of $15.8 million was primarily attributable to the increase in test volume. Cost of screening revenue (exclusive of amortization of intangible assets) and cost of screening revenue—related parties as a percent of revenue decreased in fiscal year 2023 primarily due to improved efficiency of Galleri testing process, primarily due to increased Galleri sales volume.

Cost of Development Services Revenue and Cost of Development Services Revenue—Related Parties

The increase in cost of development services revenue and cost of development services revenue—related parties was overall inline with the increase in development services revenue, primarily driven by labor costs for development services projects.

Cost of Revenue—Amortization of Intangible Assets

Cost of revenue—amortization of intangible assets remained consistent period over period.

Research and Development and Research and Development—Related Parties

Research and development and research and development—related parties expenses for fiscal years 2023 and 2022 were as follows:

	Year Ended		Change	
(in thousands)	December 31, 2023	January 2, 2022	$	%
Compensation expenses	$ 174,469	$ 154,739	$ 19,730	13%
Clinical studies and research collaboration expenses	56,934	69,938	(13,004)	(19)%
Laboratory supplies and expenses	39,599	32,487	7,112	22%
Cloud computing expenses	8,897	10,465	(1,568)	(15)%
Depreciation and impairment expenses	12,058	8,163	3,895	48%
Allocated and other expenses	46,788	53,784	(6,996)	(13)%
Total research and development and research and development—related parties expenses	$ 338,745	$ 329,576	$ 9,169	3%

The increase in the compensation expenses of $19.7 million was primarily attributable to increased headcount and employee long-term incentive awards. The decrease in clinical studies and research collaboration expenses of $13.0 million was primarily attributable to a reduction in clinical study expenses related to the clinical studies which previously completed enrollment and decreased study activity maintenance costs. The increase in the laboratory supplies and expenses of $7.1 million was primarily due to increased research and development and clinical study sample processing and cost optimization efforts. The decrease of $1.6 million in cloud computing expenses was primarily due to a decrease in clinical trial data processing. The increase of $3.9 million in depreciation and impairment expenses was attributable to a full year of depreciation on laboratory equipment placed into service in 2022. Allocated and other expenses decreased as a result of lower software, IT, and facilities expenses being allocated to the research and development function, in addition to decreases in the use of contractors and temporary labor.

Sales and Marketing

The increase in sales and marketing expenses of $40.0 million was primarily attributable to an increase of $34.5 million in compensation expenses, primarily due to increased headcount in our dedicated sales team hired to support Galleri. Third-party marketing and professional services expenses increased by $2.7 million primarily due to a 2023 marketing event. Additionally, our corporate overhead allocations increased as a result of our increased headcount.

General and Administrative

The increase in general and administrative expenses of $26.2 million was primarily attributable to an increase of $24.1 million in compensation expenses due to increased headcount and employee long-term incentive awards. Legal and professional services increased by $1.6 million primarily related to legal and professional services costs associated with the Acquisition and corresponding antitrust litigation. Corporate IT expenses increased by $2.0 million to support the increase in headcount. Facilities and depreciation increased by $1.1 million primarily due to an impairment charge taken on the right of use asset for a office building due to a change in management's plan of use. These increases were partially offset by decreases in allocated and other expenses as well as a decrease in the use of contractors and temporary labor.

Goodwill and Intangible Impairment

As a result of an impairment assessment performed, a goodwill impairment charge of $608.5 million was recorded in the fiscal year 2023 which represents the amount by which the carrying value of GRAIL exceeded the fair value of GRAIL upon performing a quantitative test, primarily due to changes to expected timing of revenue and a higher discount rate. In conjunction with the 2023 impairment assessment, an impairment charge of $110.0 million was recorded to the IPR&D intangible asset. As a result of an impairment assessment performed, an impairment charge of $4.7 billion was recorded in 2022 which represents the amount by which the carrying value of GRAIL exceeded the fair value of GRAIL upon performing a quantitative test.

Interest Income

The increase in interest income of $6.2 million was primarily attributable to an increase in interest earned on our money market accounts primarily due to higher interest rates.

Other Expense

The decrease in other expense was primarily a result of foreign currency gains in the fiscal year 2023.

Comparisons of Fiscal Year 2022 to the 2021 Successor Period and the 2021 Predecessor Period

The following table summarizes our results of operations for fiscal year 2022, the 2021 successor period and the 2021 predecessor period. Results between periods presented are not comparable and thus, percentage change has been omitted for presentation purposes.

	(Successor)		(Predecessor)
(in thousands)	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1, 2021 to August 18, 2021
Revenue:			
Screening revenue	$ 39,123	$ 7,074	$ 1,953
Screening revenue—related parties	694	381	46
Development services revenue	15,733	4,978	180
Total revenue	55,550	12,433	2,179
Costs and operating expenses:			
Cost of screening revenue (exclusive of amortization of intangible assets)	27,998	4,664	4,965
Cost of screening revenue—related parties	4,142	662	227
Cost of development services revenue	5,741	624	261
Cost of development services revenue—related parties	227	133	—
Cost of revenue—amortization of intangible assets	133,889	44,630	—
Research and development	310,431	309,781	138,366
Research and development—related parties	19,145	1,475	10,590
Sales and marketing	122,328	100,512	24,814
General and administrative	173,494	478,071	160,140
General and administrative—related parties	614	35	4
Goodwill impairment	4,700,431	—	—
Total costs and operating expenses	5,498,440	940,587	339,367
Loss from operations	(5,442,890)	(928,154)	(337,188)
Interest income	1,740	19	313
Other income (expense), net	(238)	(884)	642
Total other income (expense), net	1,502	(865)	955
Loss before income taxes	(5,441,388)	(929,019)	(336,233)
Benefit from income taxes	42,290	17,477	—
Net loss	**$ (5,399,098)**	**$ (911,542)**	**$ (336,233)**

Comparison of Fiscal Year 2022 to the 2021 Successor Period, and the 2021 Predecessor Period:

Revenue

Screening Revenue and Screening Revenue—Related Parties

The increase in screening revenue in fiscal year 2022 as compared to all prior periods presented is a direct result of the commercial launch of Galleri in mid-2021. Screening revenue increased from $2.0 million in the 2021 predecessor period, to $7.4 million in the 2021 successor period. In fiscal year 2022, screening revenue increased to $39.8 million, which was driven by an increased volume of Galleri tests sold and having a full year of commercialized sales compared to seven months of sales in calendar year 2021.

Development Services Revenue

Development services revenue increased from $0.2 million in the 2021 predecessor period, to $5.0 million in the 2021 successor period, primarily due to pilot and research services performed for biopharmaceutical

customers. In fiscal year 2022, development services revenue increased to $15.7 million. The increase in development services revenue in fiscal year 2022 was primarily due to services performed for a large biopharmaceutical partner, as well as new pilots initiated with other biopharmaceutical partners.

Cost of Screening Revenue (Exclusive of Amortization of Intangible Assets) and Cost of Screening Revenue—Related Parties

The increase in cost of screening revenue (exclusive of amortization of intangible assets) and cost of screening revenue—related parties corresponded to the increase in screening revenue. Cost of screening revenue and cost of screening revenue—related parties were $5.2 million in the 2021 predecessor period, $5.3 million in the 2021 successor period and $32.1 million in fiscal year 2022. Cost of screening revenue (exclusive of amortization of intangible assets) and cost of screening revenue—related parties as a percent of revenue decreased in fiscal year 2022 primarily due to improved efficiency of Galleri testing process, primarily due to increased volume following the commercial launch of Galleri in mid-2021.

Cost of Development Services Revenue and Cost of Development Services Revenue—Related Parties

The increase in cost of development services revenue and cost of development services revenue—related parties was overall inline with the increase in development services revenue, primarily driven by labor costs for development services projects. Cost of development services revenue and cost of development services revenue—related parties were $0.3 million in the 2021 predecessor period, $0.8 million in the 2021 successor period and $6.0 million in fiscal year 2022.

Cost of Revenue—Amortization of Intangible Assets

The increase of the amortization of intangible assets is a result of the amortization of definite-lived developed technology intangible assets resulting from the Acquisition and the recognition of a full year of amortization as compared to the shorter successor period. Prior to the Acquisition, we did not have intangible assets.

Research and Development and Research and Development—Related Parties

Research and development and research and development—related parties expenses for the predecessor and successor periods were as follows:

	(Successor)		(Predecessor)
(in thousands)	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1, 2021 to August 18, 2021
Compensation expenses	$ 154,739	$ 256,823	$ 63,499
Clinical studies and research collaboration expenses	69,938	23,784	24,366
Laboratory supplies and expenses	32,487	4,523	25,340
Cloud computing expenses	10,465	4,196	6,719
Depreciation and impairment expenses	8,163	2,248	2,630
Allocated and other expenses	53,784	19,682	26,402
Total research and development and research and development—related parties expenses	**$ 329,576**	**$ 311,256**	**$ 148,956**

The increase in the compensation expenses from the 2021 predecessor period to the 2021 successor period is primarily due to non-recurring compensation of $201.2 million incurred as a result of the Acquisition, primarily consisting of accelerated vesting of stock-based compensation expenses in connection with the Acquisition,

which resulted in $615.0 million of expense recognized immediately upon closing of the Acquisition in August 2021, of which $177.7 million was allocated to research and development, and retention incentives of $23.5 million. The decrease from the 2021 successor period to fiscal year 2022 was a result of no non-recurring transaction related compensation expenses in the 2021 successor period, which was offset by increased headcount year over year and the introduction of new employee long-term incentive programs in the post transaction period.

Clinical studies and research collaboration expenses increased in 2022 as compared to other periods presented, primarily due to increased clinical study activity. The majority of the increase in our clinical studies and research collaboration expenses relate to the NHS-Galleri Trial which enrolled its first patient in August 2021, and the PATHFINDER 2 clinical study, which began enrollment in the fourth quarter of 2021, as a result of active enrollment and a full year of expenses in 2022. These increases were partially offset by a reduction in expenses related to the SUMMIT and STRIVE clinical studies as enrollment completed in the predecessor period and thus study activity decreased.

The decrease in the laboratory supplies and expenses from the 2021 predecessor period to the 2021 successor period is a result of a decrease in clinical study sample processing, a decrease in general research and development sample processing, and a $0.9 million reduction in expenses due to renegotiation of a previously accrued purchase commitment. The increase of laboratory supplies and expenses in 2022 as compared to other periods presented is primarily due to increased research and development and clinical study sample processing.

Cloud computing expenses remained relatively unchanged period over period.

Depreciation and impairment expenses increased in 2022 compared to all other periods presented as $20 million of equipment was placed into service at our laboratory locations.

Allocated and other expenses increased as a result of higher software, IT, and facilities expenses being allocated to the research and development function, in addition to increases in the use of contractors and temporary labor.

Sales and Marketing

Sales and marketing expenses in fiscal year 2022 were $122.3 million, compared to $100.5 million in the 2021 successor period and $24.8 million in the 2021 predecessor period. The increase of sales and marketing expense from the 2021 predecessor period to the 2021 successor period was primarily due to the accelerated vesting of stock-based compensation expenses in connection with the Acquisition, which resulted in $615 million of expense recognized immediately upon closing of the Acquisition in August 2021, $71.8 million of which was allocated to sales and marketing. The increase of sales and marketing expenses in fiscal year 2022 compared to all periods presented was primarily attributable to an increase of compensation expenses, primarily due to increased headcount in our dedicated sales team initially hired to support the commercial launch of Galleri in 2021. Headcount increased 205% from the end of the 2021 successor period to the end of fiscal year 2022, contributing to higher wages, employer payroll taxes, bonuses, long-term incentive compensation, and other personnel related costs in 2022 compared to previous periods presented. Additionally, we incurred higher travel expenses in fiscal year 2022 as a result of fewer COVID-19 related travel restrictions and more sales-based travel as compared to other periods. Third-party marketing and professional services expenses increased from $6.4 million in the 2021 successor period to $28.0 million in fiscal year 2022 to support efforts to market our newly commercialized product. Additionally, our corporate overhead allocations increased as a result of our increased headcount. Trade name intangible assets amortization expense increased from $1.5 million in the 2021 successor period to $4.4 million in fiscal year 2022 as a result of a full year of amortization as compared to the shorter 2021 successor period. These increases from the 2021 successor period to 2022 were offset by the one-time stock-based compensation expense being incurred in the 2021 successor period with no comparable expense in 2022.

General and Administrative

The 2021 predecessor period includes non-recurring transaction related professional services fees and insurance premiums of $51.0 million and $4.5 million, respectively. The increase in G&A expense in the 2021 successor period compared to the 2021 predecessor period was primarily due to the accelerated vesting of stock-based compensation expenses in connection with the Acquisition, which resulted in $615.0 million of expense recognized immediately upon closing of the Acquisition in August 2021, $365.5 million of which was allocated to G&A. Non-recurring retention bonuses of $12.4 million and severance related costs of $7.2 million were also incurred in the 2021 successor period. The corresponding decrease from the 2021 successor period to fiscal year 2022 was primarily a result of these non-recurring transactions not being incurred in fiscal year 2022 and a reduction in legal expenses. This decrease was partially offset by an increase in facilities expenses in fiscal year 2022.

Goodwill Impairment

As a result of an impairment assessment performed, an impairment charge of $4.7 billion was recorded in 2022 which represents the amount by which the carrying value of GRAIL exceeded the fair value of GRAIL upon performing a quantitative test.

Interest Income

The decrease in interest income from the 2021 predecessor period to the 2021 successor period was primarily a result of the sale of our marketable securities upon consummation of the transaction. The increase from the 2021 successor period to fiscal year 2022 was primarily attributable to an increase in interest earned on our money market account primarily due to the increase in length of the period, and higher interest rates.

Other Income (Expense), Net

The increase in other income (expense), net from the 2021 successor period to fiscal year 2022 primarily related to foreign currency gains, offset slightly by losses on asset retirements. The decrease from the 2021 predecessor period to the 2021 successor period was a result of foreign currency gains in the 2021 predecessor period converting to foreign currency losses in the 2021 successor period.

Non-GAAP Financial Measures

In addition to our results provided throughout this Information Statement that are determined in accordance with GAAP, this Information Statement also includes the following non-GAAP financial measures for the 2021 predecessor period, 2021 successor period, fiscal year 2022, and fiscal year 2023 and the three months ended March 31, 2024 and April 2, 2023, which information should be read in conjunction with our audited Consolidated Financial Statements and the related notes and accompanying notes included elsewhere in this Information Statement:

Adjusted Gross Profit/(Loss)

Adjusted Gross Profit/(Loss) is a key performance measure that our management uses to assess our operational performance, as it represents the results of revenues and direct costs, which are key components of our operations. We believe that this non-GAAP financial measure is useful to investors and other interested parties in analyzing our financial performance because it reflects the gross profitability of our operations, and excludes the indirect costs associated with our sales and marketing, product development, general and administrative activities, and depreciation and amortization, and the impact of our financing methods and income taxes.

We calculate Adjusted Gross Profit/(Loss) as gross profit/(loss) (as defined below) adjusted to exclude amortization of intangible assets and stock-based compensation allocated to cost of revenue. Adjusted Gross

Profit/(Loss) should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income or loss from operations, net earnings or loss and other GAAP measures of income (loss) or profitability. The following tables present a reconciliation of gross profit, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted Gross Profit/(Loss).

	Three Months Ended	
(in thousands)	March 31, 2024	April 2, 2023
Gross loss (1)	$ (21,909)	$ (25,614)
Amortization of intangible assets	33,472	33,472
Stock-based compensation	481	373
Adjusted Gross Profit	$ 12,044	$ 8,231

(1) Gross profit/(loss) is calculated as total revenue less cost of revenue (exclusive of amortization of intangible assets), cost of revenue—related parties, and cost of revenue—amortization of intangible assets.

	(Successor)			(Predecessor)
(in thousands)	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1, 2021 to August 18, 2021
Gross loss (1)	$ (95,611)	$(116,447)	$(38,280)	$ (3,274)
Amortization of intangible assets	133,889	133,889	44,630	—
Stock-based compensation	1,970	957	150	88
Adjusted Gross Profit/(Loss)	$ 40,248	$ 18,399	$ 6,500	$ (3,186)

(1) Gross profit/(loss) is calculated as total revenue less cost of revenue (exclusive of amortization of intangible assets), cost of revenue—related parties, and cost of revenue—amortization of intangible assets.

Adjusted EBITDA

Adjusted EBITDA is a key performance measure that our management uses to assess our financial performance and is also used for internal planning and forecasting purposes. We believe that this non-GAAP financial measure is useful to investors and other interested parties in analyzing our financial performance because it provides a comparable overview of our operations across historical periods. In addition, we believe that providing Adjusted EBITDA, together with a reconciliation of net income (loss) to Adjusted EBITDA, helps investors make comparisons between our company and other companies that may have different capital structures, different tax rates, different operational and ownership histories, and/or different forms of employee compensation.

Adjusted EBITDA is used by our management team as an additional measure of our performance for purposes of business decision-making, including managing expenditures. Period-to-period comparisons of Adjusted EBITDA help our management identify additional trends in our financial results that may not be shown solely by period-to-period comparisons of net income or income from operations. Our Management recognizes that Adjusted EBITDA has inherent limitations because of the excluded items, and may not be directly comparable to similarly titled metrics used by other companies.

We calculate Adjusted EBITDA as net income (loss) adjusted to exclude interest (income) expense, income tax expense (benefit), depreciation, impairment of goodwill, and amortization of intangible assets, which represent intangible assets resulting from pushdown accounting. We believe that the items subject to these further adjustments are not indicative of our ongoing operations due to their nature, especially considering the impact of certain items as a result of the Acquisition.

Adjusted EBITDA should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income or loss from operations, net earnings or loss and other U.S. GAAP measures of income (loss). Additionally, it is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. Further, our definition of Adjusted EBITDA may differ from similarly titled measures used by other companies and therefore may not be comparable among companies. The following tables present a reconciliation of net income (loss), the most directly comparable financial measure calculated in accordance with U.S. GAAP, to Adjusted EBITDA on a consolidated basis.

	Three Months Ended	
(in thousands)	March 31, 2024	April 2, 2023
Net loss	$ (218,914)	$ (193,666)
Adjusted to exclude the following:		
Interest income	(2,901)	(2,227)
Benefit from income tax expense	(5,565)	(8,043)
Amortization of intangible assets (1)	34,584	34,584
Depreciation	5,413	5,257
Illumina/GRAIL merger & divestiture legal and professional services costs (2)	6,308	4,788
Stock-based compensation (3)	29,106	21,516
Adjusted EBITDA	$ (151,969)	$ (137,791)

(1) Represents amortization of intangible assets, including developed technology and tradenames.
(2) Represents legal and professional services costs associated with the Acquisition and corresponding antitrust litigation, including compliance with the hold separate arrangements imposed by the European Commission.
(3) Represents all stock-based compensation recognized on our standalone financial statements for the periods presented.

	(Successor)			(Predecessor)
(in thousands)	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1, 2021 to August 18, 2021
Net loss	$ (1,465,685)	$ (5,399,098)	$ (911,542)	$ (336,233)
Adjusted to exclude the following:				
Interest income	(7,954)	(1,740)	(19)	(313)
Benefit from income tax expense	(41,951)	(42,290)	(17,477)	—
Amortization of intangible assets (1)	138,333	138,333	46,111	—
Depreciation	20,364	16,430	5,422	6,916
Goodwill and intangible impairment(2)	718,466	4,700,431	—	—
Illumina/GRAIL merger legal and professional services costs (3)	17,320	12,127	10,750	81,470
Stock-based compensation (4)	97,235	75,729	650,260	31,647
Adjusted EBITDA	$ (523,872)	$ (500,078)	$ (216,495)	$ (216,513)

(1) Represents amortization of intangible assets, including developed technology and tradenames.
(2) Reflects impairment of goodwill and intangible assets recognized as a result of the Acquisition.
(3) Represents legal and professional services costs associated with the Acquisition and corresponding antitrust litigation, including compliance with the hold separate arrangements imposed by the European Commission.
(4) Represents all stock-based compensation recognized on our standalone financial statements for the periods presented.

Liquidity and Capital Resources

Sources of Liquidity

From inception through the Closing Date, we had funded our operations primarily through the sale and issuance of our redeemable convertible preferred stock and receipt of continuation payments from Illumina. Post- Acquisition, we received funding on a quarterly basis directly from Illumina. As of March 31, 2024, our cash and cash equivalents totaled $199.7 million and our cash and cash equivalents together with our pro forma cash and cash equivalents would have been $ million.

Future Funding Requirements

We began generating revenue in mid-2021, but we have continued to incur significant losses and negative cash flows from operations. Subsequent to the Acquisition, we have incurred net losses of $8.0 billion which include charges for impairment of goodwill and amortization of intangible assets. We expect to incur additional losses as we conduct our research and development efforts and seek to achieve broad reimbursement of our current commercialized products. We believe that our existing cash and cash equivalents, in addition to the funding that Illumina is required to provide pursuant to the EC Divestment Decision, will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, as of the date of this Information Statement. However, we anticipate that we will need to raise additional financing in the future to fund our operations. Our future capital requirements will depend on many factors, including the timing and extent of spending to support commercialization, market acceptance of our products prior to broad reimbursement, the timing of broad reimbursement, and launch of pipeline products. We are subject to typical risks associated with an early-stage commercial company and are developing the market for multi-cancer early detection. We may encounter complications with executing our business plans that may cause unforeseen expenses and adversely affect our business.

We may in the future enter into arrangements to acquire or invest in complementary businesses, services, technologies, and intellectual property rights, which may require additional financing. We may be required to seek additional capital through equity or debt financing. In the event that additional financing is required, we may not be able to raise it on terms acceptable to us or at all. If we raise additional funds through the issuance of additional debt or equity securities, it could result in dilution to our existing stockholders, increased fixed payment obligations, and the existence of securities with rights that may be senior to those of our common stock. If we incur indebtedness, we could become subject to covenants that would restrict our operations. We may also choose to raise funds through collaborations and licensing arrangements, in which case we may relinquish significant rights or grant licenses on terms that are not favorable to us. If we are unable to raise additional capital when desired, our business, results of operations, and financial condition would be adversely affected.

The following table summarizes our cash flows for the periods presented:

	Three Months Ended	
(in thousands)	March 31, 2024	April 2, 2023
Net cash used by operating activities	$ (207,286)	$ (170,482)
Net cash used by investing activities	(2,548)	(3,064)
Net cash provided by financing activities	312,000	108,870
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(37)	128
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 102,129	$ (64,548)

Net Cash Used by Operating Activities

During the three months ended March 31, 2024, net cash used by operating activities consisted of a net loss of $218.9 million, $42.9 million cash payments for equity awards, and cash used by changes in our operating

assets and liabilities of $9.8 million, offset by non-cash charges of $64.3 million. The non-cash adjustments primarily consisted of depreciation and amortization of $40.0 million, and stock-based compensation expense of $29.1 million, which was partially offset by a non-cash benefit of $4.8 million relating to deferred taxes. Changes in operating assets and liabilities was predominantly driven by a decrease in accounts payable of $7.7 million, an increase in prepaids and other current assets of $3.6 million, and a decrease in accrued and other liabilities of $1.1 million, partially offset by a decrease in accounts receivable of $1.9 million, a decrease in net operating lease assets and liabilities of $0.6 million, and a decrease in supplies and supplies—related parties of $0.1 million.

During the three months ended April 2, 2023, net cash used by operating activities consisted of a net loss of $193.7 million, $16.1 million cash payments for equity awards, and cash used by changes in our operating assets and liabilities of $14.8 million, partially offset by adjusted by non-cash charges of $54.1 million. The non-cash adjustments primarily consisted of depreciation and amortization of $39.8 million, and stock-based compensation expense of $21.5 million, which was partially offset by a non-cash benefit of $7.0 million relating to deferred taxes. Changes in operating assets and liabilities was predominantly driven a decrease in accrued and other liabilities of $11.1 million, a decrease in accounts payable of $7.9 million, an increase in supplies and supplies—related parties of $2.5 million, and an increase in prepaids and other current assets of $0.9 million, partially offset by a decrease in accounts receivable of $5.0 million and a decrease in net operating lease assets and liabilities of $2.5 million.

Net Cash Provided by Investing Activities

During the three months ended March 31, 2024, net cash used by investing activities primarily consisted of $2.5 million for capital expenditures primarily related to purchases of machinery and equipment for use in our laboratories.

During the three months ended April 2, 2023, net cash used by investing activities primarily consisted of $3.1 million for capital expenditures primarily related to purchases of machinery and equipment for use in our laboratories.

Net Cash Provided by Financing Activities

During the three months ended March 31, 2024, net cash provided by financing activities primarily consisted of $312.0 million in funding received from Illumina.

During the three months ended April 2, 2023, net cash provided by financing activities primarily consisted of $109.0 million in funding received from Illumina, offset by $0.1 million of taxes paid related to net share settlement of equity awards.

The following table summarizes our cash flows for the periods presented:

	(Successor)			(Predecessor)
	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1, 2021 to August 18, 2021
(in thousands)				
Net cash used by operating activities	$ (595,800)	$ (561,313)	$ (485,870)	$ (202,260)
Net cash provided by (used by) investing activities	(12,887)	(22,859)	(7,976)	352,788
Net cash provided by financing activities	463,766	604,817	143,931	250,811
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	305	(511)	(135)	(64)
Net increase (decrease) in cash and cash equivalents and restricted cash	**$ (144,616)**	**$ 20,134**	**$ (350,050)**	**$ 401,275**

Net Cash Used by Operating Activities

During the 2021 predecessor period, net cash used by operating activities consisted of a net loss of $336.2 million, adjusted by non-cash charges of $38.4 million, and cash provided by changes in our operating assets and liabilities of $95.5 million. The non-cash charges primarily consisted of stock-based compensation expense of $31.6 million, depreciation of $6.9 million, and amortization of premium on marketable securities of $0.5 million. Cash provided by operating assets and liabilities was primarily a result of an increase in accounts payable of $62.5 million, an increase in accrued and other liabilities of $13.3 million, and an increase in operating lease liabilities which was primarily due to tenant inducements received from our landlord of $18.2 million, respectively.

During the 2021 successor period, net cash used by operating activities consisted of a net loss of $911.5 million, adjusted by non-cash charges of $684.6 million, $185.0 million of cash payments for equity awards and cash used by changes in our operating assets and liabilities of $74.0 million. The non-cash charges primarily consisted of stock-based compensation expense of $650.3 million and depreciation and amortization of $51.5 million, which was partially offset by a non-cash benefit of $17.5 million relating to deferred income tax. The main driver of changes in our operating assets and liabilities was an increase in accounts receivable of $6.1 million, an increase in supplies and supplies—related parties of $3.7 million, and a decrease of accounts payable and accounts payable-related parties of $63.2 million.

During fiscal year 2022, net cash used by operating activities consisted of a net loss of $5.4 billion, adjusted by non-cash charges of $4.9 billion, $41.0 million cash payments for equity awards, and cash used by changes in our operating assets and liabilities of $14.5 million. The non-cash adjustments consisted of goodwill impairment of $4.7 billion, depreciation and amortization of $154.8 million, and stock-based compensation expense of $75.7 million, which was partially offset by a non-cash benefit of $39.1 million relating to deferred taxes. The changes in operating assets and liabilities was predominantly driven by increases in accounts receivable of $8.6 million, an increase in prepaids and other current assets of $11.3 million, an increase in supplies and supplies—related parties of $14.1 million, partially offset by an increase in accrued and other liabilities of $14.0 million.

During fiscal year 2023, net cash used by operating activities consisted of a net loss of $1.5 billion, adjusted by non-cash charges of $939.1 million, $76.9 million cash payments for equity awards, and cash provided by changes in our operating assets and liabilities of $7.7 million. The non-cash adjustments primarily consisted of goodwill and intangible impairment of $718.5 million, depreciation and amortization of $158.7 million, and stock-based compensation expense of $97.2 million, which was partially offset by a non-cash benefit of $38.2 million relating to deferred taxes. Changes in operating assets and liabilities was predominantly driven by a decrease in operating lease assets and liabilities of $6.7 million, an increase in accounts payable of $2.9 million, and an increase in accrued and other liabilities of $2.4 million, partially offset by an increase in supplies and supplies —related parties of $1.9 million, an increase in accounts receivable of $1.4 million, and an increase in prepaids and other current assets of $0.9 million.

