**Risk Factors Comparison 2023-03-31 to 2022-03-31 Form: 10-K**

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You should carefully consider the following risk factors, as well as the other information in this annual report on Form 10- K, and in our other public filings. The occurrence of any of these risks could harm our business, financial condition, results of operations and / or growth prospects or cause our actual results to differ materially from those contained in forward- looking statements we have made in this report and those we may make from time to time. You should consider all of the risk factors described in our public filings when evaluating our business. Risks Related to Business and Industry We have incurred net losses in every period since ~~its~~ **our** inception, ~~has~~ **have** no cellular therapeutics approved for commercial sale and ~~anticipates~~ **anticipate** that ~~it~~ **we** will incur substantial net losses in the future. We are a clinical- stage biopharmaceutical company, ~~has~~ **have** no cellular therapeutics approved for commercial sale, ~~has~~ **have** not generated any revenue from cellular therapeutic sales to date, ~~generates~~ **generate** limited revenues from our degenerative disease and biobanking businesses, and will continue to incur significant research and development and other expenses related to ~~its~~ **our** ongoing operations. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential therapeutic candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval and become commercially viable. As a result, we are not profitable and ~~has~~ **have** incurred net losses in each period since our inception. We reported net **income of $ 14. 2 million and a net** ~~losses~~ -- **loss** of $ 100. 1 million **for** ~~and $ 208. 2 million~~ the years ended December 31, **2022 and** 2021 ~~and 2020~~, respectively. **We** ~~As of December 31, 2021, we~~ had an accumulated deficit of $ ~~663~~ **645** . ~~7~~ **5** million **at December 31, 2022** . We expect to incur significant expenditures for the foreseeable future, and we expect these expenditures to increase as we continue our research and development of, and seeks regulatory approvals for, cellular therapeutic candidates based on our four placental- derived allogeneic cell types: CAR- T cells, unmodified NK cells, genetically modified NK cells, and ~~ASCs~~ **MLASCs** . Even if we succeed in commercializing one or more of ~~its~~ **our** therapeutic candidates, we will continue to incur substantial research and development and other expenditures to develop and market additional therapeutic candidates **. In addition, we expect to incur costs in relation to our anticipated biomaterials product ramp- up to support our expansion outside of the United States with an initial focus on markets in the Middle East and North Africa** . We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue from our cellular therapeutic candidates. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital ~~S.Bankruptcy Code~~ .We will need substantial additional financing to develop our therapeutics and implement our operating plans.If we fail to obtain additional financing,we may be unable to complete the development and commercialization of our therapeutic candidates.We expect to spend a substantial amount of capital in the development and manufacture of our therapeutic candidates.We will need substantial additional financing to develop our therapeutics and implement our operating plans.In particular,we will require substantial additional financing to enable commercial production of our therapeutics and initiate and complete registration trials for multiple cellular therapeutics.Further,if approved,we will require significant additional amounts in order to launch and commercialize our therapeutic candidates.As of December 31, ~~2022~~ **2021** ,we had $ ~~14~~ **37** .0 million in cash and cash equivalents.We will need to raise additional capital to implement our plans.Further,changing circumstances may cause us to consume capital 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 also need to raise a large amount of capital sooner than currently anticipated if we choose to expand more rapidly than our present plans.In any event,we will require additional capital for the further development and commercialization of our therapeutic candidates,including funding our internal manufacturing capabilities and growth of our degenerative disease business.We cannot be certain that additional funding will be available on acceptable terms,or at all.We have no committed source of additional capital and if we are unable to raise additional capital in sufficient amounts or on terms acceptable to us,we may have to significantly delay,scale back or discontinue the development or commercialization of our therapeutic candidates or other research and development initiatives.Our license agreements may also be terminated if we are unable to meet the payment obligations under the agreements,including our license from Sorrento.We could be required to seek collaborators for our therapeutic candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available or relinquish or license on unfavorable terms our rights to our therapeutic candidates in markets where we otherwise would seek to pursue development or commercialization ourself.Any of the above events could significantly harm our business,prospects,financial condition and results of operations and cause the price of **our securities to decline** . Our placental- derived cellular therapy candidates represent a novel approach to cancer, infectious and degenerative disease treatments that creates significant challenges. We are developing a pipeline of allogeneic cellular therapeutic candidates that are derived from healthy, full- term, human donor placentas, and in certain cases, are genetically modified. Allogeneic cells are intended to be " off- the- shelf " for use in any patient. Advancing these novel therapeutic candidates creates significant challenges, including: • manufacturing cellular therapeutic candidates to ~~its~~ **our** and regulatory specifications and in a timely manner to support ~~its~~ **our** clinical trials, and, if approved, commercialization; • biosourcing placentas and other materials and supplies for the manufacture of ~~its~~ **our** therapeutic candidates; • any variability in placental- derived cells, or a higher- rejection rate, which could ultimately affect ~~its~~ **our** ability to produce therapeutics in a reliable and consistent manner and treat certain patients; • educating medical personnel regarding the potential advantages and potential disadvantages such as the side effect profile of ~~its~~ **our** therapeutics, if approved, such as the potential adverse side

effects related to GvHD, cytokine release syndrome, or CRS, neurotoxicity, prolonged cytopenia and neutropenic sepsis; • using medicines to manage adverse side effects of our therapeutic candidates that may not adequately control the side effects and / or may have a detrimental impact on the efficacy of the treatment; • obtaining regulatory approval, as the FDA, and other regulatory authorities have limited experience with development of allogeneic cell therapies for cancer, infectious and degenerative diseases; and • establishing sales and marketing capabilities for ~~its~~ **our** therapeutic portfolio upon obtaining any regulatory approval to gain market acceptance of a novel therapy. ~~Our historical operating results indicate substantial doubt exists related to its ability to continue as a going concern. We have incurred net losses and used significant cash in operating activities since inception. We have an accumulated deficit of approximately $ 663. 7 million and have cash and, cash equivalents and restricted cash of $ 52. 1 million as of December 31, 2021. These factors raise substantial doubt about our ability to continue as a going concern and satisfying our estimated liquidity needs 12 months from the issuance of the financial statements. If we continue to experience operating losses, and we are not able to generate additional liquidity through a capital raise or other cash infusion, we might need to secure additional sources of funds, which may or may not be available to it. Additionally, a failure to generate additional liquidity could negatively impact our ability to operate our business.~~ The gene- editing technology we use is relatively new, and if we are unable to use this technology in our intended therapeutic candidates, our revenue opportunities will be materially limited. We use gene editing techniques to modify certain of the placental- derived cell types. We use these technologies to either reduce the risk of toxicity or improve the potential for efficacy. These technologies are relatively new, and may not be shown to be effective at achieving the expected effect in clinical studies, or may be associated with safety issues, either in our clinical development programs or those of others using these novel technologies. Any issues with the novel gene editing technologies, even if not experienced by us, could negatively affect our development programs. For instance, the genetic modifications may create unintended changes to the DNA **,** such as a non- target site gene- editing, a large deletion, or a DNA translocation, any of which could lead to unwanted side- effects. The gene- editing of our therapeutic candidates may also not be successful in limiting the risk of GvHD or thrombosis or in increasing affinity. Some competitors in the allogeneic cell therapy space and more broadly in the gene therapy space have had clinical trials put on hold by the FDA. Based on findings in those clinical trials, the FDA may request additional testing, request different types of testing or even substantially revise the methodology used to evaluate clinical trials for other companies pursuing similar therapeutic avenues. We cannot control the actions of our competitors, cannot influence the results of their clinical trials and cannot know how FDA may react to a specific fact pattern arising in another clinical trial. Additional testing, different types of testing or a revised regulatory approach may delay our clinical trials, increase costs in our trials or otherwise preclude our trial from being given permission to proceed absent substantial time, effort and resources on our part. **For example, in the first quarter of 2022, we submitted an IND to investigate CYCART- 19 for treatment of B- cell malignancies and in late May 2022, received formal written communication from FDA requesting additional information before we can proceed with the planned Phase 1 / 2 clinical trial. We are in the process of working with the FDA in an effort to resolve its questions.** In addition, the gene- editing industry is rapidly developing, and our competitors may introduce new technologies that render the technologies that we employ for our therapeutic candidates obsolete or less attractive. New technology could emerge at any point in the development cycle of ~~its~~ **our** therapeutic candidates. As competitors use or develop new technologies, any failures of such technology could adversely impact our programs. We also may be placed at a competitive disadvantage, and competitive pressures may force ~~it~~ **us** to implement new technologies at a substantial cost. In addition, our competitors may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before we can. We cannot be certain that we will be able to implement technologies on a timely basis or at an acceptable cost. If we are unable to maintain technological advancements consistent with industry standards, ~~its~~ **our** operations and financial condition may be adversely affected . Our business could be materially adversely..... monitor the COVID- 19 situation closely . We rely on CAR- T viral vectors from Sorrento Therapeutics, Inc. for our CYCART- 19 therapeutic candidate and termination of this license, or any future licenses, could result in the loss of significant rights, which would harm our business. We are dependent on patents, know- how and proprietary technology, both our own and licensed from others. In order to modify the placental- derived T cells to produce our CAR- T cell line, and our CYCART- 19 therapeutic candidate, we use retroviral technology licensed from, and supplied by, Sorrento. ~~Celularity~~ **We** ~~depends~~ **depend** substantially on our license agreement with Sorrento. This license may be terminated by Sorrento for our uncured material breach. Any termination of this license could result in the loss of significant rights and could harm our ability to commercialize CYCART- 19, and any future therapeutic candidates that use the licensed CAR construct. To the extent that obligations under this license agreement are not met, we may lose the benefits of the Sorrento license agreement and the CAR construct we use for CYCART- 19. Further, we would need an additional license from Sorrento or access to other CAR construct technology to research and develop therapeutic candidates directed at targets not covered by our existing agreement with Sorrento. In addition, the Sorrento CAR- T retroviral technology may fail to produce viable therapeutic candidates. If we were to obtain approval of CYCART- 19, there is no assurance that Sorrento would be able to supply sufficient viral vectors for commercial- scale manufacturing. If the agreement with Sorrento was terminated or we required other technology, such a license or technology may not be available to us on reasonable terms, or at all, particularly given the limited number of alternative technologies in the market. See Item 1 " Business — Licensing Agreements — Sorrento Therapeutics, Inc. " for more information regarding the license from Sorrento. **On February 13, 2023, Sorrento announced that it commenced voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. At this time, we cannot predict what impact the bankruptcy will have on Sorrento' s continued ability to perform under the license agreement.** We also use other gene editing technology for the other cellular therapeutics in our pipeline. While certain of these technologies are available from multiple commercial vendors, were any of these vendors to refuse to supply us, it could negatively impact our development of our modified NK cells and ~~ASCs~~ **MLASCs** , which depend on genetic modification to achieve the intended

clinical benefits. Moreover, some gene editing technology that is currently available without license, could become patented or proprietary to a third party. If we are unable to obtain a license on commercially reasonable terms when needed, we could be forced to redesign our cellular therapeutics and or stop development. Any of these occurrences could have a material adverse effect on our business prospects. Disputes may also arise between us and our current and future licensors regarding intellectual property subject to a license agreement, including those related to: • the scope of rights granted under the license agreement and other interpretation- related issues; • whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; • our right to sublicense patent and other rights to third parties under collaborative development relationships; • our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of ~~its~~ **our** therapeutic candidates, and what activities satisfy those diligence obligations; and • the ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensors and us and our partners. If disputes over intellectual property that we have licensed, or may license in the future, prevent or impair ~~its~~ **our** ability to maintain ~~its~~ **our** licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected therapeutic candidates. We are generally also subject to all of the same risks with respect to protection of intellectual property that our licenses, as it is for intellectual property that we own, which are described below. If we or our current and future licensors fail to adequately protect this intellectual property, our ability to commercialize products could suffer. Our therapeutic candidates are based on novel technologies, which makes it difficult to predict the time and cost of therapeutic candidate development and obtaining regulatory approval. We have concentrated our research, development and manufacturing efforts on our placental- derived allogeneic T cell, NK cell and **MLASC therapeutic candidates** ~~mesenchymal- like stromal cell types~~ , and our future success depends on the successful development of ~~this~~ **these** therapeutic ~~approach~~ **approaches** . We have developed our Celularity IMPACT platform, which covers biosourcing through manufacturing of cryopacked cells, and continues to invest in optimizing and improving ~~its~~ **our** technologies. There can be no assurance that any development problems we experience in the future will not cause significant delays or unanticipated costs, or that such development problems can be overcome. We may also experience delays in scaling ~~its~~ **our** manufacturing process when appropriate for commercialization, which may prevent us from completing our clinical studies or commercializing our therapeutics on a timely or profitable basis, if at all. In addition, as we are in the early stages of clinical development, we do not know the doses to be evaluated in pivotal trials or, if approved, commercially. Finding a suitable dose for our cell therapeutic candidates may delay our anticipated clinical development timelines. In addition, our expectations with regard to our scalability and costs of manufacturing may vary significantly as we develop our therapeutic candidates and understands these critical factors. The clinical study requirements of the FDA, European Medicines Agency, and other regulatory agencies and the criteria these regulators use to determine the safety and efficacy of a therapeutic candidate are determined according to the type, complexity, novelty and intended use and market of the potential therapeutics. The regulatory approval process for novel therapeutics candidates such as ours can be more complex and consequently more expensive and take longer than for other, better known or extensively studied pharmaceutical or other therapeutic candidates. In addition, under guidelines issued by the NIH, gene therapy clinical trials are also subject to review and oversight by an IBC, a local institutional committee that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at that institution. Before a clinical trial can begin at any institution, that institution' s IRB, and its IBC assesses the safety of the research and identifies any potential risk to public health or the environment. While the NIH guidelines are not mandatory unless the research in question is being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH guidelines voluntarily follow them. While we expect reduced variability in ~~its~~ **our** allogeneic cell therapeutic candidates compared to autologous products, we do not have significant clinical data supporting any benefit of lower variability and the use of healthy donor full- term placentas, and related screening requirements, may create separate variability challenges. More generally, approvals by any regulatory agency may not be indicative of what any other regulatory agency may require for approval or what such regulatory agencies may require for approval in connection with new therapeutic candidates. Moreover, our therapeutic candidates may not perform successfully in clinical trials or may be associated with adverse events that distinguish them from the autologous therapies that have previously been approved. For instance, allogeneic T cell therapeutic candidates may result in GvHD not experienced with autologous T cell products. While we have modified our CAR- T cell candidate to attempt to address this concern, CYCART- 19 may still be associated with GvHD and may not be effective in clinical trials. Even if we collect promising initial