Net Cash Provided by Investing Activities

During the 2021 predecessor period, net cash provided by investing activities consisted of $574.1 million in proceeds from the sale of and the maturities of marketable securities, partially offset by $159.4 million in purchases of marketable securities and $62.0 million of capital expenditures. Capital expenditures were primarily related to purchases of machinery and equipment for use in our laboratories.

During the 2021 successor period, net cash used by investing activities consisted of $8.0 million for capital expenditures primarily related to purchases of machinery and equipment for use in our laboratories.

During fiscal year 2022, net cash used by investing activities primarily consisted of $22.9 million for capital expenditures primarily related to purchases of machinery and equipment for use in our laboratories.

During fiscal year 2023, net cash used by investing activities primarily consisted of $12.9 million for capital expenditures primarily related to purchases of machinery and equipment for use in our laboratories.

Net Cash Provided by Financing Activities

During the 2021 predecessor period, net cash provided by financing activities consisted of $245.0 million in funding from Illumina and $6.0 million of proceeds from the exercise of stock options and the early exercise of unvested stock options, partially offset by $0.2 million of repurchases of early exercised stock options.

During the 2021 successor period, net cash provided by financing activities primarily consisted of $774.0 million in funding received from Illumina, offset by $625.7 million cash payments for acquisition consideration on behalf of Illumina, and by $4.3 million of taxes paid related to net share settlement of equity awards.

During the 2022 successor period, net cash provided by financing activities primarily consisted of $609.0 million in funding received from Illumina, offset by $4.2 million of taxes paid related to net share settlement of equity awards.

During fiscal year 2023, net cash provided by financing activities primarily consisted of $464.0 million in funding received from Illumina, offset by $0.2 million of taxes paid related to net share settlement of equity awards.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements.

Material Cash Requirements

Our material cash requirements include the following contractual and other obligations as of March 31, 2024:

Leases

Historically, we have entered into operating leases for facilities and equipment used for research and development. Operating leases have remaining lease terms which range from 1 year to 10 years, and often include one or more options to renew. These renewal terms can extend the lease term from 5 to 15 years and are included in the lease term when it is reasonably certain that the option will be exercised. The exercise of lease renewal and termination options are at the sole discretion of GRAIL. We also have variable lease payments that are primarily comprised of common area maintenance and utility charges. As of March 31, 2024, we had undiscounted operating lease payment obligations of $100.1 million, with $17.1 million payable within the next twelve months.

Purchase Commitments

Contractual obligations represent future cash commitments and liabilities under agreements with third parties and exclude purchase orders for goods and services that are cancellable. Our non-cancelable purchase orders represent authorizations to purchase rather than binding agreements. The Company’s contractual commitment amounts are associated with agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum services to be used; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. The purchase commitments primarily relate to contractual commitments for future use of web services, laboratory supplies and marketing events in the normal course of

business. As of March 31, 2024, we had non-cancelable purchase obligations of $66.9 million, with $14.6 million payable within the next twelve months.

Minimum Royalties

Minimum royalty commitments are associated with licensing agreements related to research efforts. Minimum annual royalty payments do not include royalties that would be payable on net sales of Galleri or any future products, pursuant to existing agreements and licenses with Illumina, The Chinese University of Hong Kong, and other third parties in excess of minimum annual royalty payments. As of March 31, 2024, we had minimum royalties of $7.8 million, with $1.1 million payable within the next twelve months.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our audited Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these audited Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the audited Consolidated Financial Statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are described in more detail in the notes to our audited Consolidated Financial Statements included elsewhere in this Information Statement, we believe that the following accounting policies are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Revenue

Our revenue is derived from screening and development services. Screening revenue includes cancer screening testing services provided to patients. Patients obtain tests via their employers, healthcare systems, payors, concierge medicine practices, or life insurance providers, or they can order the test via telemedicine (collectively referred to as our direct customers).

Screening Revenue

We recognize screening revenue from the sale of cancer screening testing services for patients. The test price is based on the negotiated contractual rate with our direct customers, otherwise our standard list price applies. For each specimen received, testing services are performed and test results are electronically delivered to the ordering physician. We identify each sale of our test to a customer as a single performance obligation; therefore, revenue is recognized at the point of time when the test result report is delivered.

For self-pay patients, we have concluded that an implied contract exists, however the transaction price for the implied contract represents variable consideration as there are situations in which we do not expect to collect the full invoiced amounts from self-pay patients due to price concessions. We utilize the expected value approach to estimate the transaction price and apply a constraint for such variable consideration, on a portfolio basis. We monitor the estimated amounts to be collected at each reporting period and assess whether a revision to the estimate is required based on the actual cash collections. Both the estimate and any subsequent revisions are subject to uncertainty and require significant judgment in the estimation and application of the constraint for such variable consideration. We analyze our actual cash collections over the expected collection period and compare it with the estimated variable consideration for each portfolio. The difference is then recognized as an adjustment to revenue when we do not believe there is a probable revenue reversal.

Development Services Revenue

We have developed a breakthrough methylation-based technology which is utilized by biopharmaceutical companies in research and clinical studies, and companion diagnostic development. For contracts with multiple performance obligations, the transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine standalone selling price by considering the historical selling price of these performance obligations in similar transactions as well as other factors, including, but not limited to, the price that customers in the market would be willing to pay, competitive pricing of other vendors, industry publications and current pricing practices, and expected costs of satisfying each performance obligation plus appropriate margin; or by using the residual approach if standalone selling price is not observable, by reference to the total transaction price less the sum of the observable standalone selling prices of other performance obligations promised in the contract.

Biopharmaceutical partners engage with us to run pilot and research studies by sending patient samples and comparing our test result to their expected result for evaluation of performance and application. We recognize revenue as performance obligations are completed.

Following favorable results from pilot and research studies, biopharmaceutical partners may enter into development service agreements with us related to clinical study and companion diagnostic device development and regulatory submissions for the developed product(s). These agreements typically have multiple commitments of services and therefore, have longer performance periods. We use an input method based on costs incurred to measure our progress toward the completion and satisfaction of the performance obligations. We assess the changes to the total expected cost estimates as well as any incremental fees negotiated resulting from changes to the scope of the original contract in determining the revenue recognized at each reporting period.

Accrued Clinical Studies and Research and Development Expenses

We accrue for estimated costs of research and development activities conducted by third-party service providers, including those conducting clinical studies. We record the estimated costs of research and development activities based upon the estimated amount of services provided and include these costs in accrued liabilities and accrued liabilities—related parties in our consolidated balance sheets and within research and development and research and development—related parties expenses in our consolidated statements of operations. These costs are a significant component of our research and development expenses. We accrue for these costs based on factors such as estimates of the work completed and in accordance with agreements established with our third-party service providers. We make judgments and estimates in determining the accrued liabilities balance in each reporting period.

Cash-Based Equity Awards

We compensate our employees through a long-term incentive program that includes GRAIL cash-based equity incentive awards ("Cash-Based Equity Awards"). As these awards are indexed to the value of GRAIL and settled in cash, they are accounted for under ASC 718 *Compensation - Stock Compensation* as a liability-classified award because the substantive terms of the award require cash settlement on each vesting date. Under ASC 718, we have elected to expense the compensation cost over the life of the award via a straight-line method, recognized in stock-based compensation expense. This method results in the amount of compensation cost recognized as of any date to be at least equal to the earned portion of the expected fair value of the awards on the vest date. Given we do not have an actively traded standalone stock, GRAIL's stand-alone value calculation is estimated by the Company based on its analysis and on input from independent valuation advisors. To estimate the value of GRAIL, various assumptions may be used, such as our long-range financial projections, as well as the discount rate and terminal growth rate. The assumptions used are inherently subject to uncertainty and we note that small changes in these assumptions could have a significant impact on the concluded value.

Goodwill and Indefinite-Lived Intangible Impairment

Goodwill represents the costs in excess of the fair value of net assets of GRAIL acquired by Illumina. Indefinite-lived intangible assets consist of GRAIL's in-process research and development ("IPR&D") and were measured by Illumina at fair value as of the Closing Date.

We test goodwill and indefinite-lived intangible assets for impairment annually or more frequently if an event occurs or circumstances change in the interim that would more likely than not reduce the fair value of the asset below its carrying amount. Goodwill and indefinite-lived intangible assets are considered to be impaired when the carrying value of a reporting unit or asset exceeds its fair value. GRAIL currently has one reporting unit.

In the evaluation of goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting entity is less than its carrying value. If we determine that it is more likely than not for a reporting unit's fair value to be greater than its carrying value, a calculation of the fair value is not performed. If we determine that it is more likely than not for a reporting unit's fair value to be less than its carrying value, a calculation of the fair value is performed and compared to the carrying value of that reporting unit. In certain instances, we may elect to forgo the qualitative assessment and proceed directly to the quantitative impairment test. If the carrying value of a reporting unit exceeds its fair value, goodwill of that reporting unit is impaired and an impairment loss is recorded equal to the excess of the carrying value over its fair value.

Generally, we measure the fair value of the reporting unit based on a present value of future discounted cash flows. The discounted cash flow models indicate the fair value of the reporting units based on the present value of the cash flows that the reporting units are expected to generate in the future. Significant estimates in the discounted cash flow models include the weighted average cost of capital, revenue growth rates, long-term rate of growth, and profitability of our business.

Discount rates were determined using a weighted average cost of capital for risk factors specific to us and other market and industry data. In our most recent analysis, we selected a discount rate of 24.0% for the goodwill assessment and 19.0% for the intangible assets assessment. The estimates and assumptions used in our assessment represent a Level 3 measurement because they are supported by little or no market activity and reflect our own assumptions in measuring fair value. The assumptions used are inherently subject to uncertainty and we note that small changes in these assumptions could have a significant impact on the concluded value.

On July 13, 2022, the European General Court ruled that the European Commission had jurisdiction under the European Union Merger Regulation to review the Acquisition. Additionally, on September 6, 2022, the European Commission issued a decision prohibiting the Acquisition. These decisions constituted substantive changes in circumstances and led us to test goodwill for impairment. Based on our analysis, we concluded that our reporting unit's carrying value exceeded its estimated fair value. As a result, we recorded $4.7 billion of goodwill impairment, primarily due to the negative impact of capital market conditions and a higher discount rate selected for the fair value calculation of our business.

In the third quarter of 2023, we concluded that the sustained decrease in Illumina's stock price and overall market capitalization during the quarter was a triggering event indicating the fair value of GRAIL might be less than its carrying amount that led us to test goodwill for impairment. Based on our analysis, we concluded that the carrying value exceeded its estimated fair value. The Company recognized a goodwill impairment of $608.5 million as a result of the impairment assessment, primarily due to changes to expected timing of revenue and a higher discount rate selected for the fair value calculation of GRAIL. In conjunction with the 2023 goodwill impairment assessment, the IPR&D intangible asset was evaluated for potential impairment. Based on the impairment test performed, the Company assessed and determined that the carrying value of the IPR&D intangible asset exceeded its estimated fair value. As a result, the Company recognized an impairment of $110.0 million, primarily due to a decrease in projected cash flows and a higher discount rate selected for the fair value calculation.

JOBS Act

We are an emerging growth company under the Jumpstart our Business Startups Act of 2012 (the "JOBS Act"). As an emerging growth company, we may delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have nonetheless irrevocably elected not to avail ourselves of this exemption and, as a result, upon completion of this offering, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We will remain an emerging growth company until the earliest to occur of the following: (i) the last day of the fiscal year in which our total annual gross revenues first meet or exceed at least $1.235 billion (as adjusted for inflation), (ii) the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt, (iii) the last day of the fiscal year in which we (a) have an aggregate worldwide market value of common stock held by non-affiliates of $700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (b) have been a reporting company under the Exchange Act for at least one year (and have filed at least one annual report under the Exchange Act), or (iv) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act.

Recent Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies to our audited Consolidated Financial Statements included elsewhere in this Information Statement for details of recent accounting pronouncements.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

We are exposed to market risk related to changes in interest rates. We had cash and cash equivalents of $199.7 million as of March 31, 2024, which consisted primarily of bank deposits and money market funds. The primary objective of our investment activities is to preserve capital to fund our operations. We do not enter into investments for trading or speculative purposes.

Our investments are subject to interest rate risk and could fall in value if market interest rates increase. Due to the short-term duration of our investment portfolio and the low-risk profile of our investments, a hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material impact on our Consolidated Financial Statements.

Foreign Currency Sensitivity

The majority of our transactions occur in U.S. dollars. However, we do have certain transactions that are denominated in currencies other than the U.S. dollar, primarily the British pound, and we therefore are subject to foreign exchange risk. The fluctuation in the value of the U.S. dollar against the foreign currencies affects the reported amounts of expenses, assets, and liabilities associated with certain activities. We do not currently engage in any hedging activity to reduce our potential exposure to currency fluctuations, although we may choose to do so in the future. A hypothetical 10% change in foreign exchange rates during any of the periods presented would not have had a material impact on our Consolidated Financial Statements.

MANAGEMENT

Executive Officers of GRAIL Following the Spin-Off

The following table and accompanying narrative present information, as of May 6, 2024, regarding the individuals who are expected to serve as executive officers of GRAIL following the completion of the Spin-Off, including a five-year employment history.

Name	Age	Position with GRAIL
Robert Ragusa	64	Chief Executive Officer and Director Nominee
Aaron Freidin	45	Chief Financial Officer
Josh Ofman	59	President

Executive Officers

Robert Ragusa has served as our Chief Executive Officer since October 2021 and is expected to serve as a member of our Board of Directors (the "Board") commencing immediately upon completion of the Distribution. Mr. Ragusa was previously Chief Operations Officer for Illumina from December 2013 until October 2021, where he was responsible for the company's operations serving clinical and research customers. Prior to joining Illumina, Mr. Ragusa was Executive Vice President of Engineering and Global Operations at Accuray Incorporated, a radiation oncology company, where he and his team were responsible for the development, manufacturing and distribution of innovative precision treatment solutions. Mr. Ragusa also previously served as Senior Vice President of Global Operations for Applied Biosystems from 1997 until 2005. Mr. Ragusa currently serves on the Board of Directors for Twist Bioscience Corporation, a publicly-held synthetic biology company, since December 2016. Mr. Ragusa holds a B.S. in electrical engineering and an M.B.A. from the University of Connecticut as well as an M.S. in biomedical and electrical engineering from Carnegie Mellon University.

Aaron Freidin has served as our Chief Financial Officer since November 2021 and previously served in various roles at GRAIL since 2018, including Senior Vice President of Finance from January 2021 until November 2021, Vice President of Finance from June 2018 until January 2021, and Corporate Controller from August 2016 until June 2018. Mr. Freidin previously served as VP, Corporate Controller at Counsyl, where he led the Accounting, Reporting, Facilities and Procurement functions. Before this, Mr. Freidin led the SEC Reporting and Revenue functions at Cepheid, and managed multinational and cross-functional client service teams at PricewaterhouseCoopers LLP. Mr. Freidin has over 20 years of finance and accounting experience. Mr. Freidin is a Certified Public Accountant (Inactive) and holds a B.A. in business management from the University of California, Santa Cruz.

Josh Ofman, M.D., MSHS, has served as our President since June 2021 and previously served as our Chief Medical Officer from November 2021 until June 2022, as our Chief Medical Officer and Head of External Affairs from June 2020 until August 2021, and as Chief of Corporate Strategy and External Affairs from June 2019 until January 2020. Mr. Ofman has served on the Board of Directors of Cell BT, Inc., a privately-held immuno-therapy company focused on the discovery and development of innovative cancer therapeutics, since July 2019. Previously, Mr. Ofman spent more than 15 years at Amgen, where he most recently held the role of Senior Vice President, Global Value, Access and Policy. Prior to that, Mr. Ofman was a faculty member in the Department of Medicine and Health Services Research at University of California, Los Angeles ("UCLA") School of Medicine, Cedars-Sinai Medical Center, as well as Senior Vice President of Zynx Health Inc. Mr. Ofman holds a B.A. in history and philosophy of science from the University of California, Berkeley, an M.D. from the University of California, Irvine, School of Medicine, and an MSHS from the UCLA School of Public Health.

Board of Directors of GRAIL Following the Spin-Off

The following table and accompanying narrative present information, as of May 6, 2024, regarding the individuals who are expected to serve on our Board following the completion of the Spin-Off and until their respective successors are duly elected and qualified, including a five-year employment history and any directorships held by our directors in public companies.

Name	Age	Position with GRAIL
William (Bill) Chase	56	Director Nominee
Steve Mizell	64	Director Nominee
Gregory (Greg) Summe	67	Director Nominee
Robert Ragusa	64	Chief Executive Officer and Director Nominee

Directors

William (Bill) Chase is expected to serve as a member of our Board commencing immediately upon completion of the Distribution. Mr. Chase most recently served as Executive Vice President, Finance and Administration and Executive Vice President and Chief Financial Officer at AbbVie Inc. from May 2012 until October 2018, where he oversaw all financial, investor, and IT activities and played a critical strategic role in the company's licensing and acquisition actions. Mr. Chase previously spent nearly 25 years in financial management positions of increasing responsibility at Abbott Laboratories, culminating with his role as Corporate Vice President, Licensing & Acquisitions. He currently serves on the boards of Intellia Therapeutics, Inc., a publicly-traded biotechnology company, since April 2023, and Parexel International, a privately-held biopharmaceutical services company, since November 2021. Mr. Chase holds a B.S. from the University of Illinois and an M.B.A. from the University of Chicago Booth School of Business. We believe that Mr. Chase is qualified to serve as a member of our board of directors because of his extensive experience in the biotechnology and pharmaceutical industry and his extensive financial and accounting experience.

Steve Mizell joined is expected to serve as a member of our Board commencing immediately upon completion of the Distribution. Mr. Mizell is the former Executive Vice President and Chief Human Resources Officer at Merck & Co., Inc. ("Merck"), where he served from October 2018 until April 2024, and was responsible for talent acquisition and development, employee wellness, and diversity and inclusion. Mr. Mizell is currently employed by Merck as Senior Advisor to the CEO and will serve in that capacity until his retirement on July 1, 2024. Mr. Mizell previously served as Executive Vice President & Chief Human Resources Officer at Monsanto Company from 2004 until 2018, where he created an industry-leading workplace for more than 20,000 employees globally. Before that, Mr. Mizell served as Senior Vice President and Chief Corporate Resources Officer for AdvancePCS Inc. and previous to that held several key human resources management roles at companies across the energy, defense, manufacturing, communications and technology sectors. He currently serves on the boards of Allegion Plc., a publicly-traded security products company, since February 2020, and Group 1 Automotive, Inc., a publicly-traded automotive retailer since March 2021, and has earned a Directorship Certification® from the National Association of Corporate Directors. Mr. Mizell holds a B.S. from Georgia Institute of Technology and an M.S. from Carnegie Mellon University. We believe that Mr. Mizell is qualified to serve as a member of our board of directors because of his extensive experience in the human capital management and leadership.

Gregory (Greg) Summe is expected to serve as a member of our Board commencing immediately upon completion of the Distribution. Mr. Summe is the Founder and Managing Partner of investment fund Glen Capital Partners LLC since June 2014. Mr. Summe previously served as Managing Director and Vice Chairman of Global Buyout at The Carlyle Group from October 2009 until June 2014. Prior to The Carlyle Group, Mr. Summe served for over a decade as Chairman, CEO, and President of PerkinElmer, Inc., a leading diagnostics and life sciences company. He also served as a Senior Advisor at Goldman Sachs Capital Partners and was the President of AlliedSignal, Inc.'s Automotive, Jet Engine, and General Avionics businesses. Previously, he was

the General Manager of General Electric Commercial Motors and a Partner at McKinsey and Company. He currently serves on the boards of NXP Semiconductors N.V., a publicly-traded semiconductor company, since December 2015, State Street Corporation, a publicly-traded financial services company, since 2001, and Avantor, Inc., a publicly-traded Life Sciences company, since May 2020, and is a Senior Advisor at Star Mountain Capital, LLC. Mr. Summe previously served on the board of Virgin Orbit Holdings, Inc., a publicly-traded space launch services company, from December 2021 until August 2023, and on the boards of NextGen Acquisition Corp I & II from July 2020 until December 2021. Mr. Summe holds a B.S. from the University of Kentucky, an M.S. from the University of Cincinnati, and an M.B.A. from the Wharton School of the University of Pennsylvania. We believe that Mr. Summe is qualified to serve as a member of our board of directors because of his extensive corporate leadership, industry, and finance experience.

The biography of Robert Ragusa is set forth under the section entitled "—Executive Officers."

Director Nomination Process

Our initial Board will be selected through a process involving Illumina and us. The initial directors who will serve after the Spin-Off are expected to begin their terms at the time of the Distribution, except as noted below.

Board Structure and Composition

Upon completion of the Spin-Off, our Board will consist of four members. Our board has determined that each of Messrs. Chase, Mizell, and Summe is independent under the applicable Nasdaq Global Select Market rules.

Our directors will be divided into three classes serving staggered three-year terms. Class I, Class II, and Class III directors will serve until our annual meetings of stockholders in 2024, 2025, and 2026, respectively. The Class I directors will consist of Mr. Chase. The Class II directors will consist of Mr. Mizell. The Class III directors will consist of Messrs. Ragusa and Summe. At each annual meeting of stockholders, directors will be elected to succeed the class of directors whose terms have expired. This classification of our Board could have the effect of increasing the length of time necessary to change the composition of a majority of the Board. In general, at least two annual meetings of stockholders will typically be necessary for stockholders to effect a change in a majority of the members of the Board.

Leadership Structure of the Board

Our amended and restated bylaws and corporate governance guidelines provide our Board with flexibility to combine or separate the positions of Chair of our Board and Chief Executive Officer and to implement a lead director in accordance with its determination that utilizing one or the other structure would be in our best interest. Mr. Summe will serve as the Chair of our Board. In that role, Mr. Summe will preside over our Board meetings and the executive sessions of our Board and as a liaison between management and our Board.

Our Board has concluded that our current leadership structure is appropriate at this time. However, our Board will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Executive Sessions

We expect that the independent directors will meet in executive session in which independent directors meet without the presence or participation of management at most regular Board meetings and meet in executive session at other times whenever they believe it appropriate. We expect that Mr. Summe will chair the executive sessions of the independent directors.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended January 1, 2023, GRAIL did not have a compensation committee (or any other committee serving a similar function). Decisions as to the compensation of those who served as our executive officers for that fiscal year required agreement with Illumina (including its compensation committee) on a mutually acceptable and workable approach.

Committees of the Board

Effective immediately prior to the commencement of "when issued" trading, the Board will have a standing Audit Committee, and upon the completion of the Spin-Off, our Board is expected to have two additional standing committees: the Compensation Committee and the Nominating and Governance committee. Each committee is governed by a charter that will be available on our website following completion of this Spin-Off.

Audit Committee

Following the completion of the Spin-Off, the members of our Audit Committee will consist of Messrs. Chase, Mizell, and Summe, and Mr. Chase will be the chairperson of our Audit Committee. The composition of our Audit Committee meets the requirements for independence under the current listing standards of the Nasdaq Global Select Market and Rule 10A-3 of the Exchange Act. Each member of our Audit Committee is financially literate. In addition, our Board has determined that Mr. Chase is an "audit committee financial expert" within the meaning of the SEC rules. This designation does not impose on such directors any duties, obligations, or liabilities that are greater than are generally imposed on members of our Audit Committee and our Board. Our Audit Committee is directly responsible for, among other things:

- appointing, retaining, compensating, and overseeing the work of our independent registered public accounting firm;
- assessing the independence and performance of the independent registered public accounting firm;
- reviewing with our independent registered public accounting firm the scope and results of the firm's annual audit of our financial statements;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the financial statements that we will file with the SEC;
- pre-approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- reviewing policies and practices related to risk assessment and management;
- reviewing our accounting and financial reporting policies and practices and accounting controls, as well as compliance with legal and regulatory requirements;
- reviewing, overseeing, approving, or disapproving any related-person transactions;
- reviewing with our management the scope and results of management's evaluation of our disclosure controls and procedures and management's assessment of our internal control over financial reporting, including the related certifications to be included in the periodic reports we will file with the SEC; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters, or other ethics or compliance issues.

Compensation Committee

Following the completion of the Spin-Off, the members of our Compensation Committee will consist of Messrs. Chase, Mizell, and Summe, and Mr. Mizell will be the chairperson of our Compensation Committee. Each of Messrs. Chase, Mizell, and Summe is a non-employee director, as defined by Rule 16B-3 of the

Exchange Act and meet the requirements for independence under the current Nasdaq Global Select Market listing standards. Our Compensation Committee is directly responsible for, among other things:

- reviewing and approving the compensation of our executive officers, including reviewing and approving corporate goals and objectives with respect to compensation;
- authority to act as an administrator of our equity incentive plans;
- reviewing and approving, or making recommendations to our Board with respect to, incentive compensation and equity plans;
- reviewing and recommending that our Board approve the compensation for our non-employee board members; and
- establishing and reviewing general policies relating to compensation and benefits of our employees.

Nominating and Governance Committee

Following the completion of the Spin-Off, the members of our Nominating and Governance Committee will consist of Messrs. Chase, Mizell, and Summe, and Mr. Summe will be the chairperson of our Nominating and Governance Committee. Messrs. Chase, Mizell, and Summe meet the requirements for independence under the current Nasdaq Global Select Market listing standards. Our Nominating and Governance Committee is responsible for, among other thing:

- identifying and recommending candidates for membership on our Board, including the consideration of nominees submitted by stockholders, and on each of the Board's committees;
- reviewing and recommending our corporate governance guidelines and policies;
- reviewing proposed waivers of the code of business conduct and ethics for directors and executive officers;
- overseeing the process of evaluating the performance of our Board; and
- assisting our Board on corporate governance matters.

Code of Business Conduct and Ethics

In connection with the Spin-Off, we will adopt a code of business conduct and ethics that applies to all of our employees, officers, and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. Upon completion of the Spin-Off, the full text of our code of business conduct and ethics will be posted on the investor relations section of our website. We intend to disclose future amendments to our code of business conduct and ethics, or any waivers of such code, on our website or in public filings if required.

Clawback Incentive Policy

On or prior to the Distribution Date, we intend to adopt a clawback policy to recover certain incentive compensation from certain executive officers of GRAIL in accordance with the final clawback rules and regulations adopted by the SEC under the Dodd-Frank Wall Street Reform and Consumer Protection Act and Nasdaq.

Director Compensation

We are currently in the process of determining the composition of our Board and of developing the details regarding the compensation packages of the directors who will comprise our Board. This is an ongoing process and we will include the relevant disclosure in an amendment to this Information Statement.

We did not have a board of directors in 2023 and we have not established a compensation program for our non-employee directors. In connection with the Spin-Off, we expect to approve and implement a compensation program for our non-employee directors that we expect will consist of annual retainer fees and long-term equity awards. We expect that directors who are also full-time officers or employees of our company will receive no additional compensation for serving as directors.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our named executive officers (NEOs) who are named in the "2023 Summary Compensation Table" below. In 2023, our NEOs and their positions were as follows:

- Robert Ragusa, Chief Executive Officer;
- Aaron Freidin, Chief Financial Officer; and
- Josh Ofman, President.

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

Summary Compensation Table

The following table sets forth information concerning the compensation awarded to or earned by our NEOs during our fiscal years ended December 31, 2023 and December 31, 2022.

2023 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Robert Ragusa	2023	779,615	—	8,400,000	678,946	19,660	9,878,221
Chief Executive Officer	2022	746,154	1,000,000	2,100,000	875,000	—	4,721,154
Aaron Freidin	2023	556,154	—	2,800,000	242,170	3,000	3,601,324
Chief Financial Officer	2022	533,461	—	1,400,000	291,575	—	2,225,036
Josh Ofman	2023	654,154	—	3,300,000	283,495	99,118	4,336,767
President	2022	625,385	—	1,475,000	343,350	169,453	2,613,188

(1) The amounts shown in this column represent the grant date fair values of Cash-Based Equity Awards granted in 2022 or 2023, as applicable, as computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 718, rather than the amounts paid to or realized by the named individual. For a discussion of the assumptions used to determine the grant date fair value of these awards made to our NEOs in 2023, see Note 7—Stock Incentive Awards in the notes to our audited consolidated financial statements included elsewhere in this prospectus.

(2) With respect to 2023, amounts represent annual bonuses earned by each named executive officer in 2023 and paid in cash in 2024 under our VCP (discussed below under "2023 Annual Bonuses (Non-Equity Incentive Plan Awards)"), based on the attainment of pre-determined individual and company performance metrics. The amount of compensation paid under the VCP in respect of 2023 is as follows (i) for Mr. Ragusa, a VCP bonus of $678,946, (ii) for Mr. Freidin, a VCP bonus of $242,170, and (iii) for Mr. Ofman, a VCP bonus of $283,495.

(3) Amounts in this column include the following for 2023: (i) for Mr. Ragusa: $3,000 in 401(k) plan matching contributions, $8,400 in GRAIL-provided dues for a membership in connection with a 2023 marketing event, $8,260 in payments made to offset taxes imposed on Mr. Ragusa with respect to his GRAIL-provided dues; (ii) for Mr. Freidin: $3,000 in 401(k) plan matching contributions; (iii) for Mr. Ofman: $3,000 in 401(k) plan matching contributions, $72, 079 in payments made to Mr. Ofman to offset his rent expense in 2023 (as contemplated by his initial offer of employment, GRAIL provides Mr. Ofman with a housing

allowance to enable him to spend significant time at GRAIL's headquarters in Menlo Park) and $24,039 in payments made to Mr. Ofman to offset taxes imposed on him with respect to his GRAIL-paid housing benefit.

2023 Salaries

The annual base salaries for Robert Ragusa, Aaron Freidin, and Josh Ofman for 2023 were $785,000 (increased from $750,000 in 2022), $560,000 (increased from $535,000 in 2022), and $655,000 (increased from $630,000 in 2022), respectively. Increases in base salary were approved following an analysis of market positioning against peers in alignment with our overall compensation philosophy.

2023 Annual Bonuses (Non-Equity Incentive Plan Awards)

Our annual Variable Compensation Program ("VCP") provides the opportunity to eligible employees, including our NEOs, to earn annual cash bonuses based on the achievement of pre-established corporate and individual performance goals for the applicable fiscal year. Individual VCP targets are determined by salary grade and expressed as a percentage of base pay—2023 target bonuses for Messrs. Ragusa, Freidin, and Ofman have not been changed since 2022 and were 100%, 50%, and 50% of applicable base salary, respectively. The payment of any annual bonus, if earned, is contingent upon the applicable participant's (i) continued employment or other service with the company through the applicable payment date, (ii) employment start date commencing on or prior to October 1 of the applicable fiscal year and (iii) continued compliance with company policy and applicable law.

Equity-Linked Compensation

Each of our NEOs currently holds Cash-Based Equity Awards representing dollar-denominated, long-term incentive awards which increase or decrease in value based on corresponding changes in our equity value. The Cash-Based Equity Awards generally vest and are paid out incrementally over a four-year period with twenty-five percent (25%) of the award vesting and paid (based on value as of the applicable vesting date) on or shortly after each of the first four anniversaries of the vesting commencement date, subject to continued employment through the applicable vesting date. If we experience a "change in control" (as provided in the Cash-Based Equity Award agreements), the Cash-Based Equity Awards will continue on their terms unless the Cash-Based Equity Awards are not assumed/continued or substituted for in connection with such change in control, in which case the Cash-Based Equity Awards will vest and be paid upon such change in control. The Cash-Based Equity Awards are generally paid in cash, but may be converted into Illumina restricted stock units at Illumina's election, in which case the converted awards would entitle the applicable holder to awards denominated in Illumina common shares and would be valued based on the fluctuation in value of Illumina shares.

For additional information about these awards, please see the sections titled "—Outstanding Equity Awards at Fiscal Year End" and "—Executive Compensation Arrangements" below. For information regarding their treatment in connection with the Spin-Off, see "The Spin-Off—Treatment of Outstanding Equity Incentive Awards" beginning on page 106 of this Information Statement.

We intend to adopt a 2024 Incentive Award Plan, referred to below as the 2024 Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our NEOs) and consultants of our company and certain of our subsidiaries and to enable our company and certain of our subsidiaries to obtain and retain services of these individuals following the Spin-Off, which we view as essential to our long-term success. We expect that the 2024 Plan will become effective in connection with the Spin-Off, subject to approval of such plan by Illumina, in its capacity as our sole stockholder, as required by applicable listing requirements. For additional information about the 2024 Plan, please see the section titled "—Executive Compensation Arrangements—2024 Equity Incentive Plan" below.

Other Elements of Compensation

Retirement Plans

We maintain a tax-qualified 401(k) retirement savings plan for our employees, including our NEOs, who satisfy certain eligibility requirements. Our NEOs are eligible to participate in the 401(k) plan on the same terms generally as other eligible, full-time employees. The Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. In 2023, we made matching contributions under our 401(k) plan, including for the NEOs, up to a specified percentage of employee contributions and a maximum of $3,000. These matching contributions vest in full after one year of service. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our NEOs, in accordance with our compensation policies.

Employee Benefits and Perquisites

Health/Welfare Plans. All of our full-time employees, including our NEOs, are eligible to participate in our health and welfare plans, including:

- medical, dental, and vision benefits;
- medical and dependent care flexible spending accounts;
- short-term and long-term disability insurance;
- wellbeing benefits (including mental health, back-up care and family forming benefits); and
- life insurance.

In addition, GRAIL made payments to Mr. Ofman and Mr. Ragusa to offset their rent expense and GRAIL-provided membership expense, respectively, in 2023.

We believe the benefits described above are in-line with market practice and necessary and appropriate to provide a competitive compensation package to our NEOs. There are no executive perquisites.

No IRC Section 280G "Golden Parachute" Tax Gross-Ups

Except for tax gross up payments (i) in the amount of $24,039 in 2023 paid to Mr. Ofman to offset taxes imposed on him with respect to his GRAIL-paid housing benefit and (ii) in the amount of $8,260 in 2023 paid to Mr. Ragusa to offset taxes imposed on him with respect to his GRAIL-paid dues, we do not make gross-up payments to cover our NEOs' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by our company. Without limiting the foregoing, we have not paid, and have no obligation to pay, any tax gross-ups with respect to any excise taxes imposed under or by operation of the Internal Revenue Code Section 280G "golden parachute" rules.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information concerning the number of shares of common stock underlying outstanding equity incentive awards for each NEO as of December 31, 2023.

		Option Awards (1)				Stock Awards(2)	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Price ($)(3)	Option Expiration Date	Number of shares or units of stock that have not vested (#)(4)	Market value of shares or units of stock that have not vested ($)(5)
Robert Ragusa	March 6, 2023(6)	—	—	—	—	NA	8,400,000
	March 4, 2022(6)	—	—	—	—	NA	1,651,979
	October 14, 2021(6)	—	—	—	—	NA	8,698,512
Aaron Freidin	March 6, 2023(6)	—	—	—	—	NA	2,800,000
	March 4, 2022(6)	—	—	—	—	NA	1,101,320
	November 16, 2021(6)	—	—	—	—	NA	2,036,993
	October 6, 2021(6)	—	—	—	—	NA	1,046,024
	February 17, 2018(7)	71	—	18.25	2/17/2028	—	—
Josh Ofman	March 6, 2023(6)	—	—	—	—	NA	3,300,000
	March 4, 2022(6)	—	—	—	—	NA	1,160,319
	October 6, 2021(6)	—	—	—	—	NA	4,954,849
	— (8)	—	9,786	90.77	3/6/2030	—	—

(1) Amounts disclosed in these columns represent options to purchase Illumina's common stock. These options were originally granted as options to purchase our Class A common stock and were converted to options to purchase Illumina's common stock in connection with GRAIL's acquisition by Illumina.

(2) Amounts disclosed in these columns represent Cash-Based Equity Awards awarded by GRAIL.

(3) The exercise price per share of each option granted was equal to the fair market value of our Class A common stock on the applicable grant date. The exercise price reflected in this column represents the price following the option's conversion into options to purchase Illumina's common stock.

(4) The Cash-Based Equity Awards disclosed here are dollar-denominated, cash-settled awards, the value of which fluctuates with, and is ultimately determined by reference to, the aggregate equity value of GRAIL at the time of settlement as compared to the aggregate equity value of GRAIL at the time of grant (in each case, as determined in accordance with the applicable award agreement). Accordingly, these awards do not cover a discernable number of shares of GRAIL common stock.

(5) Amounts in this column represent the aggregate estimated value of the outstanding Cash-Based Equity Awards as of December 31. 2023.

(6) These Cash-Based Equity Awards vest and are paid out incrementally over a four-year period with twenty-five percent (25%) of the award vesting and paid (based on value as of the applicable vesting date) on or shortly after each of the first four anniversaries of the vesting commencement date, subject to continued employment through the applicable vesting date.

(7) Represents Mr. Freidin's stock option award, which vested in full on November 6, 2022 based on the achievement of applicable performance metrics.

(8) Represents Mr. Ofman's stock option award with respect to Illumina's common stock, which is eligible to vest as to one thirty-sixth (1/36th) of the shares subject thereto on each monthly anniversary of the date on which GRAIL determines that it has delivered at least 250,000 GRAIL multi-cancer early detection blood tests for commercial use, in accordance with the terms and conditions set forth in the award agreement (the "Ofman performance condition"), subject to Mr. Ofman's continued service through the applicable vesting date; provided that (i) if Mr. Ofman's employment with GRAIL is terminated by GRAIL without cause or he resigns for good reason (each as defined in his award agreement) the stock option will vest as to the portion of the option that would have vested over the twelve month period immediately following the

termination date (provided that the Ofman performance condition has been satisfied prior to the termination date) and (ii) the stock option will vest in full in the event that Mr. Ofman's employment is terminated without cause or he resigns for good reason, in either case, during the period commencing three months before the announcement of the signing of a definitive agreement to consummate a change in control and ending twelve months following the consummation of such change in control. This option is early-exercisable, meaning that it can be exercised before it vests for restricted shares subject to the same vesting provisions as apply to the underlying option.

EXECUTIVE COMPENSATION ARRANGEMENTS

Below is a description of the material terms of each employment contract, agreement, plan, or arrangement that provides for the employment of, and payments to, our NEOs (including such payments to be made at, following or in connection with the resignation, retirement, or other termination of an NEO, or following a change in control).

Offer Letters and Separation and General Release Agreement

Robert Ragusa Offer Letter

We have entered into an employment offer letter with Robert Ragusa, dated October 14, 2021, pursuant to which Mr. Ragusa serves as our Chief Executive Officer. Mr. Ragusa's employment pursuant to the offer letter is "at-will" and is terminable by either party with or without notice or cause.

Pursuant to his offer letter, Mr. Ragusa was entitled to receive an initial base salary of $725,000 (increased to $785,000 in 2023). In addition, pursuant to his offer letter, Mr. Ragusa is eligible to participate in our VCP with a target bonus of 100% of his base salary. In connection with his entry into his offer letter, Mr. Ragusa was granted a Cash-Based Equity Award with an initial award value of $15,800,000 (subject to adjustment based on changes in our equity value) vesting in annual increments as to 25% of the award on each of the first four anniversaries of grant, and received a signing bonus in the amount of $4,000,000, of which 50% was subject to clawback in the event of a voluntary resignation or termination by us without cause within 12 months of commencing employment with us. The offer letter also provides that Mr. Ragusa will be entitled to receive standard benefits in accordance with our policies.

Pursuant to the offer letter, if Mr. Ragusa's employment is terminated by us without cause or Mr. Ragusa resigns with good reason (each as defined in the offer letter), then, in addition to any accrued benefits and subject to his timely execution of an effective separation and release agreement in a form prescribed by us, Mr. Ragusa will be entitled to receive the following severance payments and benefits: (i) a lump-sum cash payment in an amount equal to the sum of (x) 12 months of base salary and (y) 100% of Mr. Ragusa's target bonus under the VCP, (ii) reimbursement for the cost of health benefits under COBRA for up to 12 months, and (iii) accelerated vesting of any outstanding equity award(s) (or portion thereof) that would have vested over 12 months following such termination had Mr. Ragusa's service not terminated (with performance-vesting awards being deemed vested at target).

In the event of a change in control transaction, if outstanding and unvested equity awards are not assumed by the acquirer or successor, Mr. Ragusa's outstanding and unvested equity awards shall accelerate in full as of immediately prior to the closing of the change in control transaction. In addition, pursuant to his offer letter, if Mr. Ragusa's employment is terminated by us without cause or he resigns for good reason, in either case, within 24 months following or within 3 months preceding a change in control, then Mr. Ragusa will instead be entitled to receive the following severance payments and benefits (subject to the same separation and release agreement requirements and in lieu of the amounts described above): (i) a lump-sum cash payment in an amount equal to 24 months of base salary, (ii) a lump-sum cash payment in an amount equal to 200% of Mr. Ragusa's target bonus under the VCP, (iii) reimbursement for the cost of health benefits under COBRA for up to 24 months, and (iv) full accelerated vesting of outstanding and unvested equity awards (including Cash-Based Equity Awards, and with performance vesting awards vesting based on target performance).

Aaron Freidin Letter Agreement

We have entered into a letter agreement with Aaron Freidin, dated July 5, 2018, pursuant to which Mr. Freidin's employment is "at-will" and terminable by either party with or without notice or cause. The letter agreement provides that if Mr. Freidin's employment is terminated by us without cause or Mr. Freidin resigns for

good reason (each as defined in the letter agreement), then, in addition to accrued benefits and subject to his timely execution of an effective separation and release agreement in a form prescribed by us, Mr. Freidin will be entitled to receive the following severance payments and benefits: (i) a lump-sum cash payment in an amount equal to nine months of base salary and (ii) reimbursement for the cost of health benefits under COBRA for up to nine months.

In addition, pursuant to Mr. Freidin's letter agreement, if Mr. Freidin's employment is terminated by us without cause or Mr. Freidin resigns for good reason, in either case, within 12 months following or 3 months preceding a change in control, then Mr. Freidin will instead be entitled to receive the following severance payments and benefits (subject to the same separation and release agreement requirements and in lieu of the amounts described above): (i) a lump-sum cash payment in an amount equal to 12 months of base salary, (ii) a lump-sum cash payment in an amount equal to 100% of Mr. Freidin's target bonus under the VCP, (iii) reimbursement for the cost of health benefits under COBRA for up to 12 months, and (iv) full accelerated vesting of outstanding and unvested equity awards (including Cash-Based Equity Awards and with performance vesting awards vesting based on target performance).

Josh Ofman Offer Letter

We have entered into an employment offer letter with Josh Ofman, dated May 13, 2019, pursuant to which Mr. Ofman serves as our President. Mr. Ofman's employment under the offer letter is "at-will" and is terminable by either party with or without notice or cause.

Pursuant to his offer letter, Mr. Ofman was entitled to receive an initial base salary of $500,000 (in 2023, Mr. Ofman's base salary was $655,000) and is eligible to participate in our VCP with a target bonus of 50% of his base salary. In connection with his entry into the offer letter, Mr. Ofman was granted an option to purchase 2,340,000 shares of Grail common stock, vesting as to one-fourth of the shares subject thereto on the first anniversary of the vesting commencement date and thereafter as to one-forty-eighth of the shares subject thereto on each monthly anniversary of the vesting commencement date, subject to continued service on the applicable vesting date, and received a signing bonus in the amount of $750,000, subject to clawback in the event of termination by us for cause or resignation by Mr. Ofman without good reason, in either case, within 12 months of commencing employment with us, and reimbursement for relocation expenses, also subject to clawback in the event of termination by us for cause or resignation by Mr. Ofman without good reason, in either case, within 12 months of the payment date. Mr. Ofman's relocation has not yet occurred and GRAIL has continued to reimburse Mr. Ofman for the cost of rental housing. Effective as of December 15, 2023, GRAIL committed to reimburse Mr. Ofman for up to 50% of Mr. Ofman's monthly housing rental cost, up to a maximum of $4,438 per month until February 28, 2025 and to pay an additional amount to Mr. Ofman to offset the amount of taxes payable by Mr. Ofman as a result of such reimbursement.

Pursuant to the offer letter, in the event that Mr. Ofman's employment is terminated by us without cause or Mr. Ofman resigns for good reason (each as defined in the offer letter), then, in addition to accrued benefits and subject to his timely execution of an effective separation and release agreement in a form prescribed by us, Mr. Ofman will be entitled to receive the following severance payments and benefits: (i) a lump-sum cash payment in an amount equal to nine months of base salary and (ii) reimbursement for the cost of health benefits under COBRA for up to nine months.

In addition, pursuant to the offer letter, in the event that Mr. Ofman's employment is terminated by us without cause or Mr. Ofman resigns for good reason, in either case, within 12 months following or 3 months preceding a change in control, then Mr. Ofman will instead be entitled to receive the following severance payments and benefits (subject to the same separation and release agreement requirements and in lieu of the amounts described above): (i) a lump-sum cash payment in an amount equal to 12 months of base salary, (ii) a lump-sum cash payment in an amount equal to 100% of Mr. Ofman's target bonus under the VCP, (iii) reimbursement for the cost of health benefits under COBRA for up to 12 months, and (iv) full accelerated

vesting of outstanding and unvested equity awards (including Cash-Based Equity Awards and with performance vesting awards vesting based on target performance).

2024 Equity Incentive Plan

We intend to adopt the 2024 Incentive Award Plan, or the 2024 Plan, subject to approval by Illumina, in its capacity as our sole stockholder, as required by applicable listing requirements, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate, and retain the talent for which we compete. The material terms of the 2024 Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing the 2024 Plan and, accordingly, this summary is subject to change.

Eligibility and Administration. Our employees, consultants, and directors, and employees, consultants, and directors of our subsidiaries, will be eligible to receive awards under the 2024 Plan, however, only our employees will be eligible to receive incentive stock options ("ISOs"). Following the Spin-Off, the 2024 Plan will be administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our board of directors and/or officers (referred to, collectively, as the plan administrator below), subject to certain limitations that may be imposed under the 2024 Plan, Section 16 of the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2024 Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2024 Plan, including any vesting and vesting acceleration conditions.

Shares Available. An aggregate of shares of our common stock will be available for issuance under awards granted pursuant to the 2024 Plan, which shares may be authorized but unissued shares or shares purchased in the open market. Notwithstanding anything to the contrary in the 2024 Plan, no more than shares of our common stock may be issued pursuant to the exercise of ISOs under the 2024 Plan.

The number of shares available for issuance will be increased annually on the first day of each calendar year beginning January 1, 2025 and ending on and including January 1, 2034, equal to the lesser of (A) 5% of the aggregate number of shares of common stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of shares as is determined by our board of directors.

If an award under the 2024 Plan expires, lapses, or is terminated, exchanged for, or settled in cash, surrendered, repurchased, canceled without having been fully exercised, or forfeited, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the 2024 Plan. Further, shares delivered to us to satisfy the applicable exercise or purchase price of an award under the 2024 Plan and/or to satisfy any applicable tax withholding obligations (including shares retained by us from such award being exercised or purchased and/or creating the tax obligation) will become or again be available for grants under the 2024 Plan. The payment of dividend equivalents in cash in conjunction with any awards under the 2024 Plan will not reduce the shares available for grant under the 2024 Plan. However, the following shares may not be used again for grant under the 2024 Plan: (i) shares subject to SARs that are not issued in connection with the stock settlement of the stock appreciation rights ("SAR") on exercise and (ii) shares purchased on the open market with the cash proceeds from the exercise of options.

Awards granted under the 2024 Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction, or the conversion or substitution of the Cash-Based Equity Awards for awards under the 2024 Plan, in each case, will not reduce the shares available for grant under the 2024 Plan but will count against the maximum number of shares that may be issued upon the exercise of ISOs.

The 2024 Plan provides that the sum of any cash compensation and the aggregate grant date fair value (determined as of the date of the grant under ASC Topic 718, or any successor thereto) of all awards granted to a non-employee director as compensation for services as a non-employee director during any calendar year may not exceed the amount equal to $750,000, increased to $1,000,000, in the fiscal year of a non-employee director or any year in which a non-employee director serves as lead independent director.

Awards. The 2024 Plan provides for the grant of stock options, including ISOs and non-qualified stock options ("NSOs"), SARs, restricted stock, dividend equivalents, restricted stock units ("RSUs"), and other stock- or cash-based awards. Certain awards under the 2024 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2024 Plan will be evidenced by award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- *Stock Options and SARs*. Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, in contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a stock option or SAR may not be less than 100% of the fair market value of the underlying share on the grant date (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute awards granted in connection with a corporate transaction. The term of a stock option or SAR may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders).
- *Restricted Stock*. Restricted stock is an award of nontransferable shares of our common stock that are subject to certain vesting conditions and other restrictions.
- *RSUs*. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on shares of common stock prior to the delivery of the underlying shares (i.e., dividend equivalent rights). The plan administrator may provide that the delivery of the shares underlying RSUs will be deferred on a mandatory basis or at the election of the participant. The terms and conditions applicable to RSUs will be determined by the plan administrator, subject to the conditions and limitations contained in the 2024 Plan.
- *Other Stock- or Cash-Based Awards*. Other stock- or cash-based awards are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock- or cash-based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of compensation to which a participant is otherwise entitled.
- *Dividend Equivalents*. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of the dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed, or expires, as determined by the plan administrator. Dividend equivalents are only paid out to the extent that the vesting conditions of the underlying award are subsequently satisfied.

Certain Transactions. The plan administrator has broad discretion to take action under the 2024 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions

and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations, and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2024 Plan and outstanding awards. In the event of a change in control of our Company (as defined in the 2024 Plan), to the extent that the surviving entity declines to continue, convert, assume, or replace outstanding awards, then all such awards will become fully vested and exercisable in connection with the transaction. If, however, the surviving entity assumes outstanding awards and, on or within 12 months of such change in control, a participant's employment or service is involuntarily terminated by the Company (or the surviving entity or its affiliates) other than for cause (as defined in the 2024 Plan) and other than due to death or disability (as defined in the 2024 Plan), then all such awards will become fully vested and exercisable as of the date of such termination. Awards under the 2024 Plan are generally non-transferrable, except by will or the laws of descent and distribution, or, subject to the plan administrator's consent, pursuant to a domestic relations order, and are generally exercisable only by the participant.

Foreign Participants, Claw Back Provisions, Transferability, and Participant Payments. The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw back policy implemented by our Company to the extent set forth in such claw back policy and/or in the applicable award agreement. With regard to tax withholding, exercise price, and purchase price obligations arising in connection with awards under the 2024 Plan, the plan administrator may, in its discretion, accept cash or check, shares of our common stock that meet specified conditions, a "market sell order," or such other consideration as it deems suitable.

Plan Amendment and Termination. The plan administrator may amend or terminate the 2024 Plan at any time; however, no amendment, other than an amendment that increases the number of shares available under the 2024 Plan, may materially and adversely affect an award outstanding under the 2024 Plan without the consent of the affected participant, and stockholder approval will be obtained for any amendment to the extent necessary to comply with applicable laws or to increase the director limit. The plan administrator will have the authority, without the approval of our stockholders, to "reprice" any stock option or SAR, or cancel any stock option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares. The 2024 Plan will remain in effect until the tenth anniversary of the date the board of directors adopted the 2024 Plan, unless earlier terminated by our board of directors.

2024 Employee Stock Purchase Plan

In connection with the Spin-Off, we intend to adopt the 2024 Employee Stock Purchase Plan, or the 2024 ESPP, subject to approval of such plan by Illumina, in its capacity as our sole stockholder, as required by applicable listing requirements. The material terms of the 2024 ESPP as it is currently contemplated are summarized below. Our board of directors is still in the process of developing the 2024 ESPP and, accordingly, this summary is subject to change.

The 2024 ESPP is comprised of two distinct components in order to provide increased flexibility to grant options to purchase shares under the 2024 ESPP to our U.S. and non-U.S. employees. Specifically, the 2024 ESPP authorizes (i) the grant of options to U.S. employees that are intended to qualify for favorable U.S. federal tax treatment under Section 423 of the Code (the "Section 423 Component") and (ii) the grant of options that are not intended to be tax qualified under Section 423 of the Code to facilitate participation for employees located outside of the U.S. who do not benefit from favorable U.S. federal tax treatment and to provide flexibility to comply with non-U.S. law and other considerations (the "Non-Section 423 Component"). Where permitted under local law and custom, we expect that the Non-Section 423 Component will generally be operated and administered on terms and conditions similar to the Section 423 Component.

Shares Available for Awards; Administration. A total of shares of our common stock will initially be reserved for issuance under the 2024 ESPP. In addition, the number of shares available for issuance under the 2024 ESPP will be annually increased on January 1 of each calendar year beginning in 2025 and ending in and including 2034, by an amount equal to the lesser of (A) one percent of the shares of our common stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of shares as is determined by our board of directors. Our board of directors or a committee of our board of directors will administer and will have authority to interpret the terms of the 2024 ESPP and determine the eligibility of participants. We expect that the compensation committee will be the initial administrator of the 2024 ESPP.

Eligibility. We expect that our employees and the employees of certain of our subsidiaries participating in the 2024 ESPP from time to time, or our designated subsidiaries, will be eligible to participate in the 2024 ESPP if they meet the eligibility requirements under the 2024 ESPP established from time to time by the plan administrator, consistent with Section 423 of the Code, as applicable. However, an employee may not be granted rights to purchase stock under our 2024 ESPP if the employee, immediately after the grant, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our common or other class of stock. Neither non-employee directors nor consultants are eligible to participate in the 2024 ESPP. Employees who choose not to participate, or who are not eligible to participate at the start of an offering period but who become eligible thereafter, may enroll in any subsequent offering period.

Grant of Rights. Stock will be offered under the 2024 ESPP during offering periods. The length of the offering periods under the 2024 ESPP will be determined by the plan administrator and may be up to twenty-seven months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The purchase dates for each offering period will be the final trading day in the purchase period (or, if no purchase period is specified, the final day of the offering period). The number of purchase periods within, and purchase dates during, each offering period will be established by the plan administrator. Offering periods under the 2024 ESPP will commence when determined by the plan administrator. We expect the initial offering period under the 2024 ESPP to commence on the pricing date of our common stock in the Spin-Off. The plan administrator may, in its discretion, modify the terms of future offering periods.

The 2024 ESPP will permit participants to purchase shares of our common stock through payroll deductions of up to a specified percentage of their eligible compensation, which will include a participant's gross cash compensation for services to us, including prior-week adjustments, overtime payments, compensation paid by the company or an designated subsidiary during any leaves of absence, commissions, incentive compensation, and bonuses, but excluding education or tuition reimbursements, travel expenses, business and moving reimbursements, income received in connection with any compensatory equity awards, fringe benefits, other special payments, and all contributions made by the company or any designated subsidiary for the participant's benefit under any employee benefit plan. In any non-U.S. jurisdictions where participation in the 2024 ESPP through payroll deductions is prohibited (if any), the plan administrator may provide that an eligible employee may elect to participate through contributions to his or her account under the 2024 ESPP in a form acceptable to the plan administrator in lieu of or in addition to payroll deductions. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any offering period or purchase period, which, in the absence of a contrary designation, will be 20,000 shares. In addition, no participant will be permitted to accrue the right to purchase stock under the Section 423 Component at a rate in excess of $25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our common stock as of the first day of the offering period).