clinical data of our therapeutic candidates, longer- term data may reveal new adverse events or responses that are not durable. Unexpected clinical outcomes would significantly impact our business. Our business is highly dependent on the success of our lead therapeutic candidates. If we are unable to obtain approval for our lead candidates and effectively commercialize our lead therapeutic candidates for the treatment of patients in approved indications, our business would be significantly harmed. Our business and future success depends on our ability to obtain regulatory approval of, and then successfully commercialize, our most advanced therapeutic candidates, including CYCART- 19, **CYCART- 201,** CYNK- 001, CYNK- ~~101~~ **301, CYNK- 302** , APPL- 001 and ~~PDA~~ **pEXO** - ~~002~~ **001** . Because these placental- derived allogeneic cells are among the first allogeneic placental- derived cell therapies to be evaluated in the clinic, the failure of any such therapeutic candidate, or the failure of other allogeneic cell therapies, may impede our ability to develop our therapeutic candidates, and significantly influence physicians' and regulators' opinions in regards to the viability of our entire pipeline of placental- derived allogeneic cell therapies, particularly if high or uncontrolled rates of GvHD or other adverse events are observed. If significant adverse events are observed with the administration of ~~its~~ **our** therapeutic candidates, or if any of the therapeutic candidates is viewed as less safe or effective than autologous therapies, ~~its~~ **our** ability to develop other placental- derived allogeneic therapies may be significantly harmed. All of our therapeutic candidates, including our lead therapeutic candidates, will require additional clinical and non- clinical development, regulatory review and approval in multiple jurisdictions, substantial investment, scaled

commercial manufacturing capacity and significant marketing efforts before we can generate any revenue from sales of our cellular therapeutics. In addition, because our therapeutic candidates are all based on a similar process, our Celularity IMPACT platform, if any of the lead therapeutic candidates encounters safety or efficacy problems, manufacturing problems, developmental delays, regulatory issues or other problems, our development plans and business for our therapeutics pipeline would be significantly harmed. Our therapeutic candidates may cause undesirable side effects or have other properties that could halt our clinical development, prevent our regulatory approval, limit our commercial potential or result in significant negative consequences. Undesirable or unacceptable side effects caused by our therapeutic candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign regulatory authorities. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Approved autologous cell therapies and those under development have shown frequent rates of CRS and neurotoxicity, and adverse events have resulted in the death of patients. Certain of our therapeutic candidates, such as CYCART- 19, **CYCART- 201,** CYNK- ~~101~~ **301, CYNK- 302** and APPL- 001 undergo genetic engineering. As these are novel technologies, errors may occur or may not present until used in humans in the clinic, and could cause adverse events. While we believe that placental- derived cells, including our use of NK cells and ~~ASCs~~ **MLASCs** , have an inherent safety profile that may limit adverse events, there can be no assurance that this is the case as these are novel therapeutics. As we continue to evolve our placental- derived therapeutic programs, we may need to halt or modify development of certain candidates as a result of adverse events. For example, in designing APPL- 001, we made certain modifications and adjustments, including a genetic modification due to an increased risk of thrombosis observed in a Phase 1 clinical trial of a **legacy** placental- derived **MLASC** ~~cell therapeutic~~ done at Celgene Cellular Therapeutics. In any of our ongoing or planned clinical trials, patients may experience severe adverse events related to our allogeneic cell therapeutic candidates, some of which may result in death. If unacceptable toxicities arise in the development of our therapeutic candidates, we could suspend or terminate our trials or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of our therapeutic candidates for any or all targeted indications. The data safety monitoring board may also suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk, including risks inferred from other unrelated immunotherapy trials. Treatment- related side effects could also affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff, as toxicities resulting from cell therapy are not normally encountered in the general patient population and by medical personnel. Any of these occurrences may harm our business, financial condition and prospects significantly. Our clinical trials may fail to demonstrate the safety and efficacy of any of our therapeutic candidates, which would prevent or delay regulatory approval and commercialization. Before obtaining regulatory approvals for the commercial sale of our cell therapeutic candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our therapeutic candidates are both safe and effective for use in each target indication. Clinical testing is expensive and can take many years to complete, and our outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our therapeutic candidates may not be predictive of the results of later- stage clinical trials, including in any post- approval studies. There is typically an extremely high rate of attrition from the failure of therapeutic candidates proceeding through clinical trials. Therapeutic candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy, insufficient durability of efficacy or unacceptable safety issues, notwithstanding promising results in earlier trials. Most therapeutic candidates that commence clinical trials are never approved as therapeutics. In addition, for ongoing and any future trials that may be completed, we cannot guarantee that the FDA or foreign regulatory authorities will interpret the results as we do, **including, for example, any re- analysis of legacy data that we perform,** and more trials could be required before we submit our therapeutic candidates for approval. To the extent that the results of the trials are not satisfactory to the FDA or foreign regulatory authorities for support of a marketing application, approval of our therapeutic candidates may be significantly delayed, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our therapeutic candidates. Initial, interim and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data. From time to time, we may publish initial, interim or preliminary data from our clinical studies. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data previously published. As a result, initial, interim and preliminary data should be viewed with caution until the final data are available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. We may not be able to submit INDs to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit such trials to proceed. We plan to submit INDs for additional therapeutic candidates in the future ~~,~~ including ~~two~~ **one** planned in ~~2022~~ **2023** for ~~CYCART- 19 and~~ - **an** ~~APPL- 001~~ **extracellular matrix biomaterials product candidate** . We cannot be certain that submission of an IND or IND amendment will result in the FDA allowing testing and clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate such clinical trials **. For example, we submitted an IND for CYCART- 19 for the treatment of B- cell malignancies in 2022, and we continue to work with FDA to resolve its questions as promptly as possible, which we must do before initiating clinical trials under this IND** . The manufacturing of allogeneic cell therapies remains an emerging and evolving field. Accordingly, we expect chemistry, manufacturing and control related topics, including product specification, will

be a focus of IND reviews, which may delay the clearance of INDs. Additionally, even if FDA permits the initiation of the clinical trials set forth in an IND or clinical trial application, we cannot guarantee that FDA will not change our requirements in the future. We may encounter substantial delays in our clinical trials or may not be able to conduct our trials on the timelines we expect. Clinical testing is expensive, time consuming and subject to uncertainty. We cannot guarantee that any clinical studies will be conducted as planned or completed on schedule, if at all. Even if our trials begin as planned, issues may arise that could cause us or relevant regulatory authorities to suspend or terminate such clinical trials. A failure of one or more clinical studies can occur at any stage of testing, and ~~its~~ **our** future clinical studies may not be successful. Events that may prevent successful or timely completion of clinical development include: • inability to generate sufficient preclinical, toxicology or other in vivo or in vitro data to support the initiation of clinical studies; • delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for clinical trials; • difficulty sourcing healthy full- term donor placentas of sufficient quality and in sufficient quantity to meet our development needs; • delays in developing suitable assays for screening patients for eligibility for trials with respect to certain therapeutic candidates; • delays in reaching a consensus with regulatory agencies on study design; • delays in reaching agreement on acceptable terms with prospective contract research organizations, or CROs, 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 in obtaining required IRB approval at each clinical study site; • imposition of a temporary or permanent clinical hold by regulatory agencies for a number of reasons; • delays in patient recruitment, and or difficulty collaborating with patient