On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our common stock. The option will be exercised on the applicable purchase date(s) during the offering period, to the extent of the payroll deductions (or contributions, as applicable) accumulated during the applicable purchase period. The purchase price of the shares, in the absence of a contrary designation by the plan administrator, will be 85% of the lower of the fair market value of our common stock on the first trading day of the offering period or on the applicable purchase date (which will be the final trading day of the applicable purchase period), whichever is lower. Participants may voluntarily end their participation in the 2024 ESPP at

any time at least two weeks prior to the end of the applicable offering period (or such longer or shorter period specified by the plan administrator in the applicable offering terms), and will be paid their accrued payroll deductions (and contributions, if applicable) that have not yet been used to purchase shares of common stock. If a participant withdraws from the 2024 ESPP during an offering period, the participant cannot rejoin until the next offering period. Participation ends automatically upon a participant's termination of employment.

A participant may not transfer rights granted under the 2024 ESPP other than by will or the laws of descent and distribution, and such rights are generally exercisable only by the participant.

Certain Transactions. In the event of certain non-reciprocal transactions or events affecting our common stock, the plan administrator will make equitable adjustments to the 2024 ESPP and outstanding rights. In the event of certain unusual or non-recurring events or transactions, including a change in control, the plan administrator may provide for (i) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (ii) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (iii) the adjustment in the number and type of shares of stock subject to outstanding rights, (iv) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods, or (v) the termination of all outstanding rights.

Plan Amendment. The plan administrator may amend, suspend, or terminate the 2024 ESPP at any time. However, stockholder approval will be obtained for any amendment that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the 2024 ESPP.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this Information Statement, Illumina beneficially owns all the outstanding shares of our common stock. After the Spin-Off, Illumina may own up to 14.5% of our common stock.

The following tables provide information regarding the anticipated beneficial ownership of our common stock at the time of the Distribution. Except as otherwise noted below, we based the share amounts on each person's beneficial ownership of Illumina common stock on , 2024, giving effect to a distribution ratio pursuant to which, for every share[s] of Illumina common stock he, she, or it held, share[s] of our common stock will be distributed. Immediately following the Spin-Off, we estimate that of our common stock will be issued and outstanding, based on the approximately shares of Illumina common stock outstanding on , 2024. The actual number of shares of our common stock outstanding following the Spin-Off will be determined on the Record Date, , 2024.

To the extent our directors and executive officers own Illumina common stock at the Record Date of the Spin-Off, they will participate in the Distribution on the same terms as other holders of Illumina common stock.

Share Ownership Information for Directors and Officers

The following table shows the number of shares of GRAIL common stock expected to be beneficially owned by our current directors, named executive officers and directors and executive officers as a group immediately following the Distribution based on the assumptions set forth above. None of these individuals, or the group as a whole, would be expected to beneficially own more than 1 percent of our common stock immediately following the Distribution. Except as otherwise noted in the footnotes below, each person or entity identified in the table has sole voting and investment power with respect to the securities he, she, or it holds.

Directors and Executive Officers	Shares
William (Bill) Chase	
Aaron Freidin	
Steve Mizell	
Josh Ofman	
Robert Ragusa	
Gregory (Greg) Summe	
Directors and executive officers as a group ( )	

Certain Beneficial Owners

The following table shows all holders known to GRAIL that are expected to be beneficial owners of more than 5 percent of the outstanding shares of GRAIL common stock immediately following the completion of the Distribution based on the assumptions set forth above.

Name and Address	Shares	Percent of Class
The Vanguard Group[1] 100 Vanguard Blvd. Malvern, PA 19355		
Blackrock, Inc.[2] 50 Hudson Yards New York, NY 10001		

(1) This information is based on a Schedule 13G/A filed with the SEC on February 13, 2024, reporting beneficial ownership of 18,177,520 shares of Illumina common stock. Based on the information contained in such Schedule 13G/A, it is anticipated that The Vanguard Group will be deemed to have shared voting power with respect to shares of GRAIL's common stock, sole dispositive power with respect to of such shares, and shared dispositive power with respect to of such shares.

(2) This information is based on a Schedule 13G/A filed with the SEC on January 25, 2024, reporting beneficial ownership of 13,302,678 shares of Illumina common stock. Based on the information contained in such Schedule 13G/A, it is anticipated that BlackRock, Inc. will be deemed to have sole voting power with respect to shares of GRAIL's common stock and sole dispositive power with respect to of such shares.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Illumina

Following the Spin-Off, we and Illumina will operate independently. Immediately after the Distribution becomes effective, Illumina may retain up to 14.5% of our common stock and we will not have any ownership interest in Illumina. The IRS private letter ruling requires that all retained shares be sold or otherwise disposed of by Illumina as soon as warranted consistent with the business reasons for the retention of those shares, but in no event later than five years after the Distribution. Such dispositions could include a sale of its shares for cash, distributions of GRAIL common stock to Illumina stockholders or securityholders as dividends, or in exchange for outstanding shares of Illumina common stock, indebtedness, or other securities, or any combination thereof. In order to govern the ongoing relationships between us and Illumina after the Spin-Off and to facilitate an orderly transition, we intend to enter into a series of agreements with Illumina to effect the Spin-Off, to provide a framework for the relationship between GRAIL and Illumina after the separation and to provide for various rights and obligations following the Spin-Off, in each case, pursuant to which we and Illumina will agree to indemnify each other against certain liabilities arising from our respective businesses. The following summarizes the terms of the material agreements we expect to enter into with Illumina. The summaries of these agreements are qualified in their entirety by reference to the full text of the applicable agreements, which are included as exhibits to our Registration Statement on Form 10, of which this Information Statement is a part.

Separation and Distribution Agreement

We and Illumina intend to enter into a separation and distribution agreement (the "Separation and Distribution Agreement") that will set forth our agreements with Illumina regarding the principal actions to be taken in connection with the Spin-Off. It will also set forth other agreements that govern aspects of our relationship with Illumina following the Spin-Off.

The Distribution

The Separation and Distribution Agreement will govern Illumina's and our respective rights and obligations regarding the proposed Distribution. On or prior to the Distribution, Illumina will deliver at least 85.5% of the issued and outstanding shares of our common stock to the distribution agent. Following the Distribution Date, the distribution agent will electronically deliver the shares of our common stock to Illumina stockholders based on the distribution ratio. The Illumina Board will have the sole and absolute discretion to determine the terms of, and whether to proceed with, the Distribution, subject to the terms of the Separation and Distribution Agreement.

Conditions

The Separation and Distribution Agreement will also provide that several conditions must be satisfied or waived by Illumina in its sole and absolute discretion, subject to the terms of the Separation and Distribution Agreement, before the Distribution can occur. For further information about these conditions, see the section entitled "The Spin-Off—Conditions to the Spin-Off" beginning on page 111 of this Information Statement. The Illumina Board may determine the Record Date and the Distribution Date and may at any time prior to the execution of the Separation and Distribution Agreement decide to abandon or modify the Spin-Off.

Indemnification

We and Illumina will each agree to indemnify the other and each of the other's former and current directors, officers, and employees, and each of the heirs, executors, successors, and assigns of any of them, against certain liabilities incurred in connection with the Spin-Off and our and Illumina's respective businesses. The amount of either Illumina's or our indemnification obligations will be reduced by any insurance proceeds the party being indemnified receives. The Separation and Distribution Agreement will also specify procedures regarding claims subject to indemnification.

Disposal Funding

Prior to the completion of the Spin-Off, Illumina will contribute to us an amount, in cash, so as to cover 2.5 years of our operations based on the projected operating free cash flow set forth in our long range plan (such amount, the "Disposal Funding"). Under certain circumstances, we will be required to return a portion of the Disposal Funding to Illumina in the event we make a dividend payment or share repurchase or experience a change of control.

Tax Matters Agreement

We and Illumina intend to enter into a tax matters agreement (the "Tax Matters Agreement") prior to the Distribution that will govern the parties' respective rights, responsibilities, and obligations after the Distribution with respect to all tax matters (including tax liabilities, tax attributes, tax returns, and tax contests).

The Tax Matters Agreement will generally allocate liability for any taxes and related losses resulting from the failure of the Spin-Off and certain related transactions to qualify for their intended tax treatment under U.S. federal income tax law between Illumina and us generally based on which party was responsible for causing such transactions not to qualify for the intended tax treatment, with each party generally responsible for breaches of its own representations and covenants and transactions involving its own stock, provided Illumina will generally bear any taxes and losses imposed on Illumina if the retention and disposition of its retained stake in GRAIL cause the Spin-Off to be taxable to Illumina.

The Tax Matters Agreement will impose certain restrictions on us and our subsidiaries (including restrictions on share issuances, redemptions or repurchases, business combinations, sales of assets, and similar transactions) that will be designed to address compliance with Section 355 of the Code and preserve the tax-free nature of the Spin-Off. These restrictions will apply for the two-year period after the Distribution unless Illumina obtains an opinion from counsel or a ruling from the IRS generally to the effect that a restricted action will not cause the Spin-Off or certain related transactions to fail to qualify for its intended tax treatment, or Illumina gives its consent for us to take a restricted action. These restrictions may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that may maximize the value of our business, and might discourage or delay a strategic transaction that our stockholders may consider favorable.

Employee Matters Agreement

We and Illumina intend to enter into an employee matters agreement (the "Employee Matters Agreement") that will address certain employment, compensation, and benefits matters, including the allocation and treatment of certain assets and liabilities relating to our employees and compensation and benefit plans and programs in which our employees participate prior to the Spin-Off.

Assumption and Retention of Liabilities

From and after the Distribution Date, except as otherwise provided in the Employee Matters Agreement, we will generally assume or retain all employee and benefit plan liabilities with respect to our current or former employees and benefit plans and Illumina will generally assume or retain all employee and benefit liabilities with respect to their current or former employees and benefit plans.

Treatment of GRAIL Cash-Based Equity Awards and Illumina Equity Awards Held by GRAIL Employees

Effective as of the Distribution Date, each outstanding and unvested portion of the Cash-Based Equity Awards as of immediately prior to the Distribution Date will be converted into GRAIL RSUs, with the number of shares of GRAIL common stock subject to such GRAIL RSUs equal to (i) the "Aggregate Award Value" (as defined below) for such Cash-Based Equity Award divided by (ii) the average of the volume weighted average per share price of GRAIL Stock on the first four trading days immediately following the Distribution Date (the "GRAIL Share Value"). All other terms and conditions of the awards, including vesting and payment terms, will be unaffected by the conversion. The Employee Matters Agreement also provides for an intermediate conversion

of the Cash-Based Equity Awards in order to satisfy certain legal requirements under the documentation of the award agreements, but this intermediate conversion does not affect the value of the awards or the number of shares of GRAIL Stock subject to the resulting GRAIL RSUs.

For each Cash-Based Equity Award, the "Aggregate Award Value" is equal to, (i) for the portion of such award originally scheduled to vest in 2024, the initial grant value of such portion, and (ii) for the remaining unvested portion of such award, the initial grant value of such portion adjusted up or down based on a percentage, with such percentage determined by (A) GRAIL's average closing market capitalization for the four trading days immediately following the Distribution Date *minus* the aggregate equity value of GRAIL at the time the Cash-Based Equity Award was granted, as reflected in the consolidated financial statements of Illumina (the "Baseline Equity Value"), *divided* by (B) the Baseline Equity Value.

The Employee Matters Agreement will also provide that, upon the Distribution Date, Illumina stock options held by our employees will generally convert into equivalent GRAIL stock awards with adjustments to the number of awards and option exercise prices to preserve the award's value. All other vesting terms and conditions that apply to such stock options prior to the conversion will be unaffected by the conversion.

The Employee Matters Agreement will also provide for the establishment of the 2024 Incentive Award Plan, the expected terms of which are described above under "Executive Compensation Arrangements—2024 Equity Incentive Plan". The 2024 Incentive Award Plan will be subject to the approval of Illumina, as the sole equityholder of GRAIL.

Collective Bargaining Agreements

We will agree to take all actions that are necessary for us to continue to maintain and comply with any collective bargaining agreements and any pre-existing collective bargaining relationships in respect of any of our UK-based employees and any applicable employee representatives.

Stockholder and Registration Rights Agreement

We and Illumina intend to enter into a stockholder and registration rights agreement (the "Stockholder and Registration Rights Agreement") pursuant to which we will grant to Illumina certain registration rights with respect to the shares of our common stock owned by Illumina. Illumina may transfer these rights in certain limited circumstances, including in connection with an equity-for-debt exchange to a third-party lender (a "Permitted Transferee" and, collectively with Illumina, "Holders"), and such Holders will thereafter be bound by the terms of the Stockholder and Registration Rights Agreement.

Demand Registration

Holders will be able to request registration under the Securities Act of all or any portion of their shares of our common stock covered by the Stockholder and Registration Rights Agreement, and we will be obligated, subject to limitations on minimum offering size and certain other limited exceptions, to register such shares as requested by such Holders. Holders will generally be able to designate the terms of each offering effected pursuant to a demand registration, which may take the form of a shelf registration, and will be able to request that we complete up to three demand registrations in any 12-month period, provided that we shall not be obligated to effect more than five demand registration in the aggregate.

We will not be required to honor a demand registration if we have effected a registration within the preceding 60 days. In addition, if we reasonably determine in good faith that filing a registration statement would be significantly disadvantageous to us, we may, no more than twice during any 12-month period, delay filing such registration statement until the earlier of 90 days after we make such determination or seven days after the disadvantageous condition no longer exists, provided that these postponement rights shall not be applicable to the Holders for more than a total of 120 days during any 12-month period.

Piggy-Back Registration

If we at any time intend to file on our behalf or on behalf of any of our other security holders a registration statement in connection with a public offering of any of our securities on a form and in a manner that would permit the registration for offer and sale of shares of our common stock held by Holders, Holders will have the right to include their shares of our common stock in that offering, subject to certain limitations.

Indemnification

The Stockholder and Registration Rights Agreement will contain customary indemnification and contribution provisions by us for the benefit of Holders and, in limited situations, by Holders for the benefit of us with respect to the information provided by such Holders included in any registration statement, prospectus, or related document.

Voting Restrictions

Illumina will agree to vote any shares of our common stock that it retains in proportion to the votes cast by our other stockholders and will grant us a proxy to vote its shares of our common stock in such proportion. Any such proxy, however, will be automatically revoked as to a particular share upon any sale or transfer of such share from Illumina to a person other than Illumina, and neither the Stockholder and Registration Rights Agreement nor proxy will limit or prohibit any such sale or transfer.

Ongoing Commercial Agreements

In addition to the above agreements, we are also currently party to, or intend to enter into, various other agreements with Illumina and its subsidiaries, including a supply and commercialization agreement and license agreements.

In January 2016, we entered into a supply and commercialization agreement with Illumina. The agreement was amended and restated in February 2017, and subsequently amended in September 2017, August 2021, and May 2023. Under the terms of the agreement, we agreed to pay to Illumina a high single-digit royalty, subject to certain reductions and floors, in perpetuity on net sales generated by our products or revenues otherwise generated or received by us, regardless of whether these products incorporate any Illumina intellectual property, subject to certain exceptions, in the field of oncology. In August 2021, following Illumina's acquisition of GRAIL, the agreement was amended to suspend the royalty payments for as long as GRAIL is an affiliate of Illumina. The Divestment Plan (as defined in the section entitled "The Spin-Off—Background" beginning on page 100 of this Information Statement) permits Illumina to maintain the royalty arrangement with GRAIL. In connection with the separation of GRAIL from Illumina via the Spin-Off, GRAIL will no longer be an affiliate of Illumina, and the Supply Agreement will be further amended to extend the suspension of the perpetual royalty agreement until the earlier of two-and-a-half years or any earlier change of control of GRAIL, at which time royalty payments to Illumina will resume, without retroactive effect. In addition, upon the execution of such amendment, we may elect to purchase instruments, supplies, and services from Illumina either pursuant to the Open Offer or the Grandfathered Pricing.

Under the agreement, Illumina granted us non-exclusive rights to use certain Illumina know-how and technology with Illumina products purchased under the agreement, and we granted Illumina an irrevocable, perpetual, worldwide, fully paid-up, and royalty-free license covering improvements to certain Illumina know-how and technology. Pursuant to the agreement, we were also required to develop a small-variant targeted plasma assay and deliver it to Illumina, which we have done. We retain ownership of the intellectual property generated by the development of this assay, and we have granted Illumina an irrevocable, perpetual, non-exclusive license to use any of the intellectual property embodied in this assay, with certain limitations on sublicensing.

The term of the agreement is 10 years, subject to two-year automatic renewal periods unless one of the parties terminates prior to such renewal period; however, the term is limited to a maximum term of 20 years. The agreement may also be terminated by either party for uncured material breach or bankruptcy or insolvency of the other party. Illumina may terminate the agreement if it is notified by any regulatory authority that our performance under the agreement materially violates an applicable law or due to a change of control of GRAIL involving a competitor of Illumina. Upon the termination of the agreement for any reason, the licenses granted to us by Illumina under the agreement would terminate but our licenses to Illumina survive the termination of the agreement. Our royalty payment obligations also survive the termination of this agreement. In February 2019, pursuant to the terms of the supply and commercialization agreement with Illumina, we entered into two separate non-exclusive and non-sublicensable license agreements with Illumina. Under these license agreements, Illumina is required to pay us (i) initial aggregate licensing fees of $50,000, (ii) annual minimum aggregate royalties of $50,000, increasing by $10,000 annually to a maximum of $100,000, and (iii) running royalties in the low percentages of net sales of products utilizing in-licensed technology. In addition, one of the license agreements includes a milestone of $50,000 tied to the first commercial sale of a product covered by a licensed patent.

Other Arrangements

Prior to the Spin-Off, we have had various other arrangements with Illumina, including arrangements whereby (i) pursuant to the binding Hold Separate Commitments put in place by Illumina and the Transitional Measures imposed by the European Commission, GRAIL has been held and operated separately and independently from Illumina and Illumina funded GRAIL's operations and (ii) in connection with Illumina's acquisition of GRAIL in 2021 (the "Acquisition"), Illumina issued to the then-holders of GRAIL common stock and preferred stock, at each holder's election in lieu of cash consideration otherwise payable in the Acquisition, contingent value rights ("CVRs") representing the right to receive future cash payments from Illumina on a quarterly basis representing a pro rata portion of certain GRAIL-related revenues. Subject to the terms of the Divestment Plan to be approved by the European Commission, Illumina may (i) conduct a tender offer to acquire all issued and outstanding CVRs and, if permitted under the terms of the CVR Agreement, redeem all remaining outstanding CVRs or (ii) retain the CVR liability and continue its obligation to make payments following the Spin-Off. GRAIL does not currently have, and following the Spin-Off, will not have any obligation to make payments in respect of the CVRs.

Policy and Procedures Governing Related Person Transactions

We have a written Related-Persons Transaction Policy, to be effective upon the completion of the Spin-Off, that applies to our executive officers, directors, director nominees, holders of more than five percent of any class of our voting securities, and any member of the immediate family of, and any entity affiliated with, any of the foregoing persons. Such persons will not be permitted to enter into a related person transaction with us without the prior consent of our Audit Committee, or other independent members of our Board in the event it is inappropriate for our Audit Committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, director nominee, principal stockholder, or any of their immediate family members or affiliates, in which the amount involved exceeds $120,000, must first be presented to our Audit Committee for review, consideration, and approval. In approving or rejecting any such proposal, our Audit Committee will consider the relevant facts and circumstances available and deemed relevant to our Audit Committee, including, but not limited to, the commercial reasonableness of the terms of the transaction and the materiality and character of the related person's direct or indirect interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

DESCRIPTION OF OUR CAPITAL STOCK

General

Prior to the Distribution Date, our Board of Directors (the "Board"), will approve and adopt our Certificate of Incorporation and our Bylaws. The following summarizes information concerning our capital stock, including material provisions of our Certificate of Incorporation and our Bylaws that will be in effect at the time of the Distribution and certain provisions of Delaware law. You are encouraged to read the forms of our Certificate of Incorporation and our Bylaws, which will be filed as exhibits to our Registration Statement on Form 10, of which this Information Statement is part, for greater detail with respect to these provisions.

Authorized Capital Stock

Immediately following the Spin-Off, our authorized capital stock will consist of shares of common stock, par value $0.001 per share and shares of preferred stock, par value $0.001 per share.

Common Stock

Shares Outstanding. Immediately following the Spin-Off, we estimate that approximately shares of our common stock will be issued and outstanding, based in part on approximately shares of Illumina common stock outstanding as of , 2024. The actual number of shares of our common stock outstanding immediately following the Spin-Off will depend, in part, on the actual number of shares of Illumina common stock outstanding on the Record Date, and will reflect any issuance of new shares or exercise of outstanding options pursuant to Illumina's equity-based incentive compensation plans on or prior to the Record Date. There will be no shares of preferred stock outstanding.

Dividend Rights. Holders of shares of our common stock will be entitled to receive dividends when, as and if declared by our Board at its discretion out of funds legally available for that purpose, subject to the preferential rights of any preferred stock that may be outstanding. See the sections entitled "Dividend Policy" and "Risk Factors—Risks Relating to Our Common Stock—We do not expect to pay any dividends for the foreseeable future" beginning on pages 113 and 95 respectively, of this Information Statement.

Voting Rights. Each share of common stock is entitled to one vote upon any matter submitted to a vote of our stockholders, including the election of directors. Holders of our common stock will vote as a single class on all matters submitted to a stockholder vote, subject to any voting rights granted to holders of any preferred stock. Holders of the common stock are not entitled to any cumulative voting rights.

Liquidation. In the event of our liquidation, dissolution, or winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Other Rights. The holders of our common stock have no preemptive rights or other subscription rights.

There are no redemption or sinking fund provisions applicable to our common stock.

Preferred Stock

Our Board has the authority to issue the preferred stock in one or more series and to fix the rights, preferences, privileges, and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences, and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deterring, or preventing a change in control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. At present, we have no plans to issue any of the preferred stock.

Certain Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws

Election and Removal of Directors; Vacancies

Our Board will consist of between five and fifteen directors. The exact number of directors will be fixed from time to time by resolution of the Board. Directors will be elected by a plurality of the votes of the shares of our capital stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

No director may be removed except for cause, and directors may be removed for cause only by an affirmative vote of shares representing not less than a majority of the shares then entitled to vote at an election of directors.

Any vacancy occurring on the Board and any newly created directorship may be filled only by a majority of the remaining directors in office.

Staggered Board

Immediately after the Spin-Off, our Board will be divided into three classes serving staggered three-year terms. Class I, Class II, and Class III directors will serve until our annual meetings of stockholders in 2025, 2026 and 2027, respectively. At each annual meeting of stockholders, directors will be elected to succeed the class of directors whose terms have expired. This classification of our Board could have the effect of increasing the length of time necessary to change the composition of a majority of the Board. In general, at least two annual meetings of stockholders will typically be necessary for stockholders to effect a change in a majority of the members of the Board.

Limitation on Action by Written Consent

Our Certificate of Incorporation and our Bylaws provide that holders of our common stock will not be able to act by written consent without a meeting.

Stockholder Meetings

Our Certificate of Incorporation and our Bylaws provide that special meetings of our stockholders may be called only at the direction of the Chief Executive Officer, the Board, or the Chairperson of the Board or the Lead Independent Director. Our Certificate of Incorporation and our Bylaws specifically deny any power of any other person to call a special meeting.

Amendment of Certificate of Incorporation

The provisions of our Certificate of Incorporation described under "—Election and Removal of Directors; Vacancies," "—Stockholder Meetings," "—Limitation on Action by Written Consent," "—Limitation of Liability of Directors and Officers," "—Common Stock—Voting Rights," and "—Forum Selection" and provisions relating to amendments to our Certificate of Incorporation may be amended only by the affirmative vote of holders of at least 66-2/3% of the voting power of our outstanding shares of voting stock. The affirmative vote of holders of at least a majority of the voting power of our outstanding shares of stock will generally be required to amend other provisions of our Certificate of Incorporation.

Amendment of Bylaws

Certain provisions of our Bylaws may generally be altered, amended, or repealed, and new bylaws may be adopted, with the affirmative vote of a majority of directors present at any regular or special meeting of the Board called for that purpose, provided that any alteration, amendment, or repeal of, or adoption of any bylaw inconsistent with specified provisions of the bylaws, including those related to special and annual meetings of

stockholders, action of stockholders by written consent, nomination of directors, transfers of capital stock and dividends requires the affirmative vote of at least 66-2/3% of all directors in office at a meeting called for that purpose.

All other provisions of our Bylaws may generally be altered, amended, or repealed, and new bylaws may be adopted, with the affirmative vote of holders of 66-2/3% of the voting power of our outstanding shares of voting stock.

Other Limitations on Stockholder Actions

Our Bylaws impose some procedural requirements on stockholders who wish to:

- make nominations in the election of directors;
- propose that a director be removed;
- propose any repeal or change in our Bylaws; or
- propose any other business to be brought before an annual or special meeting of stockholders.

Under these procedural requirements, in order to bring a proposal before a meeting of stockholders, a stockholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary along with the following:

- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting;
- the stockholder's name and address;
- any material interest of the stockholder in the proposal;
- the number of shares beneficially owned by the stockholder and evidence of such ownership; and
- the names and addresses of all persons with whom the stockholder is acting in concert and a description of all arrangements and understandings with those persons, and the number of shares such persons beneficially own.

To be timely, a stockholder must generally deliver notice:

- in connection with an annual meeting of stockholders, not less than 90 nor more than 120 days prior to the date on which the annual meeting of stockholders was held in the immediately preceding year, but in the event that the date of the annual meeting is more than 30 days before or more than 60 days after the anniversary date of the preceding annual meeting of stockholders, a stockholder notice will be timely if received by us no later than the 120 days prior to such annual meeting and not later than (i) 90 days prior to the date of the annual meeting or, if later, (2) the 10th day following the day on which we first publicly announce the date of the annual meeting; or
- in connection with the election of a director at a special meeting of stockholders, during the period not less than 90 nor more than 120 days prior to the date of the special meeting, or the 10th day following the day on which a notice of the date of the special meeting was mailed to the stockholders or the public disclosure of that date was made.

In order to submit a nomination for our Board, a stockholder must also submit all information with respect to the nominee that would be required to be included in a proxy statement, as well as other information. If a stockholder fails to follow the required procedures, the stockholder's proposal or nominee will be ineligible and will not be voted on by our stockholders.

Indemnification of Directors and Officers and Limitation of Liability of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and agents against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending, or completed actions, suits, or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee, or agent to the registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Our Certificate of Incorporation provides that, to the fullest extent permitted by law, we will indemnify any officer or director of our company against all damages, claims, and liabilities arising out of the fact that the person is or was our director or officer, or served any other enterprise at our request as a director or officer. Amending this provision will not reduce our indemnification obligations relating to actions taken before an amendment. GRAIL has entered into indemnification agreements with each of its current directors, executive officers, and certain other officers to provide these directors and officers additional contractual assurances regarding the scope of the indemnification set forth in our Certificate of Incorporation and our Bylaws and to provide additional procedural protections. There is no pending litigation or proceeding involving a director or executive officer of GRAIL for which indemnification has been sought.

Our Certificate of Incorporation also provides that no director or officer will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director or officer, except as required by applicable law, as in effect from time to time. Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director or officer of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability of:

- a director or officer for any breach of the director's or officer's duty of loyalty to our company or our stockholders;
- a director of officer for any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- a director for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law;
- a director or officer for any transaction from which the director or officer derived an improper personal benefit; and
- an officer in any action by or in the right of our company.

As a result, neither we nor our stockholders have the right, through stockholders' derivative suits on our behalf, to recover monetary damages against a director or officer for breach of fiduciary duty as a director or officer, including breaches resulting from grossly negligent behavior, except in the situations described above.

Forum Selection

Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer, or other employee of our company to us or our stockholders; (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our Certificate of Incorporation and bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Securities

Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction. Furthermore, our Certificate of Incorporation will also provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and have consented to the foregoing forum selection provisions.

Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

The enforceability of similar federal court choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find this type of provision to be inapplicable or unenforceable. If a court were to find either of the choice of forum provisions contained in our Certificate of Incorporation or Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

The choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the company or its directors, officers or other employees, which may discourage such lawsuits against the company and its directors, officers, and other employees and result in increased costs for investors to bring a claim.

Delaware Business Combination Statute

We have elected to be subject to Section 203 of the Delaware General Corporation Law. Section 203 prevents an "interested stockholder," which is defined generally as a person owning 15% or more of a corporation's voting stock, or any affiliate or associate of that person, from engaging in a broad range of "business combinations" with the corporation for three years after becoming an interested stockholder unless:

- the Board of the corporation had previously approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, that person owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or
- following the transaction in which that person became an interested stockholder, the business combination is approved by the Board of the corporation and holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Under Section 203, the restrictions described above also do not apply to specific business combinations proposed by an interested stockholder following the announcement or notification of designated extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if such extraordinary transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. Section 203 also may have the effect of preventing changes in our management and could make it more difficult to accomplish transactions that our stockholders may otherwise deem to be in their best interests.

Anti-Takeover Effects of Some Provisions

Certain provisions of our Certificate of Incorporation and Bylaws could make the following more difficult:

- acquisition of control of us by means of a proxy contest, tender offer, or otherwise; or
- removal of our incumbent officers and directors.

These provisions, as well as our ability to issue preferred stock, are designed to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms.

Registration Rights

We and Illumina intend to enter into a Stockholder and Registration Rights Agreement. For additional information, see "Certain Relationships and Related Party Transactions—Stockholder and Registration Rights Agreement" beginning on page 231 of this Information Statement.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be Computershare.

Stock Exchange Listing

We intend to list our common stock on the Nasdaq Global Select Market under the ticker symbol "GRAL."

WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form 10 with the SEC with respect to the shares of our common stock that Illumina's stockholders will receive in the Distribution, as contemplated by this Information Statement. This Information Statement is a part of, and does not contain all the information set forth in, the Registration Statement and the other exhibits and schedules to the Registration Statement. For further information with respect to us and our common stock, please refer to the Registration Statement, including its other exhibits and schedules. Statements we make in this Information Statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the Registration Statement for copies of the actual contract or document.

As a result of the Spin-Off, we will become subject to the information and reporting requirements of the Securities Exchange Act of 1934, which we refer to as the "Exchange Act," and, in accordance with the Exchange Act, we will file periodic reports, proxy statements, and other information with the SEC. The SEC maintains a website, www.sec.gov, that contains periodic reports, proxy statements, and information statements and other information regarding issuers, like us, that file electronically with the SEC. The Registration Statement, including its exhibits and schedules, and the periodic reports, proxy statements, and information statements and other information that we file electronically with the SEC will be available for inspection and copying at the SEC's website.

You can also find a copy of the Registration Statement and our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, in each case, filed with or furnished to the SEC pursuant to the Exchange Act, on our website, https://grail.com, which we will make available free of charge as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Information contained on, or connected to, any website we refer to in this Information Statement does not and will not constitute a part of this Information Statement or the Registration Statement of which this Information Statement is a part.

We intend to furnish holders of our common stock with annual reports containing financial statements prepared in accordance with GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this Information Statement or to which this Information Statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this Information Statement.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of Illumina, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated financial statements of GRAIL, LLC (Successor), which comprise the consolidated balance sheets as of December 31, 2023 and January 1, 2023, and the related consolidated statements of operations and comprehensive loss, member's equity and cash flows for the period from August 19, 2021 to January 2, 2022 and for the years ended January 1, 2023 and December 31, 2023, and the related notes to the financial statements, and the consolidated financial statements of GRAIL, Inc. (Predecessor), which comprise the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' deficit and cash flows for the period from January 1, 2021 to August 18, 2021, and the related notes to the consolidated financial statements, collectively referred to as the consolidated financial statements. In our opinion the consolidated financial statements present fairly in all material respects, the financial position of the Successor at December 31, 2023 and January 1, 2023, and the results of operations and cash flows of the Successor for the period from August 19, 2021 to January 2, 2022 and for the years ended January 1, 2023 and December 31, 2023 and of the Predecessor for the period from January 1, 2021 to August 18, 2021 in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Predecessor's and Successor's management. Our responsibility is to express an opinion on the Predecessor's and Successor's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Predecessor and Successor in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Predecessor and Successor are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Predecessor's and Successor's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ *Ernst & Young LLP*

We have served as the Company's auditor since 2023.

San Diego, California
March 8, 2024

GRAIL, LLC

CONSOLIDATED BALANCE SHEETS (SUCCESSOR)

(in thousands)

	December 31, 2023	January 1, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 97,287	$ 241,596
Accounts receivable, net	16,862	15,346
Accounts receivable, net—related parties	80	213
Supplies	14,788	14,771
Supplies—related parties	6,907	4,984
Prepaid expenses and other current assets	20,100	18,655
Prepaid expenses and other current assets—related parties	41	68
Total current assets	156,065	295,633
Property and equipment, net	81,355	91,501
Property and equipment, net—related parties	3,640	2,515
Operating lease right-of-use assets	84,386	104,707
Restricted cash	4,225	4,532
Intangible assets, net	2,687,223	2,935,556
Goodwill	888,936	1,497,402
Other non-current assets	7,984	6,140
Total assets	**$ 3,913,814**	**$ 4,937,986**
Liabilities and member's equity		
Current liabilities:		
Accounts payable	$ 18,845	$ 15,189
Accounts payable—related parties	828	2,292
Accrued liabilities	73,711	64,962
Accrued liabilities—related parties	95	116
Incentive plan liabilities	54,513	35,935
Operating lease liabilities, current portion	14,809	13,335
Other current liabilities	809	3,112
Total current liabilities	163,610	134,941
Operating lease liabilities, net of current portion	69,598	82,675
Deferred tax liability, net	32,921	71,075
Other non-current liabilities	1,498	3,134
Total liabilities	267,627	291,825
Commitments and contingencies (Note 6)		
Member's equity	11,421,446	10,955,907
Accumulated other comprehensive income	1,066	894
Accumulated deficit	(7,776,325)	(6,310,640)
Total member's equity	3,646,187	4,646,161
Total liabilities and member's equity	**$ 3,913,814**	**$ 4,937,896**

See accompanying notes to consolidated financial statements.

GRAIL, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

	(Successor)			(Predecessor)
	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18, 2021
Revenue:				
Screening revenue	$ 74,347	$ 39,123	$ 7,074	$ 1,953
Screening revenue—related parties	652	694	381	46
Development services revenue	18,106	15,733	4,978	180
Total revenue	93,105	55,550	12,433	2,179
Costs and operating expenses:				
Cost of screening revenue (exclusive of amortization of intangible assets)	39,284	27,998	4,664	4,965
Cost of screening revenue—related parties	8,682	4,142	662	227
Cost of development services revenue	6,623	5,741	624	261
Cost of development services revenue—related parties	238	227	133	—
Cost of revenue—amortization of intangible assets	133,889	133,889	44,630	—
Research and development	318,088	310,431	309,781	138,366
Research and development—related parties	20,657	19,145	1,475	10,590
Sales and marketing	162,292	122,328	100,512	24,814
General and administrative	200,062	173,494	478,071	160,140
General and administrative—related parties	206	614	35	4
Goodwill and intangible impairment	718,466	4,700,431	—	—
Total costs and operating expenses	1,608,487	5,498,440	940,587	339,367
Loss from operations	(1,515,382)	(5,442,890)	(928,154)	(337,188)
Other income (expense):				
Interest income	7,954	1,740	19	313
Other income (expense), net	(208)	(238)	(884)	642
Total other income (expense), net	7,746	1,502	(865)	955
Loss before income taxes	(1,507,636)	(5,441,388)	(929,019)	(336,233)
Benefit from income taxes	41,951	42,290	17,477	—
Net loss	**$ (1,465,685)**	**$ (5,399,098)**	**$ (911,542)**	**$ (336,233)**
Net loss attributable to Class A and Class B common stockholders (Predecessor)				
Basic and Diluted				$ (2.25)
Weighted-average shares of Class A and Class B common stock used in computing net loss per share attributable to Class A and Class B common stockholders (Predecessor):				149,574,238

See accompanying notes to consolidated financial statements.

G
RAIL, LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

	(Successor)			(Predecessor)
	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18, 2021
Net loss	$ (1,465,685)	$ (5,399,098)	$ (911,542)	$ (336,233)
Other comprehensive income (loss):				
Net unrealized loss on marketable securities, net of tax	—	—	—	(101)
Foreign currency translation income (loss) adjustment	172	579	315	(701)
Comprehensive loss	**$ (1,465,513)**	**$ (5,398,519)**	**$ (911,227)**	**$ (337,035)**

See accompanying notes to consolidated financial statements.

GRAIL, LLC

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY (SUCCESSOR)

(in thousands)

	Member's Equity	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Member's Equity
Balance as of August 19, 2021	**$ 9,745,477**	**$ —**	**$ —**	**$ 9,745,477**
Net loss	—	—	(911,542)	(911,542)
Stock-based compensation expense	639,188	—	—	639,188
Other comprehensive income	—	315	—	315
Distribution to member, net	(42,915)	—	—	(42,915)
Balance at January 2, 2022	**10,341,750**	**315**	**(911,542)**	**9,430,523**
Net loss	—	—	(5,399,098)	(5,399,098)
Stock-based compensation expense	9,884	—	—	9,884
Other comprehensive income	—	579	—	579
Contribution from member, net	604,273	—	—	604,273
Balance as of January 1, 2023	**10,955,907**	**894**	**(6,310,640)**	**4,646,161**
Net loss	—	—	(1,465,685)	(1,465,685)
Stock-based compensation expense	1,773	—	—	1,773
Other comprehensive income	—	172	—	172
Contribution from member, net	463,766	—	—	463,766
Balance as of December 31, 2023	**$11,421,446**	**$ 1,066**	**$(7,776,325)**	**$ 3,646,187**

See accompanying notes to consolidated financial statements.

GRAIL, LLC

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (PREDECESSOR)

(in thousands, except share data)

	Redeemable Convertible Preferred Stock								Common Stock						
	Preferred Series A		Preferred Series B		Preferred Series C		Preferred Series D		Class A		Class B		Additional Paid-In Capital	Accumulated Other Compre-Hensive (loss) Income	Accumulated Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of January 1, 2021	**85,000,000**	**$68,263**	**309,256,591**	**$1,235,404**	**63,144,600**	**$299,557**	**76,743,836**	**$391,694**	**121,672,294**	**$ 123**	**24,989,397**	**$ 28**	**$ 180,952**	**$ 3,602**	**$(1,617,787)**
Issuance of shares upon exercise of options	—		—		—		—		6,775,603	6	—	—	5,972	—	—
Repurchases of early exercised stock options	—	—	—	—	—	—	—	—	(20,000)	—	—	—	(5)	—	(165)
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	—	—	—	—	878	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(336,233)
Continuation payment received from Illumina—related party	—	—	—	—	—	—	—	—	—	—	—	—	245,000	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	—	31,647	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(802)	—
Balance at August 18, 2021	**85,000,000**	**$68,263**	**309,256,591**	**$1,235,404**	**63,144,600**	**$299,557**	**76,743,836**	**$391,694**	**128,427,897**	**$ 129**	**24,989,397**	**$ 28**	**$ 464,444**	**$ 2,800**	**$(1,954,185)**

See accompanying notes to consolidated financial statements.

GRAIL, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	(Successor)			(Predecessor)
	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18, 2021
Cash flows from operating activities				
Net loss	**$ (1,465,685)**	**$ (5,399,098)**	**$ (911,542)**	**$ (336,233)**
Adjustments to reconcile net loss to net cash used by operating activities:				
Amortization of intangibles assets	138,333	138,333	46,111	—
Depreciation	20,364	16,430	5,422	6,916
Stock-based compensation expense	97,235	75,729	650,260	31,647
Cash payment for equity awards	(76,910)	(41,009)	(184,963)	—
Deferred income taxes	(38,153)	(39,063)	(17,477)	—
Amortization of premium on marketable securities	—	—	—	498
Goodwill and intangible impairment	718,466	4,700,431	—	—
Other	2,829	1,398	281	(637)
Changes in operating assets and liabilities:				
Accounts receivable	(1,516)	(8,584)	(6,089)	(672)
Accounts receivable—related parties	133	(92)	(79)	(43)
Supplies	(17)	(11,868)	(1,334)	(1,569)
Supplies—related parties	(1,923)	(2,214)	(2,409)	(361)
Operating lease right-of-use assets and liabilities, net	6,712	4,924	1,412	19,859
Prepaid expenses and other assets	(935)	(11,287)	1,468	168
Prepaid expenses and other current assets—related parties	27	761	(706)	442
Accounts payable	5,194	9	(61,267)	62,531
Accounts payable—related parties	(2,305)	2,331	(1,947)	1,980
Accrued and other liabilities	2,372	13,956	(2,881)	13,335
Accrued and other liabilities—related parties	(21)	(2,400)	(130)	(121)
Net cash used by operating activities	**(595,800)**	**(561,313)**	**(485,870)**	**(202,260)**
Cash flows from investing activities				
Purchases of property and equipment	(10,243)	(21,104)	(7,158)	(59,857)
Purchases of property and equipment—related parties	(2,644)	(1,755)	(818)	(2,093)
Purchases of marketable securities	—	—	—	(159,411)
Proceeds from sale of marketable securities	—	—	—	400,367
Proceeds from maturities of marketable securities	—	—	—	173,782
Net cash provided by (used by) investing activities	**(12,887)**	**(22,859)**	**(7,976)**	**352,788**
Cash flows from financing activities				
Proceeds from exercise of stock options	—	—	—	5,978
Repurchase of early exercised stock options	—	—	—	(170)
Proceeds from early exercise of unvested stock options	—	—	—	3
Proceeds from continuation payment received from Illumina—related party	—	—	—	245,000
Cash funding received from Illumina	464,000	609,000	774,000	—
Cash payments for acquisition consideration on behalf of Illumina	—	—	(625,749)	—
Taxes paid related to net share settlement of equity awards	(234)	(4,183)	(4,320)	—
Net cash provided by financing activities	**463,766**	**604,817**	**143,931**	**250,811**
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	305	(511)	(135)	(64)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(144,616)	20,134	(350,050)	401,275
Cash, cash equivalents and restricted cash—beginning of year	246,128	225,994	576,044	174,769
Cash, cash equivalents and restricted cash—end of year	**$ 101,512**	**$ 246,128**	**$ 225,994**	**$ 576,044**
Represented by:				
Cash and cash equivalents	$ 97,287	$ 241,596	$ 221,155	$ 571,205
Restricted cash	4,225	4,532	4,839	4,839
Total	**$ 101,512**	**$ 246,128**	**$ 225,994**	**$ 576,044**
Supplemental cashflow information:				
Vesting of early exercised stock options	$ —	$ —	$ —	$ 878
Property and equipment included in accounts payable and accrued liabilities	(1,326)	(1,940)	(6,261)	(4,768)
Operating cashflows from operating leases, net	(18,733)	(17,536)	(6,379)	(6,626)

See accompanying notes to consolidated financial statements.

GRAIL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

GRAIL, LLC, a limited liability company ("LLC"), previously named SDG Ops, LLC, was formed in the state of Delaware as a wholly owned subsidiary of Illumina, Inc. ("Illumina"). SDG Ops, LLC, along with SDG Ops, Inc., a Delaware corporation and wholly owned subsidiary of Illumina, were formed for the purpose of completing a merger transaction between GRAIL, Inc., and Illumina (the "Acquisition") in order to carry on the business of GRAIL, Inc. and its subsidiaries.

On September 20, 2020, GRAIL, Inc., Illumina and its subsidiaries, SDG Ops, LLC, and SDG Ops, Inc., entered into an agreement and plan of merger (the "Merger Agreement"). On August 18, 2021 (the "Closing Date"), Illumina completed its acquisition of GRAIL, Inc. (the "Predecessor Company" or "Predecessor"). According to the terms and conditions of the Merger Agreement, SDG Ops, Inc. and GRAIL, Inc. merged, with GRAIL, Inc. surviving and becoming a wholly owned subsidiary of Illumina (the "First Merger").

Immediately following the First Merger and as part of the same overall transaction, GRAIL, Inc., as the surviving corporation, merged with SDG Ops, LLC (the "Second Merger"). According to the terms and conditions of the Merger Agreement, SDG Ops, LLC became the surviving corporation and was renamed GRAIL, LLC (the "Successor Company" or "Successor"). At the effective time of the First Merger (the "Effective Time"), each issued and outstanding share of Predecessor Class A Common Stock, par value $0.001 per share, Class B Common Stock, par value $0.001 per share, Series A Preferred Stock, par value $0.001 per share, Series B Preferred Stock, par value $0.001 per share, Series C Preferred Stock, par value $0.001 per share, and Series D Preferred Stock, par value $0.001 per share, of GRAIL (collectively, the "GRAIL Stock," subject to limited exceptions, including shares with respect to which dissenters' rights were validly exercised in accordance with Delaware law) was converted into each holder's elected merger consideration.

Prior to the Closing Date, references to the "Company" or "GRAIL" within these consolidated financial statements refer to GRAIL, Inc., and its consolidated subsidiaries, while references to the "Company" or "GRAIL" on or after the Closing Date refer to GRAIL, LLC and its consolidated subsidiaries.

The accompanying consolidated financial statements of the Company as of December 31, 2023 and January 1, 2023, and for the years ended December 31, 2023 and January 1, 2023, and the period from August 19, 2021 to January 2, 2022 (the "Successor," or the "Post-Combination" period), reflect the basis applied by Illumina in connection with its accounting for the acquisition of GRAIL as a business combination ("pushdown accounting"), and for the period from January 1, 2021 to August 18, 2021 (the "Predecessor" or the "Pre-Combination" period), reflect the activity of the Predecessor Company. Due to the application of pushdown accounting, the Successor periods have been clearly distinguished from the Predecessor period as these periods are not comparable.

GRAIL, headquartered in Menlo Park, California, is an innovative commercial-stage healthcare company focused on saving lives and shifting the paradigm of early cancer detection. GRAIL's Galleri blood test screens for various types of cancers before individuals are symptomatic. Illumina is the sole member and 100% owner of GRAIL. Illumina implemented extensive and binding Hold Separate Commitments upon the Acquisition in order for Illumina and GRAIL to be held and operated as distinct and separate entities. The Hold Separate Commitments also provided for the appointment of a monitoring trustee. Notwithstanding the foregoing, the European Commission has adopted an order requiring Illumina and GRAIL to be held and operated as distinct and separate entities. Compliance with the order is monitored by an independent monitoring trustee. Refer to note "11. Legal and Regulatory Proceedings" for additional details.

Our Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The realization of assets and the satisfaction of liabilities in the normal course of business are dependent on, among other things, the Company's ability to manage our net loss, and to become profitable and operate profitably, to manage our negative cash flows from operations and to generate positive cash flows from operations and our ability to obtain financing to support our working capital requirements. As part of Illumina, the Company is dependent upon Illumina for its working capital and financing requirements. The Company had $97.3 million of cash and cash equivalents as of December 31, 2023.

We believe that our existing cash and cash equivalents, in addition to the funding that Illumina is required to provide, will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, as of the date these consolidated financial statements were filed.

Fiscal Year

The Company's fiscal year is the 52 or 53 weeks ending the Sunday closest to December 31. References to 2023 and 2022 refer to the fiscal years ended December 31, 2023, and January 1, 2023, respectively, which were both 52 weeks. References to 2021 refer either to the Predecessor period from January 1, 2021 to August 18, 2021, or the Successor period from August 19, 2021 to January 2, 2022.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements represent the historical operations of the standalone GRAIL legal entity and in the Successor periods include purchase accounting adjustments and certain tax adjustments as if GRAIL filed a separate income tax return and was not included in Illumina's consolidated return. All revenues and costs as well as assets and liabilities directly associated with the business activity of the Company are included in the consolidated financial statements. Assets and liabilities were reflected at fair value under the new basis of accounting established at the Closing Date.

Management considered the need to allocate any shared costs incurred by the parent, Illumina, to the accompanying consolidated financial statements. As previously discussed, the European Commission has adopted an order requiring Illumina and GRAIL to be held and operated as distinct and separate entities. As no integration has occurred, management has concluded that no material allocations are required in the Successor periods. However, amounts recognized in the Successor periods by the Company are not necessarily representative of the amounts that would have been reflected in the financial statements had the Company operated independently of the parent. Related party transactions with Illumina are discussed further in note "8. Related Party Transactions."

These consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") and include the accounts of GRAIL and its wholly owned subsidiaries. All intercompany balances have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses in the consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes to be reasonable under the circumstances. On an ongoing

basis, management evaluates its estimates, including, but not limited to, those related to estimation of variable consideration, estimation of credit losses, standalone selling price included in contracts with multiple performance obligations, measure of progress toward the completion and satisfaction of performance obligations, accrued clinical studies and research and development expenses, stock-based compensation expense, measurement of liability-classified awards, valuation of goodwill and intangible assets, useful lives of intangible assets and property and equipment, determination of incremental borrowing rate for operating leases, contingencies, and the provision for income taxes, among others. These estimates generally involve complex issues and require judgments, involve the analysis of historical results and prediction of future trends, can require extended periods of time to resolve and are subject to change from period to period. Actual results could differ from those estimates, and such differences could be material to the consolidated financial statements.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company is exposed to credit risk in the event of a default by the financial institutions holding its cash and cash equivalents to the extent recorded in the consolidated balance sheets.

As of December 31, 2023, the Company had approximately $97.3 million of cash deposits and cash equivalents deposited in accounts with three accredited financial institutions, the majority of which were invested in money market securities that serve as sweep accounts. Such deposits have and will continue to exceed federally insured limits. The Company has not experienced any losses on its cash deposits.

The Company's investment policy limits investments to certain types of securities issued by the U.S. government and its agencies and institutions with investment-grade credit ratings and places restrictions on maturities and concentration by type and issuer. As of December 31, 2023, the Company had no off-balance sheet concentrations of credit risk.

The Company is subject to credit risk related to its accounts receivable. Accounts receivable primarily arise from testing services in the United States and are primarily with biopharmaceutical companies, employers, healthcare organizations, concierge medicine practices, life insurance companies, and individuals. The Company does not require collateral. Accounts receivable are recorded net of the allowance for credit losses.

The Company had sales to a single customer that accounted for approximately 14%, 21% and 38% of total sales, for the years ended December 31, 2023 and January 1, 2023, and period from August 19, 2021 to January 2, 2022, respectively. No single customer accounted for more than 10% of net sales for the period from January 1 to August 18, 2021.

Amounts due from this same single customer represented approximately 43% and 45% of total accounts receivable as of December 31, 2023 and January 1, 2023, respectively.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to emerging and commercial-stage healthcare companies, including, but not limited to, the Company's operation in a dynamic and highly regulated industry, its ability to successfully commercialize products, its ability to drive industry education and awareness of its products and multi-cancer early detection generally, difficulties or delays in clinical studies, delays in planned commercial launches, complex regulatory regimes, regulatory implications and issues, including approvals, recommendations, coverage and reimbursement determinations, its ability to establish and maintain strategic relationships and key third-party vendors and providers, developments involving the Company's infrastructure and platform, dependence on key personnel, and other factors. Any of these factors and other factors could negatively impact operating results.

The Company's first commercial product, Galleri, was commercially launched in mid-2021. As a result, the Company has a limited history as a commercial-stage company and this product has not and may not generate revenues sufficient to fund operations. The Company is subject to risks and uncertainties regarding its need for, and ability to obtain, additional financing.

Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks denominated in U.S. Dollars and British Pounds. To be considered cash equivalents, all investments purchased must be highly liquid and have an original maturity date of three months or less. As of December 31, 2023, and January 1, 2023, the Company's cash equivalents were held in money market funds, totaling $92.6 million and $236.0 million, respectively. Cash equivalents held in money market funds were categorized as Level 1 investments within the fair value hierarchy.

Restricted Cash

Restricted cash is comprised of cash that is restricted as to withdrawal or use related to letters of credit for the Company's operating lease agreements.

Accounts Receivable, Net

Accounts receivable represent unconditional rights to consideration from customers. Accounts receivable are evaluated regularly for collectability and potential credit losses. Allowance for credit losses is estimated based on management's assessment of historical collection trends and the financial conditions of customers, among other factors. As of December 31, 2023, and January 1, 2023, the Company had $3.1 million and $1.3 million of allowance for credit losses, respectively.

Supplies

Supplies consists of materials and reagents consumed in the performance of testing services. The Company periodically analyzes supply levels and expiration dates, and writes down supply that has become obsolete or that has a cost basis in excess of expected sales requirements as cost of revenue. The Company records an allowance for excess or obsolete supplies using an estimate based on historical trends and evaluation of near-term expirations. Cost of screening revenue—related parties and cost of development services revenue—related parties represent the costs of supplies purchased from related parties used in the generation of revenue from all customers.

Fair Value of Financial Instruments

The fair value of financial assets and liabilities is determined using the fair value hierarchy established in Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurement ("ASC 820"). ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The hierarchy describes three levels of inputs that may be used to measure fair value, as follows:

Level 1 —Observable inputs, such as quoted prices in active markets for identical assets and liabilities.

Level 2 —Observable inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 —Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts for financial instruments such as accounts receivable, net, accounts receivable, net—related parties, prepaid expenses and other current assets, prepaid expenses and other current assets—related parties, accounts payable, accounts payable—related parties, accrued liabilities and accrued liabilities—related parties' approximate fair value due to their short-term nature.

Property and Equipment, Net

Property and equipment, net is stated at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the useful life of the improvements. Repair expenses and maintenance costs are expensed as incurred. When an item is sold or disposed of, the cost and related accumulated depreciation or amortization is eliminated and the resulting gain or loss, if any, is recorded in the consolidated statements of operations.

The estimated useful lives of the major classes of property and equipment are generally as follows:

	Useful Life (in Years)
Laboratory equipment	3 to 5
Computer hardware	3
Computer software	3
Furniture and fixtures	5
Leasehold improvements	Lease Term

Leases

Leases are classified as operating or financing at lease inception and as necessary at modification. Leased assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease.

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the consolidated balance sheets. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When readily determinable, the Company uses the rate implicit in the lease to discount lease payments; however, when the rate is not readily determinable, the Company uses the incremental borrowing rate based on the information available at the commencement date. The incremental borrowing rate is the rate of interest that a company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term and in a similar economic environment. The Company's weighted average remaining lease term is approximately 7.6 years and 7.8 years as of December 31, 2023, and January 1, 2023, respectively. The Company's weighted average discount rate for operating leases is 2.4% and 2.1% as of December 31, 2023, and January 1, 2023, respectively, which were based on Illumina's incremental borrowing rate as GRAIL was a wholly owned subsidiary. The operating lease ROU asset also includes any initial direct costs, lease payments made prior to lease commencement, and lease incentives received. Variable lease payments are expensed as incurred and are not included within the ROU asset and lease liability calculation. Variable lease payments primarily include reimbursements of costs incurred by lessors for common area maintenance and utilities.

For each lease, the determined lease term is based on a noncancellable period, including any rent-free periods provided by the lessor, and may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Certain lease agreements contain lease and non-lease components. The Company accounts for non-lease components as part of the lease component to which they relate.

The Company does not recognize ROU assets and lease liabilities for short-term leases, which have a lease term of twelve months or less and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise.

Goodwill and Intangible Assets

Intangible assets identified in the Acquisition include GRAIL trade names, developed technology, and GRAIL in-process research and development ("IPR&D") and were measured at fair value as of the Closing Date. Goodwill represents the excess of purchase price paid cost over fair value of the net identifiable assets acquired.

The Company's trade names, GRAIL and Galleri, have brand recognition in the market related to the services GRAIL provides customers and the research and development activities GRAIL performs. GRAIL's developed technology includes intangible assets related to Galleri, its multi-cancer early detection test that was launched as a laboratory-developed test ("LDT") in 2021, as well as a diagnostic aid for cancer ("DAC") test. The developed technology underpins both Galleri, designed as a cancer screening test for asymptomatic individuals over 50 years of age, and DAC that is being designed to accelerate diagnostic resolution for patients for whom there is a clinical suspicion of cancer. The cost of identifiable intangible assets with finite lives, such as trade names and developed technology assets, are amortized on a straight-line basis over the assets' respective estimated useful lives of 9 years and 18 years, respectively.