groups and investigators, or other issues involving patient, such as completing participation or return for post- treatment follow- up, or dropping- out; • failure by our CROs, other third parties or us to adhere to clinical study requirements; • failure to perform in accordance with the FDA' s ~~good clinical practice, or~~ GCP ~~,~~ requirements or applicable regulatory guidelines in other countries; • issues with manufacturing of cellular therapeutics, including delays in manufacturing, testing, releasing, validating sufficient stable quantities of our therapeutic candidates for use in clinical studies or the inability to do any of the foregoing; • occurrence of adverse events associated with the therapeutic candidate that are viewed to outweigh its potential benefits; • changes in regulatory requirements and guidance that require amending or submitting new clinical protocols; • changes in the standard of care on which a clinical development plan was based, which may require new or additional trials; • the cost of clinical studies of our therapeutic candidates being greater than we anticipate; • negative or inconclusive results from clinical studies, which may result in us deciding, or regulators requiring us, to conduct additional clinical studies or abandon development programs; and • delays or failure to secure supply agreements with suitable raw material suppliers, or any failures by suppliers to meet its quantity or quality requirements for necessary raw materials. The ongoing COVID- 19 pandemic, including the resurgence of cases relating to the spread of the **newly emerging** ~~Delta and Omicron~~ variants, or future pandemics, may also increase the risk of certain of the events described above and delay our development timelines. For example, in early 2020 and again in mid **-** 2021, we experienced delays in enrolling ~~its~~ **our** Phase 1 clinical trial of CYNK- 001 for AML as a result of the pandemic. Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair ~~its~~ **our** ability to generate revenue. In addition, if we make manufacturing or formulation changes to our therapeutic candidates, we may be required to, or we may elect to conduct additional studies to bridge our modified candidates to earlier versions or may need to conduct additional studies on newly discovered candidates. Clinical study delays could also shorten any periods during which our therapeutics have patent protection and may allow our competitors to bring cell therapies to market before we do, which could impair ~~its~~ **our** ability to successfully commercialize our therapeutic candidates and may harm our business and results of operations .Our business could be materially adversely affected by the effects of health pandemics or epidemics,including the ongoing COVID- 19 pandemic and future outbreaks of the disease,in regions where we or third parties on which we relies have concentrations of clinical trial sites or other business operations.Our business could be materially adversely affected by the effects of health pandemics or epidemics,including the ongoing COVID- 19 pandemic and future outbreaks of the disease.For example,enrollment in clinical trials of CYNK- 001 for AML was delayed due to the COVID- 19 outbreak.Additionally,our ability to collect healthy,full- term donor placentas was limited during the height of the COVID- 19 pandemic in New Jersey and the tri- state area as hospital resources were diverted.Although we have reopened our offices and employees have transitioned back to working on site,there is a lack of uniformity of restrictions and requirements among ~~our~~ **its** clinical trial sites,and future shelter- in- place or similar type restrictions could be reimposed,and once again,hospital personnel may not pursue donor consents.We are now also subject to risk of outbreaks at our facilities,and potential exposure to employee claims regarding workplace safety,and unanticipated shutdowns or quarantines could be imposed in the future,which would disrupt our operations.This uncertainty and the evolving nature of policies and restrictions,may negatively impact productivity,disrupt our business and further delay clinical programs and timelines,the magnitude of which will depend,in part,on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course,which could negatively impact our business,operating results and financial condition.The spread of COVID- 19,which has caused a broad impact globally,may materially affect us economically.While the potential economic impact brought by,and the duration of,the COVID- 19 pandemic,may be difficult to assess or predict,it has resulted in significant disruption of global financial markets.This disruption,if sustained or recurrent,could make it more difficult for us to access capital,which could in the future negatively affect our liquidity.In addition,a recession or market correction resulting from the spread of COVID- 19 could materially affect our business and the value of our Class A common stock.The global COVID- 19 pandemic continues to evolve,and ~~our~~ **its** ultimate impact or that of any similar health pandemic or epidemic is highly uncertain.We do not yet know the full extent of potential delays or impacts on our business,our planned and ongoing clinical trials,the hospitals and healthcare systems or the global economy as a whole.These effects could have a material impact on our operations,and we will continue to monitor the COVID- 19 situation closely . Monitoring and managing toxicities in patients receiving therapeutic candidates is challenging, which could adversely affect our ability to obtain regulatory approval and commercialize our therapeutic candidates. We expect to contract with

academic medical centers and hospitals experienced in the assessment and management of toxicities arising during clinical trials to monitor patients for GvHD (for CYCART- 19), in addition to more generally monitoring patients for adverse events who participate in ~~its~~ **our** clinical trials. Even with these procedures in place, these centers and hospitals may have difficulty observing patients and treating toxicities or any other adverse events, which could lead to more severe or prolonged toxicities or even patient deaths. If there are any serious issues with GvHD or any other unanticipated events, it could result in us or the FDA delaying, suspending or terminating one or more of our clinical trials, which could jeopardize regulatory approval of our therapeutic candidates. Moreover, to the extent our cellular therapies are used outside of hospitals or medical centers, and upon any approval if our therapies are made more widely available on a commercial basis, it may become even more difficult to observe and manage adverse events. Moreover, medicines used at centers to help manage adverse side effects of our therapeutic candidates, such as any GvHD, may not adequately control the side effects and / or may have a detrimental impact on the efficacy of the treatment. Clinical trials are expensive, time- consuming and difficult to design and implement. Human clinical trials are expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. Because our allogeneic placental- derived cell therapeutic candidates are based on new technologies and will require the creation of inventory of mass- produced, off- the- shelf therapeutics, we expect that they will require extensive research and development and have substantial manufacturing and processing costs. In addition, costs to treat patients with certain cancers or other targeted indications, including treating any potential side effects, could be significant. Accordingly, ~~its~~ **our** clinical trial costs for ~~its~~ **our** cellular therapeutic candidates are likely to be significantly higher than for more conventional therapeutic technologies or drug products. If we fail to develop additional therapeutic candidates, our commercial opportunity will be limited. One of our core strategies is to pursue clinical development of additional therapeutic candidates beyond our initial ~~five~~ **seven** key programs, CYCART- 19, **CYCART- 201,** CYNK- 001, CYNK- ~~101~~ **301, CYNK- 302** , APPL- 001 and ~~PDA~~ **pEXO** - ~~002~~ **001** , and to expand beyond the initial six indications targeted. Developing, obtaining regulatory approval and commercializing additional cell therapeutic candidates will require substantial additional funding and is prone to the risks of failure inherent in medical product development. We cannot provide ~~you~~ any assurance that we will be able to successfully advance any of these additional therapeutic candidates through the development process. Even if we receive FDA approval to market these or additional therapeutic candidates, we cannot assure any such therapeutic candidates will be successfully commercialized, widely accepted in the marketplace or more effective than other commercially available alternatives. If we are unable to successfully develop and commercialize additional therapeutic candidates, our commercial opportunity will be limited. Moreover, a failure in obtaining regulatory approval of additional therapeutic candidates may have a negative effect on the approval process of any other, or result in losing approval of any approved, therapeutic candidate. **Our recent organizational changes and cost cutting measures may not be successful. In November 2022 and January 2023, we implemented reduction- in- force affecting a majority of our workforce. The objective of this workforce reduction was to realign our workforce to meet our needs in light of the results we received in clinical trials and the ongoing evaluation of clinical development plans. However, these restructuring and cost cutting activities may yield unintended consequences and costs, such as attrition beyond our intended reduction- in- force, a reduction in morale among our remaining employees, and the risk we may not achieve the anticipated benefits of the such reduction- in- force measure, all of which may have an adverse effect on our results of operations or financial condition. In addition, while positions have been eliminated, certain functions necessary to our reduced operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. We may also discover the reductions in workforce and cost cutting measures will make it difficult for us to resume development activities we have suspended or pursue new initiatives, requiring us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. As a result of the loss of services of substantially all of our personnel, including several of our executive officers, we may be unable to continue our operations and meet our ongoing obligations. Any of these unintended consequences may have a material adverse impact on our business, financial condition, and results of operations.** We operate our own manufacturing and storage facility, which requires significant resources; manufacturing or other failures could adversely affect ~~its~~ **our** clinical trials and the commercial viability of our therapeutic candidates and our biobanking and degenerative diseases businesses. We have a purpose- built facility located in Florham Park, New Jersey, where we process healthy full- term donor placentas for use in cell therapy and tissue products and operate our biobanking business. While we have experience managing the process for our research and existing clinical trial needs, we may not be able to mass- produce off- the- shelf placental- derived allogeneic cellular therapeutics to satisfy demands for any of our therapeutic candidates as we expand into later stage clinical trials, or for commercial production post- approval. While we believe the manufacturing and processing approaches are appropriate to support our current needs and that we have a scalable process and have secured appropriate supply from various third- parties, including Sorrento, we cannot be sure that our scaled process will result in allogeneic cells that will be safe and effective. Further, our manufacturing and storage facility, including for our biobanking and degenerative disease businesses, must comply with ~~current good manufacturing practices, or cGMPs~~ **cGMP** , which ~~include~~ **includes** , ~~if~~ **as** applicable, the FDA' s current GTPs for the use of human cellular and tissue products. Accordingly, we are subject to ongoing periodic unannounced inspection by the FDA and other governmental agencies to ensure strict compliance with ~~cGMPs~~ **cGMP** , including GTPs as applicable, and other government regulations. The manufacture of biopharmaceutical products is complex and requires significant expertise, including the development of advanced manufacturing techniques and process controls. Manufacturers of cell therapy products often encounter difficulties in production, particularly in scaling out and validating initial production and ensuring the absence of contamination. These problems include difficulties with production costs and yields, quality control, including stability of the product, quality assurance testing, operator error, shortages of qualified personnel, as well as compliance with strictly enforced federal, state and foreign regulations. The application of new regulatory guidelines or parameters, such as those related to release testing, may also adversely affect our ability to manufacture our therapeutic

candidates. Furthermore, if contaminants are discovered in our supply of therapeutic candidates or in the manufacturing facilities, such supply may have to be discarded and our manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We cannot assure any stability or other issues relating to the manufacture of our therapeutic candidates will not occur in the future. We or any other of our vendors may fail to manage the logistics of storing and shipping our raw materials, including donor placentas. Storage failures and shipment delays and problems caused by us, our vendors or other factors not in our control, such as weather, health pandemics or epidemics, could result in the inability to manufacture therapeutics, the loss of usable therapeutics or prevent or delay the delivery of therapeutic candidates to patients and clinical trial sites. We may also experience manufacturing difficulties due to resource constraints or as a result of labor disputes. If we were to encounter any of these difficulties, our ability to provide ~~its~~ **our** therapeutic candidates to patients would be jeopardized. We currently have no cellular therapeutics marketing sales force. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our therapeutic candidates once approved, we may not be able to generate product revenue. We currently have no sales, marketing or distribution capabilities and, as a company, have no experience in marketing cellular therapeutics as our current sales force is limited to our degenerative disease and biobanking businesses. We intend to develop an in- house specialized marketing organization and sales force for our cellular therapeutic candidates, if such candidates receive regulatory approval, which will require significant expenditures, management resources and time. We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel. If we are unable or decide not to establish internal sales, marketing and distribution capabilities for our cellular therapeutics once approved, we will pursue collaborative arrangements regarding the sales and marketing of cellular therapeutics; however, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive from the sale of cellular therapeutics will depend upon the efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties and our revenue from therapeutic sales may be lower than if we had commercialized our therapeutic candidates directly, as we do for our degenerative disease products and biobanking business. We also face competition in our search for third parties to assist us with the sales and marketing efforts of our therapeutic candidates. There can be no assurance that we will be able to develop in- house sales and distribution capabilities or establish or maintain relationships with third- party collaborators to commercialize any therapeutic that receives regulatory approval in the United States or in other markets. A variety of risks associated with conducting research and clinical trials abroad and marketing our therapeutic candidates internationally could materially adversely affect ~~its~~ **our** business. We plan to globally develop our therapeutic candidates **and market our degenerative disease products outside the United States** . Accordingly, we expect that we will be subject to additional risks related to operating in foreign countries, including: • differing regulatory requirements in foreign countries; • unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements; • differing standards for the conduct of clinical trials; • increased difficulties in managing the logistics and transportation of storing and shipping therapeutic candidates **or biomaterials** produced in the United States and shipping the therapeutic candidate to the patient abroad, which may necessitate local or regional manufacture, including the need to source healthy full- term donor placentas outside the United States; • import and export requirements and restrictions, including as they pertain to donor placentas and human tissue collection and manufacture; • economic weakness, including inflation, or political instability in particular foreign economies and markets; • compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; • foreign taxes, including withholding of payroll taxes; • foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; • difficulties staffing and managing foreign operations; • workforce uncertainty in countries where labor unrest is more common than in the United States; • differing payor reimbursement regimes, governmental payors or patient self- pay systems, and price controls; • potential liability under the FCPA or comparable foreign regulations; • challenges enforcing ~~its~~ **our** contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States; • production shortages resulting from any events affecting raw material supply, including obtaining sufficient donor placentas, and other issues with manufacturing abroad; and • business interruptions resulting from the COVID- 19 pandemic or other natural or man- made disasters, including earthquakes, tsunamis, fires or other medical epidemics, or geo- political actions, including war and terrorism. These and other risks associated with ~~its~~ **our** international operations may materially adversely affect ~~its~~ **our** ability to attain or maintain profitable operations. Because we have multiple programs and therapeutic candidates in our development pipeline and are pursuing a variety of target indications, we may expend our limited resources to pursue a particular therapeutic candidate and fail to capitalize on development opportunities or therapeutic candidates that may be more profitable or for which there is a greater likelihood of success. We are focused on the development of cellular therapeutic candidates, targeting indications across cancer, infectious and degenerative diseases. Because we have limited financial and personnel resources, we may forgo or delay pursuit of opportunities with potential target indications or therapeutic candidates that later prove to have greater commercial potential than our current and planned development programs and therapeutic candidates. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and other future therapeutic candidates for specific indications may not yield any commercially viable future therapeutic candidates. If we do not accurately evaluate the commercial potential or target market for a particular therapeutic candidate, we may be required to relinquish valuable rights to that therapeutic candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such future therapeutic candidates. We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively. The biopharmaceutical industry is characterized by intense competition and rapid innovation. Our competitors may be able to