The Company's IPR&D includes assets related to GRAIL's development of a minimal residual disease ("MRD") test, a post-diagnostic test, that is currently under development. IPR&D is considered indefinite-lived and therefore is not amortized until completed and placed into service, at which point it will begin to be amortized over its estimated useful life or expensed upon abandonment of the associated research and development efforts.

While goodwill and IPR&D are not amortized, they are reviewed for impairment at least annually or more frequently if events or circumstances indicate a potential for impairment. Goodwill and IPR&D are considered impaired if the carrying value of the reporting unit or IPR&D asset exceeds its respective fair value.

We perform our goodwill impairment analysis at the reporting unit level. We have one reporting unit, which aligns with our reporting structure and availability of discrete financial information. During the goodwill impairment review, we assess qualitative factors to determine whether it is more likely than not that the fair value of our reporting unit is less than the carrying amount, including goodwill. If we determine that it is not more likely than not that the fair value of our reporting unit is less than the carrying amount, no additional assessment is necessary. If the carrying amount of the reporting unit exceeds its fair value, we record an impairment loss based on the excess. We may elect to bypass the qualitative assessment in a period and proceed to perform the quantitative goodwill impairment test.

Impairment of Long-Lived Assets

Long-lived assets, other than goodwill and IPR&D (as described above), are evaluated for indications of possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amounts to the future undiscounted cash flows attributable to these assets. Should impairment exist, the impairment would be measured as the amount by which the carrying amount of the assets exceeds the fair value of those assets.

Segments

The Company operates and manages its business as one reportable operating segment which provides multi-cancer early detection testing and services. The chief operating decision maker reviews financial information on an aggregate basis for the purposes of evaluating financial performance and allocating the company resources. Substantially all of the Company's long-lived assets are located in the United States.

Revenue Recognition

Revenue is accounted for in accordance with Topic 606, which provides for a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue when, or as, an entity satisfies a performance obligation. Revenues are derived from screening and development services. The Company's revenues were primarily generated in the United States.

Screening Revenue

The Company recognizes screening revenue from the sale of cancer screening testing services for patients. Patients obtain tests via their employers, healthcare systems, payors, concierge medicine practices, life insurance providers or directly via telemedicine. Patients receive the multi-cancer early detection kit after the order is placed and complete the blood draw. The specimen is then sent to the Company's lab, the test is processed, and the result is electronically delivered to the patients' physician. The test price is based on the negotiated contractual rate with the Company's direct customers, otherwise the Company's standard list price applies. The Company identifies each sale of its test to a customer as a single performance obligation; therefore, revenue is recognized at the point of time when the test result report is delivered. Invoices are generally due within 30 days of receipt.

For self-pay patients, the Company has concluded that an implied contract exists, however the transaction price for the implied contract represents variable consideration as there are situations in which the Company is not expected to collect the full invoiced amounts from self-pay patients due to price concessions. The Company utilizes the expected value approach to estimate the transaction price and applies a constraint for such variable consideration, on a portfolio basis. The Company monitors the estimated amounts to be collected at each reporting period based on actual cash collections in order to assess whether a revision to the estimate is required. Both the estimate and any subsequent revision contain uncertainty and require the use of significant judgment in the estimation of the variable consideration and application of the constraint for such variable consideration. The Company analyzes its actual cash collections over the expected collection period and compares it with the estimated variable consideration for each portfolio and any difference is recognized as an adjustment to estimated revenue after the expected collection period, subject to assessment of the risk of future revenue reversal.

Development Services Revenue

Development services revenue includes development activities performed in partnership with biopharmaceutical companies. The Company's targeted methylation-based technology enables development of products and services to optimize treatment once a cancer has been diagnosed. Biopharmaceutical partners engage the Company to run pilots and research studies to evaluate and learn about the technology's application. The Company evaluates the terms and conditions included within its development services contracts with biopharmaceutical customers to ensure appropriate revenue recognition, including whether services are considered distinct performance obligations. The Company first identifies material promises under the contract and then evaluates whether these promises are capable of being distinct within the context of the contract. In assessing whether a promised service is capable of being distinct, the Company considers whether the customer could benefit from the service either on its own or together with other resources that are readily available to the customer, including factors such as the research, development, and commercialization capabilities of a third party as well as the availability of the associated expertise in the general marketplace. For contracts with multiple

performance obligations, the transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company determines the standalone selling price by considering the historical selling price of these performance obligations in similar transactions as well as other factors, including, but not limited to, the price that customers in the market would be willing to pay, competitive pricing of other vendors, industry publications and current pricing practices, and expected costs of satisfying each performance obligation plus appropriate margin; or by using the residual approach if standalone selling price is not observable, by reference to the total transaction price less the sum of the observable standalone selling prices of other performance obligations promised in the contract.

Biopharmaceutical partners engage the Company to run pilot and research studies by sending patient samples and comparing the Company's test result to their expected result for evaluation of performance and application. The Company recognizes revenue as performance obligations are completed.

Following favorable results from pilot and research studies, biopharmaceutical partners and the Company may enter into development service agreements related to clinical trial and companion diagnostic device development and regulatory submissions for the developed product(s). These agreements typically have multiple commitments of services and therefore have longer performance periods. The Company uses an input method based on costs incurred to measure its progress toward the completion and satisfaction of the performance obligations. The Company assesses the changes to the total expected cost estimates as well as any incremental fees negotiated resulting from changes to the scope of the original contract in determining the revenue recognized at each reporting period. Invoices are generally due within 60 days.

Deferred Revenue

Deferred revenue, which is a contract liability, consists primarily of payments received in advance of revenue recognition from contracts with customers. For example, pre-payments received from patients for screening testing services and development services and other contracts with biopharmaceutical customers often contain upfront payments which results in the recording of deferred revenue to the extent cash is received prior to the Company's performance of the related development services. Contract liabilities are relieved as the Company performs its obligations under the contract and revenue is recognized. Deferred revenue was $0.8 million and $0.6 million as of December 31, 2023 and January 1, 2023, respectively, all of which is considered short-term and was recorded within other current liabilities on the accompanying consolidated balance sheets. We did not have deferred revenue prior to the year ended January 2, 2022, as we first began providing services to customers in the year ended January 2, 2022.

Cost of Screening Revenue

Cost of screening revenue generally consists of cost of materials, direct and indirect labor including salaries and wages, bonus, benefits and stock-based compensation, amortization of GRAIL intangible assets, royalty expenses primarily owed under the supply and commercialization agreement with Illumina in the Predecessor period and the Chinese University of Hong Kong in both the Predecessor and Successor periods, third-party support services, shipping and logistics costs, depreciation of equipment and allocated overhead expenses associated with processing specimens received from customers. The royalty obligation under the supply and commercialization agreement with Illumina is currently suspended in the Successor periods. Allocated overhead expenses include rent expenses, amortization of leasehold improvements and information technology costs.

Cost of Development Services Revenue

Cost of development services revenue generally consists of direct and indirect labor including salaries and wages, bonus, benefits and stock-based compensation, cost of materials and patient sample acquisition, amortization of GRAIL intangible assets, royalty expenses primarily owed under the supply and commercialization agreement with Illumina in the Predecessor period, depreciation of equipment, and allocated

overhead expenses associated with processing development samples received from biopharmaceutical customers. The royalty obligation under the supply and commercialization agreement with Illumina is currently suspended in the Successor periods. Allocated overhead expenses include rent expense, amortization of leasehold improvements, and information technology costs.

Accrued Clinical Studies and Research and Development Expenses

Estimates of unbilled costs of research and development activities for clinical studies conducted by third-party service providers are accrued. The estimated costs of research and development activities are recorded based upon the estimated amount of services provided. These costs are included in accrued liabilities and accrued liabilities—related parties in the consolidated balance sheets and within research and development and research and development—related parties expenses in the consolidated statements of operations. These costs are a significant component of research and development expenses. The costs are accrued based on factors such as estimates of the work completed and in accordance with agreements established with third-party service providers. The judgments and estimates in determining the accrued liabilities balance are assessed in each reporting period.

Research and Development and Research and Development—Related Parties

Research and development and research and development—related parties expenses include costs incurred to develop the Company's technology (prior to establishing technological feasibility), collect clinical samples, and conduct clinical studies to develop and support the Company's multi-cancer tests. These costs consist of personnel costs, including salaries, benefits, and stock-based compensation expense associated with the research and development personnel, laboratory supplies, consulting costs, costs associated with setting up and conducting clinical studies at domestic and international sites, and allocated overhead expenses including rent, information technology, and equipment depreciation. Both internal and external research and development costs are expensed in the periods in which they are incurred. Research and development—related parties expenses are further discussed in note "8. Related Party Transactions." Nonrefundable advance payments for goods and services that will be used or rendered in future research and development activities are deferred and recognized as expense in the period in which the related goods are delivered, or services are performed.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were $21.9 million and $24.5 million for the years ended December 31, 2023, and January 1, 2023, respectively, and $3.0 million and $4.6 million for the period from August 19, 2021 to January 2, 2022, and the period from January 1, 2021 to August 18, 2021, respectively.

Stock-Based Compensation Expense

Employee stock-based compensation expense includes expenses related to Cash-Based Equity Awards, restricted stock units, and performance stock options.

Our Cash-Based Equity Awards are classified as liability awards, as such awards may be settled in cash. For purposes of valuation and performance measurement of the awards, GRAIL's stand-alone value calculation is estimated by the Company based on its analysis and on input from independent valuation advisors. The fair value of the awards is recorded over the respective vesting periods of the awards, with recognition of a corresponding liability recorded in incentive plan liabilities in the consolidated balance sheets. The awards are remeasured at each reporting date until the awards are settled, with changes in fair value recognized in stock-based compensation expense.

In connection with the Acquisition, Illumina issued equity awards to GRAIL employees in exchange for any of their remaining outstanding and unvested GRAIL equity awards (the "Replacement Awards"). The awards

consist of restricted stock units and performance stock options that are issued as shares of Illumina common stock at vesting.

The fair value of restricted stock is determined by the closing market price of Illumina's common stock on the date of grant. Stock-based compensation expense is recognized based on the fair value on a straight-line basis over the requisite service periods of the awards.

The fair value of performance stock options with service conditions is determined using the Black-Scholes-Merton option-pricing model. The model assumptions include expected volatility, term, dividends, and the risk-free interest rate. The expected volatility is generally determined by weighing the historical and implied volatility of Illumina's common stock. The historical volatility is generally commensurate with the estimated expected term, adjusted for the impact of unusual fluctuations and other relevant factors. The implied volatility is calculated from the implied market volatility of exchange-traded call options on Illumina's common stock. The expected term is generally based on historical forfeiture experience, exercise activity, and on the terms and conditions of the stock awards. Given that Illumina has never declared or paid cash dividends on the Illumina common stock, the expected dividend yield is determined to be 0%. Illumina does not anticipate paying cash dividends in the near future. The risk-free interest rate is based upon U.S. Treasury securities with remaining terms similar to the expected term of the stock-based awards. The fair value of the awards begins to be recognized when it is probable that the performance-based condition will be met.

Forfeitures are accounted for, as incurred, as a reversal of stock-based compensation expense related to awards that will not vest.

In the Predecessor period, stock-based compensation expense for awards containing both performance and market-based conditions was recorded using the accelerated attribution method. Management used the Monte Carlo simulation to determine the fair value at the grant date and recognized stock-based compensation expense over the derived service period when it became probable that the performance-based condition will be met. Under the Monte Carlo simulation, stock returns were simulated to estimate the payouts established by the vesting conditions of the awards and an estimated time that the awards will vest. The assumptions used in the Monte Carlo simulation included: the fair value of common stock, estimating the length of time employees will retain their vested stock options before exercising them (expected term), the estimated volatility of the common stock price over the expected term (expected volatility), the risk-free interest rate and expected dividends.

Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) (the "401(k) Plan") of the Internal Revenue Code covering eligible employees. Employer contributions made to the 401(k) Plan are voluntary and are determined annually by the board of directors on an individual basis subject to the maximum allowable amount under federal tax regulations. The Company has not made contributions to the 401(k) Plan since inception of the plan.

Provision for (Benefit from) Income Taxes

Upon closing of the merger, as a single member limited liability company wholly owned by Illumina, GRAIL, LLC is no longer subject to U.S. income tax as a separate entity for the Successor periods ended December 31, 2023, January 1, 2023, and January 2, 2022, and is combined into Illumina's consolidated income tax return as an entity disregarded as being separate from Illumina. However, for financial statement purposes, GRAIL has elected to compute its income tax provision, including current and deferred taxes, as if GRAIL was a corporation filing a separate income tax return and was not included in Illumina's consolidated return. Under this method, various tax attributes, such as net operating losses and tax credits, are also presented on a separate return basis. For income tax purposes, since GRAIL, LLC is not a separate taxpayer and merely a disregarded entity of Illumina, these U.S. tax attributes, including net operating losses and tax credits, are the property of Illumina and

have either already been utilized by Illumina in its consolidated or combined income tax returns or will be utilized by Illumina in its returns in the future. Accordingly, such U.S. tax attributes will not be available to a standalone GRAIL entity on its income tax returns in the future.

The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for the expected future tax benefit to be derived from tax loss and credit carryforwards. Deferred tax assets and liabilities are determined using the enacted tax rates in effect for the years in which those tax assets are expected to be realized. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the provision for income taxes in the period that includes the enactment date.

Deferred tax assets are regularly assessed to determine the likelihood they will be recovered from future taxable income. A valuation allowance is established when we believe it is more likely than not the future realization of all or some of a deferred tax asset will not be achieved. In evaluating the ability to recover deferred tax assets within the jurisdiction in which they arise, we consider all available positive and negative evidence. Factors reviewed include the cumulative pre-tax book income for the past three years, scheduled reversals of deferred tax liabilities, history of earnings and reliable forecasting, projections of pre-tax book income over the foreseeable future, and the impact of any feasible and prudent tax planning strategies.

The impact of a tax position is recognized in the consolidated financial statements only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. Any interest and penalties related to uncertain tax positions will be reflected in income tax expense (benefit).

Foreign Currency

The functional currencies of foreign subsidiaries are the British Pound and the Hong Kong Dollar. Adjustments resulting from translating the financial statements of the United Kingdom and Hong Kong subsidiaries into U.S. Dollars are recorded as a component of other comprehensive loss in the consolidated statements of comprehensive loss. Monetary assets and liabilities denominated in a foreign currency are translated into U.S. Dollars at the exchange rate on the balance sheet date. Revenues and expenses are translated at the weighted-average exchange rates during the period. Equity transactions are translated using historical exchange rates. Gains and losses resulting from translation of foreign currency monetary transactions are reported in other income (expense), net in the consolidated statements of operations and comprehensive loss. Gains and losses resulting from foreign currency transactions that are deemed to be of a long-term investment nature are reported as a separate component of other comprehensive loss.

NOTE 3. GRAIL ACQUISITION, GOODWILL AND INTANGIBLE ASSETS

GRAIL Acquisition

On August 18, 2021, Illumina completed its acquisition of GRAIL, Inc. The total purchase price consisted of the following:

(in thousands)	
Cash	$ 2,861,837
Fair value of common stock issued	4,975,416
Fair value of contingent consideration	757,140
Fair value of previously held investment	1,149,374
Settlement of preexisting relationships	1,710
Total purchase price	**$ 9,745,477**

The Acquisition accelerated the vesting of certain outstanding and unvested equity awards of GRAIL. Refer to note "7. Stock Incentive Awards" for further details on the accelerated vesting of the equity awards.

The fair values of GRAIL, Inc.'s assets acquired and liabilities assumed were:

(in thousands)	
Cash and cash equivalents	$ 571,205
Property and equipment	89,486
Operating lease right-of-use assets	121,104
Goodwill (1)	6,197,833
Intangible assets	3,120,000
Other current and non-current assets	20,172
Deferred tax liability, net (1)	(127,614)
Operating lease liabilities, net of current portion	(97,333)
Other current and non-current liabilities	(149,376)
Total net assets acquired	**$ 9,745,477**

(1) Certain adjustments were made to deferred tax liability, net, as a result of re-calculating the provision on a stand-alone basis as compared to Illumina's consolidated reporting, resulting in an increase in goodwill and an increase in deferred tax liability, net, as compared to that calculated by Illumina.

The transaction costs associated with the Acquisition consisted primarily of legal, regulatory, and financial advisory fees of approximately $82.3 million, which were expensed as incurred as general and administrative expense in 2021.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information summarizes the combined results of operations of GRAIL as if the Acquisition had been completed on January 1, 2021.

(in thousands)	Year Ended 2021
Revenue (1)	$ 14,612
Net loss	$ (1,318,098)

(1) Includes revenue—related parties.

The unaudited pro forma financial information is presented for information purposes only and is not indicative of the results of operations that would have been achieved had the Acquisition been completed on January 1, 2021. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the Company. The unaudited pro forma financial information includes adjustments to reflect incremental amortization expense of the identifiable intangible assets acquired and the related tax effect.

Goodwill and Goodwill Impairment

Goodwill represents the excess of purchase price paid over fair value of the net identifiable assets acquired and is primarily attributable to assembled workforce, expanded market opportunities, and expected synergies to be achieved. Goodwill is not deductible for tax purposes.

2023 Goodwill Impairment

In Q3 2023, we concluded the sustained decrease in Illumina's stock price and overall market capitalization during the quarter was a triggering event indicating the fair value of GRAIL might be less than its carrying

amount that led us to test goodwill for impairment. The assessment was performed using a combination of both an income and a market approach to determine the fair value of goodwill. The income approach utilized the estimated discounted cash flows, while the market approach utilized comparable company information. Estimates and assumptions used in the income approach included projected cash flows and a discount rate. The discount rate selected at the time of the goodwill impairment assessment was 24.0%. These estimates and assumptions represent a Level 3 measurement because they include unobservable inputs that are supported by little or no market activity and reflect Company-determined and judgmental factors for these assumptions in measuring a fair value. The assumptions in the assessment of an impairment analysis are inherently subjective due to uncertainty and any slight changes in these rates and assumptions could have a significant impact on the concluded value of goodwill.

The Company recognized a goodwill impairment of $608.5 million as a result of the impairment assessment, primarily due to changes to expected timing of revenue and a higher discount rate selected for the fair value calculation of GRAIL.

2022 Goodwill Impairment

On July 13, 2022, the European General Court ruled that the European Commission had jurisdiction under the European Union Merger Regulation to review the Acquisition. Additionally, on September 6, 2022, the European Commission issued a decision prohibiting the Acquisition. These decisions constituted substantive changes in circumstances and led us to test goodwill for impairment. The assessment was performed using a combination of both an income and a market approach to determine the fair value of goodwill. The income approach utilized the estimated discounted cash flows, while the market approach utilized comparable company information. Estimates and assumptions used in the income approach included projected cash flows and a discount rate. The discount rate selected at the time of the goodwill impairment assessment was 22.0%. These estimates and assumptions represent a Level 3 measurement because they include unobservable inputs that are supported by little or no market activity and reflect Company-determined and judgmental factors for these assumptions in measuring a fair value. The assumptions in the assessment of an impairment analysis are inherently subjective due to uncertainty and any slight changes in these rates and assumptions could have a significant impact on the concluded value of goodwill.

The Company recognized a goodwill impairment of $4.7 billion as a result of the impairment assessment, primarily due to the negative impact of capital market conditions and a higher discount rate selected for the fair value calculation of GRAIL.

Intangible Assets

Intangible assets recognized as part of the Acquisition include developed technologies, trade name and IPR&D that were measured at fair value as of the Closing Date. The following roll-forward indicates the fair values assigned to identifiable assets from the Acquisition and the resulting amortization and impairment:

(in thousands)	Developed Technologies	Trade Name	In-process Research and Development (IPR&D)	Total Intangible Assets
Beginning balance as of August 19, 2021				
Gross carrying amount	$2,410,000	$ 40,000	$ 670,000	$3,120,000
Amortization	(44,630)	(1,481)	—	(46,111)
Ending balance - Intangible assets, net as of January 2, 2022	**2,365,370**	**38,519**	**670,000**	**3,073,889**
Amortization	(133,889)	(4,444)	—	(138,333)
Ending balance - Intangible assets, net as of January 1, 2023	**2,231,481**	**34,075**	**670,000**	**2,935,556**
Impairment	—	—	(110,000)	(110,000)
Amortization	(133,889)	(4,444)	—	(138,333)
Ending balance - Intangible assets, net as of December 31, 2023	**$2,097,592**	**$ 29,631**	**$ 560,000**	**$2,687,223**

The fair values of the developed technologies, trade name and IPR&D were estimated using an income approach, under which an intangible asset's fair value is equal to the present value of future economic benefits to be derived from ownership of the asset. The estimated fair values were developed by discounting future net cash flows to their present value at market-based rates of return and inclusive of an assumption for technology obsolescence. The useful lives of the intangible assets for amortization purposes were determined by considering the period of expected cash flows used to measure the fair values of the intangible assets adjusted as appropriate for entity-specific factors including legal, regulatory, contractual, competitive, economic, and other factors that may limit the useful life. The developed technology and trade name assets are amortized on a straight-line basis over their estimated useful lives.

In conjunction with the 2023 goodwill impairment assessment, the IPR&D intangible asset was evaluated for potential impairment. The evaluation for a potential impairment of the IPR&D intangible asset was performed by comparing its carrying value to the assessed estimated fair value, which was determined by the income approach, using a discounted cash flow model. Estimates and assumptions used in the income approach included projected cash flows and a discount rate. The discount rate selected at the time of the IPR&D intangible impairment assessment was 19.0%. These estimates and assumptions represent a Level 3 measurement because they include unobservable inputs that are supported by little or no market activity and reflect Company-determined and judgmental factors for these assumptions in measuring a fair value. The assumptions in the assessment of an impairment analysis are inherently subjective due to uncertainty and any slight changes in these rates and assumptions could have a significant impact on the concluded value of the IPR&D intangible asset.

Based on the impairment test performed, the Company assessed and determined that the carrying value of the IPR&D intangible asset exceeded its estimated fair value. As a result, the Company recognized an impairment of $110.0 million, primarily due to a decrease in projected cash flows and a higher discount rate selected for the fair value calculation. In the 2022 impairment assessment, the carrying value of the IPR&D intangible asset did not exceed its estimated fair value. As a result, no impairment for the IPR&D intangible asset was recorded. As of December 31, 2023 the research and development project had not been completed or abandoned. The IPR&D intangible asset is not currently subject to amortization.

A recoverability test for the definite-lived intangible assets, which includes developed technology and trade name, was also performed. Based on the assessment performed, no impairment was noted for the definite-lived intangibles.

The estimated future annual amortization of finite-lived intangible assets is shown in the following table. Actual amortization expense to be reported in future periods could differ from these estimates as a result of acquisitions, divestitures, and asset impairments, among other factors.

(in thousands)	Estimated Annual Amortization
2024	138,333
2025	138,333
2026	138,333
2027	138,333
2028	138,333
Thereafter	1,435,558
Total	**$ 2,127,223**

NOTE 4. BALANCE SHEET COMPONENTS

The following tables present financial information of certain consolidated balance sheets components:

(in thousands)	December 31, 2023	January 1, 2023
Prepaid expenses and other current assets		
Prepaid service and maintenance	$ 1,179	$ 1,676
Prepaid software	4,734	5,975
Prepaid insurance	814	747
Prepaid other	6,579	6,119
Tax receivable	5,411	3,056
Indirect taxes	1,383	1,082
Total prepaid expenses and other current assets	**$ 20,100**	**$ 18,655**

(in thousands)	December 31, 2023	January 1, 2023
Property and equipment, net		
Laboratory equipment	$ 41,768	$ 36,740
Computer hardware	4,767	5,213
Computer software	324	248
Furniture and fixtures	2,524	2,044
Leasehold improvements	58,411	55,384
Construction-in-process	7,560	10,219
Property and equipment, gross	115,354	109,848
Less accumulated depreciation and amortization	(33,999)	(18,347)
Total property and equipment, net	**$ 81,355**	**$ 91,501**

(in thousands)	December 31, 2023	January 1, 2023
Property and equipment, net—related parties		
Laboratory equipment	$ 4,752	$ 2,714
Leasehold improvements	28	28
Construction-in-process	406	429
Property and equipment, gross	5,186	3,171
Less accumulated depreciation and amortization	(1,546)	(656)
Property and equipment, net—related parties	**$ 3,640**	**$ 2,515**

(in thousands)	December 31, 2023	January 1, 2023
Accrued liabilities		
Accrued compensation expenses	$ 41,484	$ 38,169
Accrued legal and professional expenses	7,770	4,195
Accrued clinical studies expenses	6,897	6,109
Accrued research and development expenses	6,647	6,204
Accrued marketing	1,882	1,662
Accrued other expenses	9,031	8,623
Total accrued liabilities	**$ 73,711**	**$ 64,962**

(in thousands)	December 31, 2023	January 1, 2023
Accrued liabilities—related parties		
Accrued purchases	$ —	$ 112
Accrued to Illumina	95	4
Total accrued liabilities—related parties	**$ 95**	**$ 116**

NOTE 5. LEASES

The Company has entered into operating leases for facilities and equipment used for research and development. Operating leases have remaining lease terms which range from 1 year to 10 years, and often include one or more options to renew. These renewal terms can extend the lease term from 5 to 15 years and are included in the lease term when it is reasonably certain that the option will be exercised. The exercise of lease renewal and termination options are at the sole discretion of the Company. The Company also has variable lease payments that are primarily comprised of common area maintenance and utility charges.

The components of lease costs are as follows:

	(Successor)			(Predecessor)
(in thousands)	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18, 2021
Operating lease costs	$ 24,357	$ 23,055	$ 7,747	$ 7,287
Short-term lease costs	—	—	—	42
Variable lease costs	3,676	3,079	1,328	2,109
Total lease costs	**$ 28,033**	**$ 26,134**	**$ 9,075**	**$ 9,438**

Future undiscounted lease payments under operating leases as of December 31, 2023 were as follows:

(in thousands)	Successor Amounts
2024	$ 17,920
2025	16,432
2026	14,043
2027	8,021
2028	8,232
Thereafter	40,580
Total undiscounted lease payments	$105,228
Less: Imputed interest	(10,113)
Less: Tenant improvement allowance*	(10,708)
Total operating lease liabilities	**$ 84,407**

* Tenant improvement allowance is estimated to be received as follows: approximately $1.0 million in 2024 and $9.7 million thereafter.

NOTE 6. COMMITMENTS AND CONTINGENCIES

The future non-lease commitments over the next five years and thereafter were as follows:

	As of December 31, 2023 (in thousands)		
	Minimum Royalties	Purchase Commitments	Total
2024	$ 1,025	$ 19,302	$20,327
2025	1,075	21,804	22,879
2026	1,075	17,375	18,450
2027	1,075	16,339	17,414
2028	1,075	—	1,075
Thereafter	2,500	—	2,500
Total	**$ 7,825**	**$ 74,820**	**$82,645**

Minimum Royalty Commitments

Minimum royalty commitments are associated with licensing agreements related to research efforts.

The table above includes minimum annual royalty payments but does not include royalties that would be payable on net sales of Galleri, and any future products, pursuant to existing agreements and licenses with Illumina, the Chinese University of Hong Kong, and other third parties in excess of minimum annual royalty payments.

Purchase Commitments

The purchase commitments primarily relate to contractual commitments for future use of web services, laboratory supplies and marketing events in the normal course of business.

Intellectual Property

The Company entered into an agreement with a third party for exclusive option rights to certain intellectual property. The Company exercised those option rights to license intellectual property in December 2022. Under

the terms of the agreement, the Company may be obligated to make future milestone payments if certain milestone events, such as new product launches or expansion into new regions, are achieved with respect to products covered by the licensed intellectual property. No such milestones were achieved or probable of achievement as of December 31, 2023.