develop other compounds ~~or ,~~ drugs **or biomaterials** that are able to achieve similar or better results. Our potential competitors for our cellular therapeutics **and biomaterials** include major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies and universities and other research institutions. Many of our competitors have substantially greater financial, technical and other resources, such as larger research and development staff and experienced marketing and manufacturing organizations and well- established sales forces. Smaller or early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated in our competitors. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors, either alone or with collaborative partners, may succeed in developing, acquiring or licensing on an exclusive basis drug or biologic products that are more effective, safer, more easily commercialized or less costly than our therapeutic candidates or may develop proprietary technologies or secure patent protection that ~~Celularity~~ **we** may need for the development of ~~its~~ **our** technologies and products. Even if we obtain regulatory approval of our therapeutic candidates, the availability and price of our competitors' products could limit the demand and the price we are able to charge for our therapeutic candidates. We may not be able to implement ~~its~~ **our** business plan if the acceptance of our therapeutic candidates is inhibited by price competition or the reluctance of physicians to switch from existing methods of treatment to our therapeutic candidates, or if physicians switch to other new drug or biologic products or choose to reserve our therapeutic candidates for use in limited circumstances. For additional information regarding ~~its~~ **our** competition, see the section entitled " Business — Competition. " We are highly dependent on our key personnel, and if we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy. Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon ~~its~~ **our** ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, scientific and medical personnel, including our Founder and Chief Executive Officer, Robert Hariri, M. D., Ph. D., our ~~President, Andrew Pecora, M. D., and our~~ Chief Operating Officer, ~~John Haines~~ **Brad Glover, Ph. D. and our Chief Medical Officer, Adrian Kilcoyne, MD** . The loss of the services of any of our executive officers, other key employees, and other scientific and medical advisors, and our inability to find suitable replacements could result in delays in product development and harm our business ~~. For example, in June 2021, our Chief Scientific Officer, retired and we have not yet replaced her and, there is no assurance that we will be able to find an appropriate officer to fill the role quickly or at all~~ . We conduct substantially all of our operations at our facilities in New Jersey. This region is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel in our market is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. Despite efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment on short notice. Although we have employment agreements with our key employees, these employment agreements provide for at- will employment, which means that any of our employees could leave employment at any time, with or without notice. We do not maintain " key person " insurance policies on the lives of these individuals or the lives of any of our other employees. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid- level and senior managers as well as junior, mid- level and senior scientific and medical personnel. We ~~will need to continue to grow the size of our organization, and we~~ may experience difficulties in managing ~~this~~ **the** growth **of our business** . As of December 31, ~~2021~~ **2022** , we had 225 full- time employees and ~~143~~ **35** non- employee leased workers. As our development and commercialization plans and strategies ~~develop~~ **developed** , and as we ~~operate~~ **began operations** as a public company following the Business Combination, we ~~have~~ expanded our employee base and expect to add managerial, operational, sales, research and development, marketing, financial and other personnel **. Subsequently, in November 2022 and January 2023, we implemented reduction- in- force affecting a majority of our workforce as part of reprioritization efforts to achieve our strategic objectives** . Current and future growth imposes significant added responsibilities on members of management, including: • identifying, recruiting, integrating, maintaining and motivating additional employees; • managing our internal development efforts effectively, including the clinical and FDA review process for our therapeutic candidates, while complying with our contractual obligations to contractors and other third parties; and • improving our operational, financial and management controls, reporting systems and procedures. Our future financial performance and our ability to commercialize our therapeutic candidates will depend, in part, on our ability to effectively manage our growth, and our management may also have to divert a disproportionate amount of attention away from day- to- day activities in order to devote a substantial amount of time to managing these growth activities. If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop, manufacture and commercialize our therapeutic candidates and, accordingly, may not achieve our research, development, manufacturing and commercialization goals. We may form or seek strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements. We may form or seek strategic alliances, create joint ventures or collaborations or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our therapeutic candidates and any future therapeutic candidates that we may develop. Any of these relationships may require us to incur non- recurring and other charges, increase our near and long- term expenditures, issue securities that dilute stockholders or disrupt our management and business. We licensed certain intellectual property back to Celgene in connection with the Anthrogenesis acquisition. Given the broad scope of the license, Celgene could use our intellectual property to develop therapeutics that compete with us in the CAR field. Additionally, we have continuing obligations to Celgene under the CVR Agreement, under which we may be required to make certain payments to Celgene with respect to certain of our therapeutics, including CYNK- 001 ~~and~~ **,** CYNK- ~~101~~ **301 and CYNK- 302** . Our payment obligations to Celgene under the CVR Agreement may limit our ability to partner such assets, were

we choose to do so. See Item 1 " Business — Our Team and Corporate History — Celgene Corporation " for more information regarding the Celgene relationship. In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time- consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our therapeutic candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our therapeutic candidates as having the requisite potential to demonstrate safety and efficacy. Any delays in entering into new strategic partnership agreements related to our therapeutic candidates could delay the development and commercialization of our therapeutic candidates in certain geographies for certain indications, which would harm ~~its~~ **our** business prospects, financial condition and results of operations. We have in the past and in the future will continue to explore entering into new strategic alliances, collaborations, and licensing arrangements with third parties related to non- core areas. Such arrangements are entered into based on information available at the relevant time, and may not lead to long- term collaborations after initial research and development is conducted. We are party to certain agreements, and may in the future enter into new agreements, that contain non- competes or otherwise restrict our ability to operate in a particular field. Further, disputes may arise under our current or future strategic alliances, collaborations, or other agreements or arrangements that include grants of intellectual property rights to or from us, or payments related thereto, including disagreements over scope of rights granted, proprietary rights, payment obligations, contract interpretation or the preferred course of research, development or commercialization. As a result of such disagreements, we may be required to pay additional amounts, there may be a reduction or delay in amounts payable to us, or there may be delays in research, development or commercialization activities, or termination of the arrangements, which could adversely impact our business and operations. If we license products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture. We cannot be certain that, following a strategic transaction or license, we will achieve the results, revenue or specific net income that justifies such transaction. We may not realize the benefits of acquired assets or other strategic transactions. We actively evaluate various strategic transactions on an ongoing basis. We may acquire other businesses, products or technologies as well as pursue joint ventures or investments in complementary businesses. The success of ~~its~~ **our** strategic transactions, including our license with Sorrento, and any future strategic transactions depends on the risks and uncertainties involved, including: • unanticipated liabilities related to acquired companies or joint ventures; • difficulties integrating acquired personnel, technologies and operations into ~~its~~ **our** existing business; • retention of key employees; • diversion of management time and focus from operating our business to management of strategic alliances or joint ventures or acquisition integration challenges; • increases in our expenses and reductions in ~~its~~ **our** cash available for operations and other uses; • disruption in our relationships with collaborators or suppliers as a result of such a transaction; and • possible write- offs or impairment charges relating to acquired businesses or joint ventures. If any of these risks or uncertainties occur, we may not realize the anticipated benefit of any acquisition or strategic transaction. Additionally, foreign acquisitions and joint ventures are subject to additional risks, including those related to integration of operations across different cultures and languages, currency risks, potentially adverse tax consequences of overseas operations and the particular economic, political and regulatory risks associated with specific countries. Future acquisitions or dispositions could result in potentially dilutive issuances of ~~its~~ **our** equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write- offs of goodwill, any of which could harm ~~its~~ **our** financial condition . We will need substantial additional financing..... the price of our securities to decline . Our internal computer systems, or those used by our CROs, collaborators or other contractors or consultants, may fail or suffer security breaches. Our internal computer systems and those of our CROs, collaborators, and other contractors or consultants are vulnerable to damage from computer viruses, unauthorized access, cybersecurity threats, and telecommunication and electrical failures **. Cyber- attacks, denial- of- service attacks, ransomware attacks, business email compromises, computer malware, viruses, and social engineering (including phishing) continue to increase generally. Accordingly, if our cybersecurity measures or those of our service providers fail to protect against unauthorized access, attacks (which may include sophisticated cyberattacks), compromise or the mishandling of data by our employees or contractors, then our reputation, customer trust, business, results of operations and financial condition could be adversely affected. Cyber incidents have been increasing in sophistication and can include third parties gaining access to sensitive data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, and other deliberate attacks and attempts to gain unauthorized access. The techniques used to sabotage or to obtain unauthorized access to our internal computer systems in which data is stored or through which data is transmitted change frequently, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. Because the techniques used by threat actors who may attempt to penetrate and sabotage our computer systems change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques** . While we have not experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach in our systems or infrastructure (including provided by third party vendors) were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our therapeutic candidates could be delayed. In addition, our increased reliance on personnel working from home could increase our cybersecurity risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business. As an early- stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences, and may not have the resources to allocate to such efforts. Changes in funding for the FDA and other

government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new therapeutics and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal functions on which the operation of our business may rely, which could negatively impact our business. The ability of the FDA to review and approve new therapeutics can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept payment of user fees, statutory, regulatory and policy changes, and business disruptions, such as those caused by the COVID- 19 pandemic. Average review times at the agency have fluctuated in recent years as a result. In addition, funding of government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new biologics to be reviewed and / or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U. S. government has shut down several times and certain regulatory agencies, such as the FDA has had to furlough critical employees and stop critical activities. In addition, since March 2020 when foreign and domestic inspections of facilities were largely placed on hold as a result of the COVID- 19 pandemic, the FDA has been working to resume **pre-pandemic levels of inspection activities, including** routine surveillance, bioresearch monitoring and pre- approval inspections ~~on a prioritized basis. Since April 2021, the FDA has conducted limited inspections and employed remote interactive evaluations, using risk management methods, to meet user fee commitments and goal dates~~ . Should **the** FDA determine that an inspection is necessary for approval and an inspection cannot be completed during the review cycle due to restrictions on travel, and the FDA does not determine a remote interactive evaluation to be adequate, the agency has stated that it generally intends to issue, depending on the circumstances, a complete response letter or defer action on the application until an inspection can be completed. During the COVID- 19 public health emergency, a number of companies announced receipt of complete response letters due to the FDA' s inability to complete required inspections for their applications. Regulatory authorities outside the U. S. may adopt similar restrictions or other policy measures in response to the ongoing COVID- 19 pandemic and may experience delays in their regulatory activities. If a prolonged government shutdown or disruption occurs, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations. Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses. In addition to the business disruptions and clinical trial delays caused by the COVID- 19 pandemic described above, our operations, and those of our CROs and other contractors and consultants, could be subject to other disruptions, including those caused by power shortages, telecommunications failures, water shortages, floods, hurricanes, tornadoes, fires, earthquakes, extreme weather conditions, medical epidemics and other natural or man- made disasters or business interruptions. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. Our ability to manufacture our therapeutic candidates could be disrupted if our operations or those of our suppliers are affected by a man-made or natural disaster or other business interruption. Moreover, because our core operations are concentrated at our purpose-built facility in Florham Park, New Jersey, any disruptions at this site, if prolonged, could materially harm our business and prospects. If we do not obtain and maintain federal and state licenses and registrations required for our current and future operations, our ability to generate revenue will be limited. The health care industry is subject to stringent regulation by a wide range of authorities. Accordingly, our business requires us to maintain certain licenses, registrations, permits, authorizations, approvals, certifications, accreditations and other types of federal, state, and local governmental permissions and to comply with various regulations in every jurisdiction in which we operate. For example, we are required to maintain licenses and registrations in several states, and have obtained biologics, tissue bank and blood bank licenses, permits and registrations in states where such licensure is required for us to market and support our products and services. ~~Celularity~~ **We** also ~~maintains~~ **maintain** an annual registration with the FDA as a tissue bank, and national accreditation by the American Association of Blood Banks. The failure to comply with such licensure requirements can result in enforcement actions, including the revocation or suspension of the licenses, registrations or accreditations, or subject ~~Celularity~~ **us** to plans of correction, monitoring, civil money penalties, civil injunctive action and / or criminal penalties. While we believe that, given our current and proposed business, we are not presently required to obtain additional licenses or registrations to market our products or services, we cannot predict whether additional regulatory approval will be required in the future and, if so, whether such approval will at such time be obtained, whether for the stem cells and / or any other services that we are developing or may attempt to develop. Our failure to obtain and maintain required federal and state licenses and registration will limit our ability to generate revenue. Our relationships with customers, physicians, and third- party payors are subject to numerous laws and regulations. If we or our employees, independent contractors, consultants, commercial partners and vendors violate these laws, we could face substantial penalties. We operate in a highly ~~-~~regulated industry, and our relationships with customers, physicians, and third- party payors are subject to numerous laws and regulations. See the section entitled " Business — Government Regulation and Product Approval ~~-~~ **– Other U. S. Healthcare Laws and Compliance Requirements** ". Healthcare providers, physicians and third- party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any therapeutic candidates for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third- party payors, customers, and others may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may impact, among other things, our clinical research and development programs, as well as our proposed and future sales, marketing and education programs for our cellular therapeutics, as well as the sales and marketing of our degenerative disease products and biobanking business. In particular, the promotion, sales and marketing of healthcare items and services is subject to extensive laws and regulations designed to prevent fraud, kickbacks, self- dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion,