Indemnification

The Company has agreed to indemnify its directors and officers for certain events or occurrences while the director or officer is (or was) serving in such capacity. The indemnification period covers all pertinent events and occurrences during the director's or officer's service. The maximum potential amount of future payments the Company could be required to make under the applicable indemnification agreements is not specified in the agreements.

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to the Company's technology. The term of these indemnification agreements is generally perpetual after the execution of the agreement. The maximum potential amount of future payments that the Company could be required to make under these arrangements is not determinable. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the estimated fair value of these agreements is minimal.

NOTE 7. STOCK INCENTIVE AWARDS

Stock-Based Compensation

Stock-based compensation expense, which includes expense for both equity and liability-classified awards, reported in our consolidated statements of operations was as follows:

	(Successor)			(Predecessor)
(in thousands)	Year Ended December 31, 2023 (1)	Year Ended January 1, 2023 (2)	August 19, 2021 to January 2, 2022 (3)	January 1 to August 18, 2021
Cost of screening revenue (exclusive of amortization of intangible assets)	$ 1,932	$ 955	$ 118	$ 83
Cost of development services revenue	38	2	32	5
Research and development	39,792	34,859	189,767	5,078
Sales and marketing	17,506	11,232	75,419	3,036
General and administrative	37,967	28,681	384,924	23,445
Stock-based compensation expense, before taxes	97,235	75,729	650,260	31,647
Related income tax benefits	(23,455)	(18,046)	(155,510)	(7,607)
Stock-based compensation expense, net of taxes	**$ 73,780**	**$ 57,683**	**$ 494,750**	**$ 24,040**

(1) Includes $95.5 million related to the Cash-Based Equity Awards and $1.7 million related to Replacement Awards.
(2) Includes $65.8 million related to the Cash-Based Equity Awards and $9.9 million related to Replacement Awards.
(3) Includes $11.1 million related to the Cash-Based Equity Awards, $24.1 million related to Replacement Awards and $615.0 million of accelerated equity awards attributable to the Post-Combination period.

Liability-Classified Awards

Established following the Acquisition, a cash-based equity incentive award (the "Cash-Based Equity Award") was adopted to provide GRAIL, LLC employees with dollar-denominated long-term incentive awards that increase or decrease in value based on corresponding changes in GRAIL's calculated value, similar to a dollar-denominated restricted stock unit award determined in accordance with the award agreement. GRAIL's stand-alone value calculation is estimated by the Company based on its analysis and on input from independent valuation advisors. To estimate the value of GRAIL, various assumptions may be used, such as long-range financial projections, as well as the discount rate and terminal growth rate. The awards generally have terms of four years and vest in four equal installments on each anniversary of the grant date, subject to continued employment through the vesting period.

Cash-Based Equity Award activity was as follows:

(in thousands)	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022
Beginning balance	**$ 293,359**	**$ 184,532**	**$ —**
Granted	116,407	168,065	217,776
Cancelled	(32,159)	(40,937)	(41,898)
Vested and paid in cash	(76,910)	(41,009)	—
Change in fair value	(8,508)	22,708	8,654
Outstanding balance	**$292,189**	**$293,359**	**$ 184,532**

The Company's estimated incentive plan liabilities as of December 31, 2023 and January 1, 2023 were $54.5 million and $35.9 million, respectively. As of December 31, 2023, approximately $237.7 million of total unrecognized compensation cost related to awards issued to date was expected to be recognized over a weighted-average period of approximately 2.5 years.

The Company has one performance-based award outstanding for which vesting is based on future revenues. The award has an aggregate potential value of up to $78.0 million and expires, to the extent unvested, in August 2030. One-fourth of the total potential value of the award vests immediately upon the achievement of cumulative net revenues in any period of four consecutive fiscal quarters of $500.0 million, $750.0 million, $1.5 billion, and $2.0 billion. The Company assesses the probability of achieving the performance conditions associated with the award on a quarterly basis at each reporting period. As of December 31, 2023, it was not probable that the performance conditions associated with the award will be achieved and, therefore, no stock-based compensation expense, or corresponding liability, has been recognized in the consolidated financial statements to date.

Accelerated Awards at Acquisition and Replacement Awards

In connection with the Acquisition, the vesting of certain outstanding and unvested equity awards was accelerated. The fair value of the accelerated awards attributable to the Post-Combination period and recognized in connection with this event was $615.0 million.

Illumina issued Replacement Awards to GRAIL employees in exchange for any of their remaining outstanding and unvested GRAIL equity awards as of the Closing Date. The Replacement Awards, granted under Illumina's 2015 Stock and Incentive Compensation Plan (the 2015 Stock Plan), consist of restricted stock units and performance stock options that are issued as shares of Illumina common stock at vesting. RSUs generally vest over a two-year period with equal vesting quarterly. The terms of the Replacement Awards are substantially similar to the former GRAIL equity awards for which they were exchanged. The fair value of the Replacement Awards was $47.5 million, all of which is attributable to Post-Combination service, and will be recognized as stock-based compensation expense over the remaining vesting period subsequent to the acquisition. The

weighted-average acquisition-date fair value of the replacement performance stock options was determined using the Black-Scholes option pricing model with the following assumptions: (i) market price of $510.61 per share, which was the closing price of Illumina's common stock on the Closing Date; (ii) weighted-average expected term ranging from 1.6 years to 2.2 years; (iii) weighted-average risk-free interest rate ranging from 0.17% to 0.28%; (iv) weighted-average annualized volatility ranging from 40% to 43%; and (v) no dividend yield. The weighted-average acquisition-date fair value per share of the replaced performance stock options was $424.39.

As of December 31, 2023, approximately $2.5 million of total unrecognized compensation cost related to performance stock options was expected to be recognized over a weighted-average period of approximately 3.7 years.

Replacement restricted stock activity was as follows:

(Units in thousands)	Restricted Stock Units	Weighted-Average Grant-Date Fair Value Per Share
Outstanding at August 19, 2021	—	$ —
Awarded	59	$ 510.61
Vested	(7)	$ 510.61
Cancelled	(5)	$ 510.61
Outstanding at January 2, 2022	47	$ 510.61
Vested	(39)	$ 510.61
Cancelled	(6)	$ 510.61
Outstanding at January 1, 2023	2	$ 510.61
Vested	(2)	$ 510.61
Outstanding at December 31, 2023	—	**$** —

Pre-tax intrinsic value and fair value of vested restricted stock was as follows:

	December 31, 2023	January 1, 2023
Pre-tax intrinsic value of outstanding restricted stock	$ —	$ 488
Fair value of restricted stock vested	$ 519	$ 10,967

Replacement performance stock option activity was as follows:

(Units in thousands)	Performance Stock Options	Weighted-Average Exercise Price
Outstanding at August 19, 2021	—	$ —
Granted	48	$ 86.73
Exercised	(21)	$ 86.72
Cancelled	(10)	$ 89.63
Outstanding at January 2, 2022	17	$ 85.54
Outstanding at January 1, 2023	17	$ 85.54
Exercised	(1)	$ 16.69
Outstanding at December 31, 2023	**16**	**$ 87.74**

There were no outstanding performance stock options exercisable as of December 31, 2023. The aggregate intrinsic value of performance stock options outstanding as of December 31, 2023 and January 1, 2023 was $0.9 million and $3.3 million, respectively. The total intrinsic value of performance stock options exercised was $6.3

million in 2021. Outstanding performance stock options, in general, have contractual terms of ten years from the respective grant dates. The performance stock options generally vest monthly over three years upon the achievement of Company-specified performance targets and are subject to continued service through the applicable vesting date.

Predecessor Period Awards

During the Predecessor period, the Company granted awards under the GRAIL, Inc. 2016 Amended Equity Incentive Plan (the "2016 Plan") as well as incentive awards not under the 2016 Plan (the "Non-Plan Equity Incentive Awards"). The Company's 2016 Plan allowed for the grant of awards in the form of: (i) incentive stock options, (ii) nonqualified stock options; (iii) stock appreciation rights; (iv) RSAs; (v) RSUs; and (vi) unrestricted stock. Directors, employees, and consultants were eligible to participate in the 2016 Plan.

In connection with the Acquisition, a portion of the unvested stock options and RSUs under the 2016 Plan and Non-Plan Equity Incentive Awards were accelerated and vested. GRAIL, Inc.'s 2016 Plan and Non-Plan Equity Incentive Awards were then cancelled, with any remaining unvested equity awards replaced with equity awards issued by Illumina. Refer to the Accelerated Awards at Acquisition and Replacement Awards section of this disclosure for a further discussion of these Replacement Awards.

Stock Option Activity—A summary of all stock option activity for the 2016 Plan is as follows:

(in thousands, except years and per share data)	Number of Shares Underlying Outstanding Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Balance as of December 31, 2020	81,813	$ 1.89	8.73	$537,108
Awards Authorized				
Exercised	(3,216)	$ 1.57		
Forfeited	(1,262)	$ 1.90		
Balance as of August 18, 2021 cancelled in connection with the Acquisition	**77,335**	**$ 1.91**	**8.12**	**$506,651**

Restricted Stock Unit Activity—A summary of all restricted stock unit activity for the 2016 Plan is as follows:

(in thousands, except per share data)	Restricted Stock Units Outstanding	Weighted-Average Grant Date Fair Value Per Share
Balance as of December 31, 2020	18,768	$ 2.71
Granted	13,427	$ 8.46
Vested	(8,898)	$ 1.99
Forfeited	(485)	$ 8.35
Unvested balance as of August 18, 2021 cancelled in connection with the Acquisition	**22,812**	**$ 6.25**

NOTE 8. RELATED PARTY TRANSACTIONS

Illumina Purchases and Sales

As discussed in note "1. Organization and Description of Business," GRAIL and Illumina entered into the Merger Agreement on September 20, 2020, and on August 18, 2021, Illumina completed its acquisition of

GRAIL, Inc. Prior to the Acquisition, Illumina held a 12% stake in the Company. Illumina is both a customer of the Company and a major supplier of the Company's reagents and capital equipment. Goods and services transactions with Illumina are invoiced and paid when due.

Goods and services transactions with Illumina have been reflected in the consolidated financial statements as follows:

(in thousands)	As of December 31, 2023	As of January 1, 2023
Accounts receivable, net—related parties	$ 80	$ 213
Supplies—related parties	$ 5,855	$ 4,984
Prepaid expenses and other current assets—related parties	$ 41	$ 68
Property and equipment, net—related parties	$ 3,640	$ 2,515
Accounts payable—related parties	$ 168	$ 2,292
Accrued liabilities—related parties	$ 95	$ 4

	(Successor)			(Predecessor)
(in thousands)	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18, 2021
Screening revenue—related parties	$ 652	$ 694	$ 381	$ 46
Cost of screening revenue—related parties	$ 8,532	$ 4,142	$ 637	$ 192
Cost of development services revenue—related parties	$ 238	$ 227	$ 133	$ —
Operating expenses—Research and development—related parties	$ 19,508	$ 18,780	$ 1,233	$ 10,076
Operating expenses—General and administrative—related parties	$ 206	$ 614	$ 35	$ 4

In accordance with the terms of the Merger Agreement, the Company received continuation payments of $35.0 million per month from the signing of the Merger Agreement until Closing, which were recorded as additional paid-in capital. During the Predecessor period from January 1, 2021 to August 18, 2021, the Company received total continuation payments from Illumina of $245.0 million.

Contributions from (Distribution to) Member, Net

The following related party transactions between the Company and Illumina have been included in these consolidated financial statements. As there is no intercompany loan agreement between Illumina and GRAIL and because these transactions have no history of being settled, the total net effect of these transactions are reflected in the consolidated statements of cash flows as cash provided by (or used by) financing activity and in the consolidated balance sheets as contribution from (distribution to) member, net, in member's equity. The following table presents the components of the net transfers to and from Illumina:

(in thousands)	December 31, 2023	January 1, 2023	January 2, 2022
Cash funding received from Illumina	$ 464,000	$609,000	$ 174,000
Cash funding received from Illumina at acquisition	—	—	600,000
Cash payments for acquisition consideration on behalf of Illumina	—	—	(625,749)
Cash payments for equity awards	—	—	(184,963)
Taxes paid related to net share settlement of equity awards	(234)	(4,183)	(4,320)
Other	—	(544)	(1,883)
Total contribution from (distribution to) member, net	**$ 463,766**	**$604,273**	**$ (42,915)**

Dr. Klausner Consulting Agreement

Effective May 2016, the Company entered into a consulting agreement for advisory consulting services with Richard Klausner, M.D., a member of the board of directors of the Company at that time. The compensation under the consulting agreement consisted of options to purchase Class A common stock and reimbursement of certain out-of-pocket expenses. The Company granted options to purchase shares of Class A common stock under the consulting agreement in 2016, 2018, and 2020. In accordance with the terms of the Merger Agreement, all awards granted to Dr. Klauser became fully vested upon the closing of the transaction, which is also when Dr. Klauser stopped providing directorship and consulting services to the Company and ceased to be a related party of the Company. Stock-based compensation expense of $0.4 million related to the consulting agreement is included in research and development—related parties for the Predecessor period from January 1, 2021 to August 18, 2021.

Agilent Relationship

From June 2019 through October 2021, Mr. Hans Bishop served as the Company's chief executive officer, during which time Mr. Bishop also served on the board of directors of Agilent Technologies, Inc. ("Agilent"), a supplier to the Company. Transactions with Agilent during the period of time Mr. Bishop held an officer role at the Company are reflected in the consolidated financial statements as related party transactions. Related party expenses of $0.1 million and $0.2 million are included in research and development—related parties in the periods of August 19, 2021 to January 2, 2022 and January 1, 2021 to August 19, 2021, respectively. Agilent was no longer a related party as of the year ended January 1, 2023.

Twist Bioscience Relationship

Mr. Robert Ragusa was appointed as the Company's chief executive officer in October 2021. Mr. Ragusa also serves on the board of directors of Twist, a supplier to the Company. Transactions with Twist beginning when Mr. Ragusa became the Company's chief executive officer are reflected in the consolidated financial statements as related party transactions. Related party expenses of $1.1 million, $0.4 million and $0.1 million are included in research and development—related parties in the years ended December 31, 2023 and January 1,

2023 and the period from August 19, 2021 to January 2, 2022, respectively. Related party expenses of $0.2 million are included in cost of screening revenue—related parties in the year ended December 31, 2023. Related party balances with Twist of $0.7 million and $0.1 million are included in accounts payable—related parties as of December 31, 2023, and accrued liabilities—related parties as of January 1, 2023, respectively. As of December 31, 2023, a balance of $1.1 million is included in supplies—related parties.

NOTE 9. NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

In connection with the Acquisition, each issued and outstanding share of GRAIL Stock was converted into the elected merger consideration. As the Successor Company is a single-member limited liability company wholly owned by Illumina, a separate calculation of net loss per share is not included for the years ended December 31, 2023, and January 1, 2023, and for the period ended January 2, 2022.

For the Predecessor period from January 1, 2021 to August 18, 2021, basic and diluted net loss per share attributable to common stockholders were presented in conformity with the two-class method required for participating securities. All series of its redeemable convertible preferred stock and early exercised stock options and restricted stock awards were determined to be participating securities. Under the two-class method, the net loss attributable to common stockholders was not allocated to the redeemable convertible preferred stock as the holders of the redeemable convertible preferred stock did not have a contractual obligation to share in losses. The Company had two classes of common stock, Class A and Class B, with voting rights of 1:1 and 10:1, respectively. The shares of Class B common stock were convertible into shares of Class A common stock at a ratio of 0.44 shares of Class A common stock to 0.42 shares of Class B common stock, but were otherwise obligated to share in losses equitably.

Basic net loss per share attributable to common stockholders was calculated by dividing the net loss adjusted to include deemed dividends paid to the holders of the preferred stock and accretion to the redemption value of the redeemable common stock awards, to the extent both impact accumulated deficit, by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. Diluted net loss per share attributable to common stockholders was the same as basic net loss per share, since the effects of potentially dilutive securities were anti-dilutive given the net loss attributable to common stockholders for each period presented.

The following table presents the calculation of the Predecessor's basic and diluted net loss per share attributable to common stockholders:

(in thousands, except share and per share data)	(Predecessor) January 1 to August 18, 2021 Class A	Class B
Numerator		
Net loss	$ (280,058)	$ (56,175)
Net loss attributable to common stockholders	$ (280,058)	$ (56,175)
Denominator		
Basic common shares outstanding:		
Weighted average shares of common stock—basic	124,584,841	24,989,397
Weighted average shares used in earnings per common share—basic	124,584,841	24,989,397
Net loss per share attributable to common stockholders		
Basic	$ (2.25)	$ (2.25)
Diluted	$ (2.25)	$ (2.25)

The Company is in a net loss position, whereby the basic net loss per share is the same as diluted net loss per share because the inclusion of potential shares of common stock would have been anti-dilutive. The following common stock equivalents were therefore excluded from the computation of diluted net loss per share for the period presented:

	August 18, 2021
Redeemable convertible preferred stock (on an if-converted basis)	534,145,027
Options to purchase common stock and restricted stock units	129,971,156
Shares subject to repurchase	479,888
Total	**664,596,071**

NOTE 10. TAXES

Income (loss) before income taxes summarized by region was as follows:

(in thousands)	(Successor) December 31, 2023	January 1, 2023	August 19, 2021 to January 2, 2022	(Predecessor) January 1 to August 18, 2021
United States	$(1,509,885)	$(5,443,759)	$ (892,906)	$ (343,465)
Foreign	2,249	2,371	(36,113)	7,232
Loss before provision for (benefit from) income taxes	**$(1,507,636)**	**$(5,441,388)**	**$ (929,019)**	**$ (336,233)**

The provision for (benefit from) income taxes consisted of the following:

(in thousands)	(Successor) December 31, 2023	(Successor) January 1, 2023	(Successor) August 19, 2021 to January 2, 2022	(Predecessor) January 1 to August 18, 2021
Current taxes:				
Foreign	$ (3,798)	$ (3,227)	$ —	$ —
Total current income tax expense/(benefit)	(3,798)	(3,227)	—	—
Deferred taxes:				
Federal	(22,019)	(24,496)	(14,862)	—
State	(16,134)	(14,567)	(2,615)	—
Total deferred income tax expense/(benefit)	(38,153)	(39,063)	(17,477)	—
Provision for (Benefit from) income taxes	**$ (41,951)**	**$(42,290)**	**$ (17,477)**	**$ —**

The provision for (benefit from) income taxes reconciles to the amount computed by applying the federal statutory rate to income (loss) before income taxes as follows:

(in thousands)	(Successor) December 31, 2023	(Successor) January 1, 2023	(Successor) August 19, 2021 to January 2, 2022	(Predecessor) January 1 to August 18, 2021
Tax at federal statutory rate	$ (316,603)	$(1,142,691)	$ (195,094)	$ (70,609)
State, net of federal benefit	(28,833)	(22,553)	(7,718)	(67,720)
Research tax credits	(10,913)	(12,104)	(2,792)	(21,757)
Change in valuation allowance	178,867	146,621	55,907	465,038
Impact of foreign operations	(1,299)	(4,352)	6,072	(11,384)
Stock compensation	134	1,767	859	(310,191)
Impact of acquisition related items	3,520	2,548	125,179	8,959
Goodwill impairment	127,778	987,090	—	—
Change in tax rates	—	—	—	7,639
Other	5,398	1,384	110	25
Total tax provision (benefit from) income taxes	**$ (41,951)**	**$ (42,290)**	**$ (17,477)**	**$ —**

Significant components of deferred tax assets and liabilities were as follows:

(in thousands)	December 31, 2023	January 1, 2023
Deferred tax assets:		
Net operating losses	$ 899,323	$ 807,914
Tax credits	88,571	76,579
Other accruals and reserves	19,223	15,612
Stock compensation	373	234
Capitalized U.S. research and development expenses	124,997	68,745
Other amortization	61,036	64,119
Operating lease liabilities	19,825	22,353
Other	662	579
Total gross deferred tax assets	1,214,010	1,056,135
Valuation allowance on deferred tax assets	(570,897)	(392,019)
Total deferred tax assets	**$ 643,113**	**$ 664,116**
Deferred tax liabilities:		
Purchased intangible amortization	$ (653,478)	$ (709,231)
Property and equipment	(2,964)	(2,241)
Operating lease right-of-use assets	(19,592)	(23,719)
Total deferred tax liabilities	**(676,034)**	**(735,191)**
Deferred tax liability, net	**$ (32,921)**	**$ (71,075)**

Upon closing of the merger, as a single-member limited liability company wholly owned by Illumina, GRAIL, LLC is no longer subject to U.S. income tax as a separate entity for the Successor periods ended December 31, 2023, January 1, 2023, and January 2, 2022, and is combined into Illumina's consolidated income tax return as an entity disregarded as being separate from Illumina. However, for financial statement purposes, GRAIL has elected to compute its income tax provision, including current and deferred taxes, as if GRAIL was a corporation filing a separate income tax return and was not included in Illumina's consolidated return. Under this method, the deferred tax assets and liabilities presented above are as if GRAIL, LLC filed a separate return for the Successor periods. For income tax purposes, since GRAIL, LLC is not a separate taxpayer and merely a disregarded entity of Illumina, several of the U.S. tax attributes shown above, including net operating losses and tax credits, are the property of Illumina and have either already been utilized by Illumina in its consolidated or combined income tax returns or will be utilized by Illumina in its returns in the future. Accordingly, such U.S. tax attributes will not be available to a standalone GRAIL entity on its income tax returns in the future.

A valuation allowance is established when it is more likely than not that the future realization of all or some of the deferred tax assets will not be achieved. The evaluation of the need for a valuation allowance is performed on a jurisdiction-by-jurisdiction basis and includes a review of all available positive and negative evidence, including operating results and future reversals of existing taxable temporary differences such as the deferred tax liabilities related to purchased intangibles. Based on the available evidence as of December 31, 2023, we were not able to conclude it is more likely than not certain deferred tax assets will be realized. Therefore, a valuation allowance of $570.9 million was recorded against certain U.S. and foreign deferred tax assets.

As of December 31, 2023, the net operating loss carryforwards for federal and state tax purposes were $3.5 billion and $2.3 billion, respectively, a portion of which will begin to expire in 2036 unless utilized prior. The federal and state tax credit carryforwards were $90.5 million and $64.2 million. The federal credits will begin to expire in 2036 unless utilized prior. The state credits do not expire and can be carried forward

indefinitely. GRAIL's U.K. subsidiary had $28.8 million of U.K. net operating losses that can generally be carried forward provided that the U.K. entity maintains its existing trade or business.

Pursuant to Section 382 and 383 of the Internal Revenue Code, utilization of net operating losses and credits may be subject to annual limitations in the event of any significant future changes in its ownership structure. These annual limitations may result in the expiration of net operating losses and credits prior to utilization.

The following table summarizes the gross amount of uncertain tax positions:

	(Successor)			(Predecessor)
(in thousands)	Year Ended December 31, 2023	Year Ended January 1, 2023	August 19, 2021 to January 2, 2022	January 1 to August 18,2021
Balance at beginning of year	$ 51,843	$ 43,595	$ 41,683	$ 11,682
Increases related to prior year tax positions	—	—	—	9,842
Decreases related to prior year tax positions	—	—	—	(843)
Increases related to current year tax positions	7,452	8,248	1,912	21,002
Balance at end of year	**$ 59,295**	**$ 51,843**	**$ 43,595**	**$ 41,683**

Included in the balance of uncertain tax positions as of December 31, 2023 and January 1, 2023 were $54.4 million and $47.6 million, respectively, of net unrecognized tax benefits that, if recognized, would reduce the effective income tax rate in future periods. The Company has not recognized any interest or penalties related to uncertain tax positions. If interest and penalties are recognized in the future, such amounts will be included in the provision for income taxes.

Tax years 2016 to 2023 remain subject to future examination by the major tax jurisdictions in which we are subject to tax. It is reasonably possible that the balance of unrecognized tax benefits could change significantly over the next 12 months. However, due to the number of years remaining that are subject to examination, we are unable to estimate a full range of possible adjustments to the balance of unrecognized tax benefits.

NOTE 11. LEGAL AND REGULATORY PROCEEDINGS

The Company is subject to various claims, complaints, regulatory proceedings, and legal actions that arise from time to time in the ordinary course of business.

On March 30, 2021, the U.S. Federal Trade Commission ("FTC") issued an administrative complaint seeking to prevent the Acquisition. On September 1, 2022, an administrative law judge issued a decision in favor of the transaction and dismissed the FTC's complaint. The FTC's complaint counsel appealed to the full FTC Commission. On March 31, 2023, the FTC Commission issued a decision overturning the administrative law judge's prior ruling. GRAIL and Illumina appealed the FTC's decision to the U.S. Court of Appeals for the Fifth Circuit ("Fifth Circuit"). On December 15, 2023, the Fifth Circuit issued its opinion and order, in which the court ruled that the FTC applied the incorrect standard in assessing Illumina's open offer contract and, on that basis, vacated the FTC order and remanded the case to the FTC for reconsideration of the effects of the open offer contract under the proper standard as described in the Fifth Circuit Court's decision, and in all other respects upheld the FTC's decision. The Company expects the Spin-Off to facilitate a prompt resolution of the FTC proceedings and, based on the fact that Illumina had a 14.5% ownership interest in GRAIL at the time of the Acquisition, do not expect that Illumina's potential retention of up to a 14.5% ownership interest in GRAIL will affect the resolution of these proceedings.

On April 19, 2021, the European Commission accepted a request for a referral of the GRAIL, Inc. acquisition for European Union merger review, submitted by a Member State of the European Union (France), and joined by several other Member States (Belgium, Greece, Iceland, the Netherlands, and Norway), under Article 22(1) of Council Regulation (EC) No 139/2004 (the "EU Merger Regulation"). On April 28, 2021, Illumina filed an action in the General Court of the European Union (the "EU General Court") asking for annulment of the European Commission's assertion of jurisdiction to review the acquisition under Article 22 of the EU Merger Regulation, as the acquisition does not meet the jurisdictional criteria under the EU Merger Regulation or under the national merger control laws of any Member State of the European Union. On July 13, 2022, the EU General Court confirmed the European Commission's jurisdiction to examine the Acquisition ("EU General Court Article 22 Judgment"). On September 22 and 30, 2022, Illumina and the Company each asked for annulment of the EU General Court Article 22 Judgment and their request is currently pending before the Court of Justice of the European Union. An oral hearing before the Court of Justice of the European Union was held on December 12, 2023.

On October 29, 2021, the European Commission adopted an order imposing interim measures (the "Initial Interim Measures Order"). As the Initial Interim Measures Order was set to expire in 2022, the European Commission adopted new interim measures on October 28, 2022 (the "Second Interim Measures Order"). The Company and Illumina both sought the annulment of the Initial Interim Measures Order, and Illumina also sought the annulment of the Second Interim Measures Order (the Company intervened in this procedure in support of Illumina). All requests for annulment were stayed pending the appeal asking for annulment of the EU General Court Article 22 Judgment.

On September 6, 2022, the European Commission adopted a decision finding Illumina's acquisition of GRAIL, Inc. incompatible with the internal market in Europe. On November 17, 2022, Illumina asked for annulment of this decision before the EU General Court (the Company was admitted to intervene in support of Illumina). This procedure is currently pending and moving forward.

On October 12, 2023, the European Commission adopted a decision requiring Illumina to divest the Company and to restore the situation prevailing before the Company's acquisition by Illumina (the "EC Divestment Decision"). Consistent with the previous interim measures orders, Illumina is required to continue funding the Company until any divestiture. In the instance of a capital markets transaction, Illumina must capitalize the Company at the time of the transaction with two-and-a-half years of funding based on the Company's long-range plan. The order also permits Illumina to maintain its royalty arrangement with the Company. On December 22, 2023, Illumina sought the annulment of the EC Divestment Decision before the EU General Court.

On December 17, 2023, following a review of the Fifth Circuit's opinion, Illumina elected not to pursue further appeals of the decision and announced Illumina's decision to divest GRAIL. The divestiture would be executed through a third-party sale or capital markets transaction, consistent with the European Commission's divestiture order, with the goal of finalizing the terms by the end of the second quarter of 2024, as publicly announced by Illumina. On December 22, 2023, Illumina submitted a draft divestment plan to the European Commission outlining proposed terms of the divestiture. The draft divestment plan is undergoing review by the European Commission, subject to comments by GRAIL and the Monitoring Trustee. GRAIL submitted its Observations to the draft divestment plan on January 12, 2024. On February 19, 2024, Illumina submitted a modified draft divestment plan to the European Commission. The Monitoring Trustee submitted its opinion on the divestment plan on January 31, 2024. The divestment plan, outlining the terms of the Company's divestiture, requires approval from the European Commission.

Contingencies

Contingencies primarily correspond to claims arising in the ordinary course of business. If necessary, these contingencies will be accrued, to the extent believed to be reasonably estimable to resolve the matter. The accrued contingency amounts are included in other current liabilities. Should the Company not be able to secure the terms it expects, these estimates may change and will be recognized in the period in which they are identified.

Legal Matters

Legal matters include various claims, complaints, and legal actions that arise from time to time. There can be no assurance that existing or future legal proceedings arising in the ordinary course of business or otherwise will not have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

We are involved in various lawsuits and claims arising in the ordinary course of business, including actions with respect to employment matters. In connection with these matters, we assess, on a regular basis, the probability and range of possible loss based on the developments in these matters. A liability is recorded in the consolidated financial statements if it is believed to be probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Since litigation is inherently unpredictable and unfavorable resolutions could occur, assessing contingencies is highly subjective and requires judgments about future events. We regularly review outstanding legal matters to determine the adequacy of the liabilities accrued and related disclosures. We may change our estimates if our assessment of the various factors changes and the amount of ultimate loss may differ from our estimates, resulting in a material effect on our business, financial condition, results of operations, and/or cash flows. As of December 31, 2023, there were no pending litigations with any probable losses that can be reasonably estimated.

NOTE 12. SUBSEQUENT EVENTS

The Company has reviewed and evaluated subsequent events through March 8, 2024, the date these consolidated financial statements were filed.

GRAIL, LLC
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31, 2024 (Unaudited)	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 199,723	$ 97,287
Accounts receivable, net	14,972	16,862
Accounts receivable, net—related parties	56	80
Supplies	14,556	14,788
Supplies—related parties	7,022	6,907
Prepaid expenses and other current assets	22,112	20,100
Prepaid expenses and other current assets—related parties	41	41
Total current assets	258,482	156,065
Property and equipment, net	78,059	81,355
Property and equipment, net—related parties	3,330	3,640
Operating lease right-of-use assets	79,361	84,386
Restricted cash	3,918	4,225
Intangible assets, net	2,652,639	2,687,223
Goodwill	888,936	888,936
Other non-current assets	8,126	7,984
Total assets	**$ 3,972,851**	**$ 3,913,814**
Liabilities and member's equity		
Current liabilities:		
Accounts payable	$ 8,832	$ 18,845
Accounts payable—related parties	2,949	828
Accrued liabilities	68,992	73,711
Accrued liabilities—related parties	338	95
Incentive plan liabilities	40,595	54,513
Operating lease liabilities, current portion	13,981	14,809
Other current liabilities	1,938	809
Total current liabilities	137,625	163,610
Operating lease liabilities, net of current portion	65,960	69,598
Deferred tax liability, net	28,116	32,921
Other non-current liabilities	1,759	1,498
Total liabilities	233,460	267,627
Member's equity	11,733,616	11,421,446
Accumulated other comprehensive income	1,014	1,066
Accumulated deficit	(7,995,239)	(7,776,325)
Total member's equity	3,739,391	3,646,187
Total liabilities and member's equity	**$ 3,972,851**	**$ 3,913,814**

See accompanying notes to condensed consolidated financial statements.

GRAIL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2024	April 2, 2023
Revenue:		
Screening revenue	$ 23,410	$ 15,320
Screening revenue—related parties	129	252
Development services revenue	3,182	4,071
Total revenue	26,721	19,643
Costs and operating expenses:		
Cost of screening revenue (exclusive of amortization of intangible assets)	10,990	8,846
Cost of screening revenue—related parties	2,732	1,579
Cost of development services revenue	1,391	1,336
Cost of development services revenue—related parties	45	24
Cost of revenue—amortization of intangible assets	33,472	33,472
Research and development	96,390	80,521
Research and development—related parties	5,235	5,352
Sales and marketing	46,819	45,835
General and administrative	57,018	46,658
General and administrative—related parties	51	51
Total costs and operating expenses	254,143	223,674
Loss from operations	(227,422)	(204,031)
Other income:		
Interest income	2,901	2,227
Other income, net	42	95
Total other income, net	2,943	2,322
Loss before income taxes	(224,479)	(201,709)
Benefit from income taxes	5,565	8,043
Net loss	**$ (218,914)**	**$ (193,666)**

See accompanying notes to condensed consolidated financial statements.

GRAIL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2024	April 2, 2023
Net loss	$ (218,914)	$ (193,666)
Other comprehensive loss:		
Foreign currency translation loss adjustment	(52)	(59)
Comprehensive loss	**$ (218,966)**	**$ (193,725)**

See accompanying notes to condensed consolidated financial statements.

GRAIL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

(Unaudited)
(in thousands)

	Member's Equity	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Member's Equity
Balance as of December 31, 2023	**$11,421,446**	**$ 1,066**	**$(7,776,325)**	**$3,646,187**
Net loss	—	—	(218,914)	(218,914)
Stock-based compensation expense	170	—	—	170
Other comprehensive loss	—	(52)	—	(52)
Contribution from member, net	312,000	—	—	312,000
Balance as of March 31, 2024	**$11,733,616**	**$ 1,014**	**$(7,995,239)**	**$3,739,391**

	Member's Equity	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Member's Equity
Balance as of January 1, 2023	**$10,955,907**	**$ 894**	**$(6,310,640)**	**$4,646,161**
Net loss	—	—	(193,666)	(193,666)
Stock-based compensation expense	799	—	—	799
Other comprehensive loss	—	(59)	—	(59)
Contribution from member, net	108,870	—	—	108,870
Balance as of April 2, 2023	**$11,065,576**	**$ 835**	**$(6,504,306)**	**$4,562,105**

See accompanying notes to condensed consolidated financial statements.

GRAIL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2024	April 2, 2023
Cash flows from operating activities		
Net loss	**$ (218,914)**	**$ (193,666)**
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization of intangibles assets	34,584	34,584
Depreciation	5,413	5,257
Stock-based compensation expense	29,106	21,516
Cash payment for equity awards	(42,913)	(16,070)
Deferred income taxes	(4,805)	(7,014)
Other	53	(252)
Changes in operating assets and liabilities:		
Accounts receivable	1,890	4,885
Accounts receivable—related parties	24	133
Supplies	232	(317)
Supplies—related parties	(115)	(2,207)
Operating lease right-of-use assets and liabilities, net	559	2,549
Prepaid expenses and other assets	(3,576)	(929)
Prepaid expenses and other current assets—related parties	—	24
Accounts payable	(9,830)	(7,034)
Accounts payable—related parties	2,121	(890)
Accrued and other liabilities	(1,358)	(10,946)
Accrued and other liabilities—related parties	243	(105)
Net cash used by operating activities	**(207,286)**	**(170,482)**
Cash flows from investing activities		
Purchases of property and equipment	(2,548)	(2,635)
Purchases of property and equipment—related parties	—	(429)
Net cash used by investing activities	**(2,548)**	**(3,064)**
Cash flows from financing activities		
Cash funding received from Illumina	312,000	109,000
Taxes paid related to net share settlement of equity awards	—	(130)
Net cash provided by financing activities	**312,000**	**108,870**
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(37)	128
Net increase (decrease) in cash, cash equivalents, and restricted cash	102,129	(64,548)
Cash, cash equivalents and restricted cash—beginning of period	101,512	246,128
Cash, cash equivalents and restricted cash—end of period	**$ 203,641**	**$ 181,580**
Represented by:		
Cash and cash equivalents	$ 199,723	$ 177,048
Restricted cash	3,918	4,532
Total	**$ 203,641**	**$ 181,580**
Supplemental cashflow information:		
Property and equipment included in accounts payable and accrued liabilities	$ (593)	$ (1,522)
Operating cashflows from operating leases, net	(5,004)	(4,738)

See accompanying notes to condensed consolidated financial statements.

GRAIL, LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

GRAIL, LLC ("GRAIL"), a limited liability company ("LLC"), previously named SDG Ops, LLC, was formed in the state of Delaware as a wholly owned subsidiary of Illumina, Inc. ("Illumina"). SDG Ops, LLC, along with SDG Ops, Inc., a Delaware corporation and wholly owned subsidiary of Illumina, were formed for the purpose of completing a merger transaction between GRAIL, Inc., and Illumina (the "Acquisition") in order to carry on the business of GRAIL, Inc. and its subsidiaries.

GRAIL, headquartered in Menlo Park, California, is an innovative commercial-stage healthcare company focused on saving lives and shifting the paradigm of early cancer detection. GRAIL's Galleri blood test screens for various types of cancers before individuals are symptomatic. Illumina is the sole member and 100% owner of GRAIL. Illumina implemented extensive and binding Hold Separate Commitments upon the Acquisition in order for Illumina and GRAIL to be held and operated as distinct and separate entities. The Hold Separate Commitments also provided for the appointment of a monitoring trustee. Notwithstanding the foregoing, the European Commission has adopted an order requiring Illumina and GRAIL to be held and operated as distinct and separate entities. Compliance with the order is monitored by an independent monitoring trustee. Refer to note "7. Legal and Regulatory Proceedings" for additional details.

Our Ability to Continue as a Going Concern

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The realization of assets and the satisfaction of liabilities in the normal course of business are dependent on, among other things, the Company's ability to manage our net loss, and to become profitable and operate profitably, to manage our negative cash flows from operations and to generate positive cash flows from operations and our ability to obtain financing to support our working capital requirements. As part of Illumina, the Company is dependent upon Illumina for its working capital and financing requirements. The Company had $199.7 million of cash and cash equivalents as of March 31, 2024.

We believe that our existing cash and cash equivalents, in addition to the funding that Illumina is required to provide, will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, as of the date these condensed consolidated financial statements were filed.

As of March 31, 2024, the Company had no off-balance sheet concentrations of credit risk.

Fiscal Year

The Company's fiscal year is the 52 or 53 weeks ending the Sunday closest to December 31, with quarters of 13 or 14 weeks ending the Sunday closest to March 31, June 30, September 30, and December 31. References to Q1 2024 and Q1 2023 refer to the three months ended March 31, 2024 and April 2, 2023, respectively, which were both 13 weeks.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements represent the historical operations of the standalone GRAIL legal entity and include purchase accounting adjustments and certain tax adjustments as if GRAIL filed a separate income tax return and was not included in Illumina's condensed consolidated return. All

revenues and costs as well as assets and liabilities directly associated with the business activity of the Company are included in the condensed consolidated financial statements. Assets and liabilities were reflected at fair value under the new basis of accounting established at the closing of the Acquisition.

Management considered the need to allocate any shared costs incurred by the parent, Illumina, to the accompanying condensed consolidated financial statements. As previously discussed, the European Commission has adopted an order requiring Illumina and GRAIL to be held and operated as distinct and separate entities. As no integration has occurred, management has concluded that no material allocations are required. However, amounts recognized by the Company are not necessarily representative of the amounts that would have been reflected in the financial statements had the Company operated independently of the parent. Related party transactions with Illumina are discussed further in note "5. Related Party Transactions."

These condensed consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") and include the accounts of GRAIL and its wholly owned subsidiaries. All intercompany balances have been eliminated in consolidation.

Significant Accounting Policies

During Q1 2024, there were no changes to our significant accounting policies as described in "Note 2—Summary of Significant Accounting Policies" to our audited Consolidated Financial Statements beginning on page F-10 of this Information Statement.

Cash Equivalents

As of March 31, 2024 and December 31, 2023, the Company's cash equivalents were held in money market funds, totaling $193.2 million and $92.6 million, respectively. Cash equivalents held in money market funds were categorized as Level 1 investments within the fair value hierarchy.

NOTE 3. BALANCE SHEET COMPONENTS

The following tables present financial information of certain condensed consolidated balance sheets components:

(in thousands)	March 31, 2024	December 31, 2023
Accounts receivable, net		
Trade accounts receivable, gross	$ 18,160	$ 19,924
Allowance for credit losses	(3,188)	(3,062)
Total accounts receivable, net	**$ 14,972**	**$ 16,862**

(in thousands)	March 31, 2024	December 31, 2023
Prepaid expenses and other current assets		
Prepaid service and maintenance	$ 2,712	$ 1,179
Prepaid software	7,043	4,734
Prepaid insurance	573	814
Prepaid other	6,865	6,579
Tax receivable	3,990	5,411
Indirect taxes	929	1,383
Total prepaid expenses and other current assets	**$ 22,112**	**$ 20,100**

(in thousands)	March 31, 2024	December 31, 2023
Accrued liabilities		
Accrued compensation expenses	$ 29,647	$ 41,484
Accrued legal and professional expenses	10,563	7,770
Accrued clinical studies expenses	8,310	6,897
Accrued research and development expenses	8,839	6,647
Accrued marketing	1,534	1,882
Accrued other expenses	10,099	9,031
Total accrued liabilities	**$ 68,992**	**$ 73,711**

NOTE 4. STOCK INCENTIVE AWARDS

Stock-Based Compensation

Stock-based compensation expense, which includes expense for both equity and liability-classified awards, reported in our condensed consolidated statements of operations, was as follows:

	Three Months Ended	
(in thousands)	March 31, 2024 (1)	April 2, 2023 (2)
Cost of screening revenue (exclusive of amortization of intangible assets)	$ 470	$ 373
Cost of development services revenue	11	—
Research and development	11,443	8,960
Sales and marketing	5,463	4,042
General and administrative	11,719	8,141
Stock-based compensation expense, before taxes	29,106	21,516
Related income tax benefits	(7,068)	(5,190)
Stock-based compensation expense, net of taxes	**$ 22,038**	**$ 16,326**

1) Includes $28.9 million related to the Cash-Based Equity Awards and $0.2 million related to Replacement Awards.
2) Includes $20.7 million related to the Cash-Based Equity Awards and $0.8 million related to Replacement Awards.

Liability-Classified Awards

Established following the Acquisition, a cash-based equity incentive award (the “Cash-Based Equity Award”) was adopted to provide GRAIL, LLC employees with dollar-denominated long-term incentive awards that increase or decrease in value based on corresponding changes in GRAIL’s calculated value, similar to a dollar-denominated restricted stock unit award determined in accordance with the award agreement. GRAIL’s stand-alone value calculation is estimated by the Company based on its analysis and on input from independent valuation advisors. To estimate the value of GRAIL, various assumptions may be used, such as long-range financial projections, as well as the discount rate and terminal growth rate. The awards generally have terms of four years and vest in four equal installments on each anniversary of the grant date, subject to continued employment through the vesting period.

Cash-Based Equity Award activity was as follows:

(in thousands)	
Beginning balance December 31, 2023	**$292,189**
Granted	26,700
Canceled	(8,433)
Vested and paid in cash	(42,913)
Change in fair value	11,051
Outstanding balance, March 31, 2024	**$278,594**

The Company's estimated incentive plan liabilities as of March 31, 2024 and December 31, 2023 were $40.6 million and $54.5 million, respectively. As of March 31, 2024, approximately $238.0 million of total unrecognized compensation cost related to awards issued to date was expected to be recognized over a weighted-average period of approximately 2.4 years.

The Company has one performance-based award outstanding for which vesting is based on future revenues. The award has an aggregate potential value of up to $78.0 million and expires, to the extent unvested, in August 2030. One-fourth of the total potential value of the award vests immediately upon the achievement of cumulative net revenues in any period of four consecutive fiscal quarters of $500.0 million, $750.0 million, $1.5 billion, and $2.0 billion. The Company assesses the probability of achieving the performance conditions associated with the award on a quarterly basis at each reporting period. As of March 31, 2024, it was not probable that the performance conditions associated with the award will be achieved and, therefore, no stock-based compensation expense, or corresponding liability, has been recognized in the condensed consolidated financial statements to date.

Replacement Awards

Illumina issued equity awards to GRAIL employees in exchange for any of their remaining outstanding and unvested GRAIL equity awards as of the closing of the Acquisition ("the Replacement Awards"). The remaining Replacement Awards, granted under Illumina's 2015 Stock and Incentive Compensation Plan (the 2015 Stock Plan), consist of performance stock options that are issued as shares of Illumina common stock at vesting. As of March 31, 2024, approximately $2.3 million of total unrecognized compensation cost related to performance stock options was expected to be recognized over a weighted-average period of approximately 3.5 years.

Replacement performance stock option activity was as follows:

(Units in thousands)	Performance Stock Options	Weighted-Average Exercise Price
Outstanding at December 31, 2023	**16**	**$ 87.74**
Exercised	—	$ —
Outstanding at March 31, 2024	**16**	**$ 87.74**

There were no outstanding replacement stock options exercisable as of March 31, 2024. The aggregate intrinsic value of replacement stock options outstanding as of March 31, 2024 and December 31, 2023 was $0.8 million and $0.9 million, respectively. Outstanding replacement stock options, in general, have contractual terms of ten years from the respective grant dates. The replacement stock options generally vest monthly over three years upon the achievement of Company-specified performance targets and are subject to continued service through the applicable vesting date.

NOTE 5. RELATED PARTY TRANSACTIONS

Illumina Purchases and Sales

On September 20, 2020, GRAIL, Inc., Illumina and its subsidiaries, SDG Ops, LLC, and SDG Ops, Inc., entered into an agreement and plan of merger, and on August 18, 2021, Illumina completed its acquisition of GRAIL, Inc. Prior to the Acquisition, Illumina held a 12% stake in the Company. Illumina is both a customer of the Company and a major supplier of the Company's reagents and capital equipment. Goods and services transactions with Illumina are invoiced and paid when due.

Goods and services transactions with Illumina have been reflected in the condensed consolidated financial statements as follows:

(in thousands)	As of March 31, 2024	As of December 31, 2023
Accounts receivable, net—related parties	$ 56	$ 80
Supplies—related parties	$ 6,032	$ 5,855
Prepaid expenses and other current assets—related parties	$ 41	$ 41
Property and equipment, net—related parties	$ 3,330	$ 3,640
Accounts payable—related parties	$ 2,949	$ 168
Accrued liabilities—related parties	$ 82	$ 95

	Three Months Ended	
(in thousands)	March 31, 2024	April 2, 2023
Screening revenue—related parties	$ 129	$ 252
Cost of screening revenue—related parties	$ 2,669	$ 1,579
Cost of development services revenue—related parties	$ 45	$ 24
Operating expenses—Research and development—related parties	$ 4,802	$ 4,780
Operating expenses—General and administrative—related parties	$ 51	$ 51

Contributions from Member, Net

The following related party transactions between the Company and Illumina have been included in these condensed consolidated financial statements. As there is no intercompany loan agreement between Illumina and GRAIL and because these transactions have no history of being settled, the total net effect of these transactions are reflected in the condensed consolidated statements of cash flows as cash provided by financing activity and in the condensed consolidated balance sheets as contribution from member, net, in member's equity. The following table presents the components of the net transfers to and from Illumina:

	Three Months Ended	
(in thousands)	March 31, 2024	April 2, 2023
Cash funding received from Illumina	$312,000	$109,000
Taxes paid related to net share settlement of equity awards	—	(130)
Total contribution from member, net	$312,000	$108,870

Twist Bioscience Relationship

Mr. Robert Ragusa was appointed as the Company's chief executive officer in October 2021. Mr. Ragusa also serves on the board of directors of Twist Bioscience ("Twist"), a supplier to the Company. Transactions with Twist beginning when Mr. Ragusa became the Company's chief executive officer are reflected in the condensed consolidated financial statements as related party transactions.

Related party transactions with Twist have been reflected in the condensed consolidated financial statements as follows:

(in thousands)	As of March 31, 2024	As of December 31, 2023
Supplies—related parties	$ 990	$ 1,052
Accounts payable—related parties	$ —	$ 660
Accrued liabilities—related parties	$ 256	$ —

	Three Months Ended	
(in thousands)	March 31, 2024	April 2, 2023
Cost of screening revenue—related parties	$ 63	$ —
Operating expenses—Research and development—related parties	$ 433	$ 572

NOTE 6. TAXES

Our effective tax rate varies from the U.S. federal statutory tax rate due to the change in in valuation allowances related to certain deferred tax assets, state taxes, benefits related to tax credits, and the tax impact of non-deductible expenses and other permanent differences between income/(loss) before income taxes and taxable income/(loss).

Our effective tax rate was 2.5% in Q1 2024 compared to 4.0% in Q1 2023. The variance from the U.S. federal statutory tax rate of 21% in Q1 2024 and Q1 2023 was primarily attributable to the change in valuation allowances related to certain deferred tax assets, including net operating losses and tax credits, which will remain the property of Illumina and have either already been utilized by Illumina in its consolidated or combined income tax returns or will be utilized by Illumina in its returns in the future. Accordingly, such U.S. tax attributes will not be available to a standalone GRAIL entity on its income tax returns in the future. Upon closing of the merger, as a single-member limited liability company wholly owned by Illumina, GRAIL, LLC is no longer subject to U.S. income tax as a separate entity and is combined into Illumina's consolidated income tax return as an entity disregarded as being separate from Illumina. However, for financial statement purposes, GRAIL has elected to compute its income tax provision, including current and deferred taxes, as if GRAIL was a corporation filing a separate income tax return and was not included in Illumina's consolidated return. Under this method, the deferred tax assets and liabilities presented are as if GRAIL, LLC filed a separate return.

NOTE 7. LEGAL AND REGULATORY PROCEEDINGS

The Company is subject to various claims, complaints, regulatory proceedings, and legal actions that arise from time to time in the ordinary course of business.

On March 30, 2021, the U.S. Federal Trade Commission ("FTC") issued an administrative complaint seeking to prevent the Acquisition. On September 1, 2022, an administrative law judge issued a decision in favor of the transaction and dismissed the FTC's complaint. The FTC's complaint counsel appealed to the full FTC Commission. On March 31, 2023, the FTC Commission issued a decision overturning the administrative law judge's prior ruling. GRAIL and Illumina appealed the FTC's decision to the U.S. Court of Appeals for the Fifth Circuit ("Fifth Circuit"). On December 15, 2023, the Fifth Circuit issued its opinion and order, in which the court

ruled that the FTC applied the incorrect standard in assessing Illumina's open offer contract and, on that basis, vacated the FTC order and remanded the case to the FTC for reconsideration of the effects of the open offer contract under the proper standard as described in the Fifth Circuit Court's decision, and in all other respects upheld the FTC's decision. The Company expects the Spin-Off to facilitate a prompt resolution of the FTC proceedings and, based on the fact that Illumina had a 14.5% ownership interest in GRAIL at the time of the Acquisition, do not expect that Illumina's potential retention of up to a 14.5% ownership interest in GRAIL will affect the resolution of these proceedings.

On April 19, 2021, the European Commission accepted a request for a referral of the GRAIL, Inc. acquisition for European Union merger review, submitted by a Member State of the European Union (France), and joined by several other EEA Member States (Belgium, Greece, Iceland, the Netherlands, and Norway), under Article 22(1) of Council Regulation (EC) No 139/2004 (the "EU Merger Regulation"). On April 28, 2021, Illumina filed an action in the General Court of the European Union (the "EU General Court") asking for annulment of the European Commission's assertion of jurisdiction to review the acquisition under Article 22 of the EU Merger Regulation, as the acquisition does not meet the jurisdictional criteria under the EU Merger Regulation or under the national merger control laws of any Member State of the European Union. On July 13, 2022, the EU General Court confirmed the European Commission's jurisdiction to examine the Acquisition ("EU General Court Article 22 Judgment"). On September 22 and 30, 2022, Illumina and the Company each asked for annulment of the EU General Court Article 22 Judgment and their request is currently pending before the Court of Justice of the European Union ("EU Court of Justice"). An oral hearing before the EU Court of Justice was held on December 12, 2023. On March 21, 2024, the Advocate General recommended, in a non-binding Opinion, that the EU Court of Justice annul the General Court's judgment and the European Commission's decisions accepting the referral of the GRAIL acquisition for EU merger review.

On October 29, 2021, the European Commission adopted an order imposing interim measures (the "Initial Interim Measures Order"). As the Initial Interim Measures Order was set to expire in 2022, the European Commission adopted new interim measures on October 28, 2022 (the "Second Interim Measures Order"). The Company and Illumina both sought the annulment of the Initial Interim Measures Order, and Illumina also sought the annulment of the Second Interim Measures Order (the Company intervened in this procedure in support of Illumina). All requests for annulment were stayed pending the appeal asking for annulment of the EU General Court Article 22 Judgment.

On September 6, 2022, the European Commission adopted a decision finding Illumina's acquisition of GRAIL, Inc. incompatible with the internal market in Europe. On November 17, 2022, Illumina asked for annulment of this decision before the EU General Court (the Company was admitted to intervene in support of Illumina). This procedure is currently pending and moving forward.

On October 12, 2023, the European Commission adopted a decision requiring Illumina to divest the Company and to restore the situation prevailing before the Company's acquisition by Illumina (the "EC Divestment Decision"). Consistent with the previous interim measures orders, Illumina is required to continue funding the Company until any divestiture. In the instance of a capital markets transaction, Illumina must capitalize the Company at the time of the transaction with two-and-a-half years of funding based on the Company's long-range plan. The order also permits Illumina to maintain its royalty arrangement with the Company. On December 22, 2023, Illumina sought the annulment of the EC Divestment Decision before the EU General Court.

On December 17, 2023, following a review of the Fifth Circuit's opinion, Illumina elected not to pursue further appeals of the decision and announced Illumina's decision to divest GRAIL. The divestiture would be executed through a third-party sale or capital markets transaction, consistent with the European Commission's divestiture order, with the goal of finalizing the terms by the end of the second quarter of 2024, as publicly announced by Illumina. On December 22, 2023, Illumina submitted a divestment plan to the European Commission outlining proposed terms of the divestiture. GRAIL submitted its Observations to the divestment

plan on January 12, 2024. The Monitoring Trustee submitted its opinion on the divestment plan on January 31, 2024. The divestment plan, outlining the terms of the Company's divestiture, was approved by the European Commission on April 12, 2024.

Contingencies

Contingencies primarily correspond to claims arising in the ordinary course of business. If necessary, these contingencies will be accrued, to the extent believed to be reasonably estimable to resolve the matter. The accrued contingency amounts are included in other current liabilities. Should the Company not be able to secure the terms it expects, these estimates may change and will be recognized in the period in which they are identified.

Legal Matters

Legal matters include various claims, complaints, and legal actions that arise from time to time. There can be no assurance that existing or future legal proceedings arising in the ordinary course of business or otherwise will not have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

We are involved in various lawsuits and claims arising in the ordinary course of business, including actions with respect to employment matters. In connection with these matters, we assess, on a regular basis, the probability and range of possible loss based on the developments in these matters. A liability is recorded in the condensed consolidated financial statements if it is believed to be probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Since litigation is inherently unpredictable and unfavorable resolutions could occur, assessing contingencies is highly subjective and requires judgments about future events. We regularly review outstanding legal matters to determine the adequacy of the liabilities accrued and related disclosures. We may change our estimates if our assessment of the various factors changes and the amount of ultimate loss may differ from our estimates, resulting in a material effect on our business, financial condition, results of operations, and/or cash flows. As of March 31, 2024, there were no pending litigations with any probable losses that can be reasonably estimated.

NOTE 8. SUBSEQUENT EVENTS

The Company has reviewed and evaluated subsequent events through May 6, 2024, the date these condensed consolidated financial statements were filed.