sales commission, customer incentive and other business arrangements. We may also be subject to federal, state and foreign laws governing the privacy and security of identifiable patient information. Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available, it is possible that some of our business activities, or our arrangements with physicians, some of whom may receive stock options as compensation for service on our scientific advisory board, could be subject to challenge under one or more of such laws. If we or our employees, independent contractors, consultants, commercial partners and vendors violate these laws, we may be subject to investigations, enforcement actions or significant penalties. We have adopted a code of business conduct and ethics, but it is not always possible to identify and deter employee misconduct or business noncompliance, and the precautions we take to detect and prevent inappropriate conduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourself or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant penalties and corrective measures, any of which could adversely affect our ability to operate our business and our results of operations. In addition, the approval and commercialization of any of our therapeutic candidates or our degenerative disease products outside the United States will also likely subject us to an additional overlay of foreign equivalents of the healthcare laws, among other foreign laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies often scrutinize interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource- consuming and can divert a company' s attention from the business. The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record- keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products. ~~Data~~ **Our** collection **, use, processing, and cross- border transfer of personal information, including individually identifiable health information,** is governed by restrictive regulations ~~governing the use, processing, and cross- border transfer of personal information; and our use of data relating to personal identifier information and personal health information of U. S. citizens is restricted~~ . Our business is broadly regulated by U. S. and foreign regulatory authorities, and we **must comply** ~~have both regulatory and contractual obligations~~ with ~~respect to such~~ **all applicable rules and** ~~regulatory~~ **regulations** ~~authorities~~ concerning ~~the~~ **our use, processing,** handling, maintenance, and protection of ~~data~~ **personal information. In the U. S., HIPAA imposes requirements at the federal level** relating to ~~personal~~ **the privacy, security and transmission of individually** ~~identifier~~ - **identifiable** ~~information and personal~~ health information ~~of U. S. citizens. Further~~ , **while individual states** ~~the collection and use of personal data in the European Union, are governed by the General Data Protection Regulation, or GDPR. Other jurisdictions~~ , such as California **and Virginia** , **have adopted** ~~are adopting additional~~ privacy regulations restricting the use of personal information and providing individuals certain rights with respect to ~~their~~ -- **the collection and** ~~data or notices regarding~~ use of their data. See Item 1 " Business — ~~Government Regulation~~ **Other U. S. Healthcare Laws** and ~~Product Approval~~ **Compliance Requirements** " **for more information regarding U** . **S. privacy** ~~Failure to comply with the requirements of the GDPR~~ and ~~the applicable national~~ data protection laws **. Further, the collection and use of personal information in Europe is governed by the EU' s General Data Protection Regulation and the United Kingdom' s implementation of the same, or the GDPR. Failure to comply with the requirements of the GDPR and other applicable data protection laws** of the EU member states **and the United Kingdom,** or other **applicable** privacy rules and regulations **in other countries,** may result in significant fines and other administrative penalties. We may be required to put in place additional mechanisms to **comply** ~~ensure compliance~~ with ~~the new~~ **current and future privacy and** data protection ~~rules~~ **regulations applicable to our business** . This ~~may be onerous and~~ may interrupt or delay our development activities ~~,~~ and **/ or require us to change our business practices, which could** adversely affect ~~its~~ **our** business, financial condition, results of operations and prospects ~~. As our business progresses, these privacy regulations may significantly impact our business activities and exemplifies the vulnerability of our business to evolving regulatory environment related to personal data and protected health information~~ . If product liability lawsuits are brought against ~~it~~ **us** , we may incur substantial liabilities and may be required to limit commercialization of ~~its~~ **our** therapeutic candidates. We face an inherent risk of product liability as a result of the clinical testing of our therapeutic candidates and will face an even greater risk if we commercialize any cellular therapeutics, in addition to the risks from the sale of our degenerative disease products. For example, we may be sued if our therapeutic candidates or degenerative disease products cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the therapeutic or product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our therapeutic candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in a number of adverse effects, any of which could materially harm our financial condition and results of operations. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of therapeutics we develop, alone or with corporate collaborators, or negatively impact our degenerative disease business. Our insurance policies may also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. While we

have obtained and expect to obtain clinical trial insurance for our clinical trials, we may have to pay amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise. Risks Related to Our Reliance on Third Parties We rely and will continue to rely on third parties to conduct our clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval of, or commercialize, our therapeutic candidates. We depend and will continue to depend upon independent investigators and collaborators, such as universities, medical institutions, CROs and strategic partners to conduct our preclinical and clinical trials. We negotiate budgets and contracts with CROs and study sites, which may result in delays to our development timelines and increased costs. We will rely heavily on these third parties over the course of our clinical trials, and we control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with applicable protocol, legal, regulatory and scientific standards, and our reliance on third parties does not relieve us of our regulatory responsibilities. We and these third parties are required to comply with GCPs, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for therapeutic candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties fail to comply with applicable GCP regulations, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, such regulatory authorities will determine that any of ~~its~~ **our** clinical trials comply with the GCP regulations. In addition, our clinical trials must be conducted with ~~biologic~~ **biological** product produced under ~~cGMPs~~ **cGMP** and will require a large number of test patients. Our failure or any failure by these third parties to comply with these regulations or to recruit a sufficient number of patients may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws. Any third parties conducting our clinical trials are not and will not be our employees and, except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our ongoing preclinical, clinical and nonclinical programs. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical studies or other drug development activities, which could affect their performance. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize ~~its~~ **our** therapeutic candidates. As a result, our financial results and the commercial prospects for our therapeutic candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed. If any of our relationships with trial sites, or any CRO that we may use in the future, terminates, we may not be able to enter into arrangements with alternative trial sites or CROs or do so on commercially reasonable terms. Switching or adding third parties to conduct our clinical trials involves substantial cost and requires extensive management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays occur, which can materially impact **our** ~~Celularity's~~ ability to meet ~~its~~ **our** desired clinical development timelines. We rely on donors of healthy human full- term placentas to manufacture our therapeutic candidates, and if we do not obtain an adequate supply of such placentas from qualified donors, development of our placental- derived allogeneic cells may be adversely impacted. We are reliant on biosourcing healthy donor placentas to manufacture our therapeutic candidates, and on hospital personnel to obtain the necessary donor consent. Healthy donor placentas vary in type and quality, and this variation makes producing standardized therapeutic candidates more difficult and makes the development and commercialization pathway of our therapeutic candidates more uncertain. We have developed a process designed to enhance the quality and consistency of the placental- derived cells used in the manufacture of our three allogeneic cell types (CAR- T cells, NK cells and mesenchymal- like stromal cells), but our process may fail to identify suitable donors or detect all issues, and we may discover failures with the material after production. We may also have to update our specifications for new risks that may emerge, such as to screen for new viruses. We have strict specifications for donor material, which include specifications required by regulatory authorities and rely on informed donor consent. If we are unable to identify and obtain donor material that satisfy specifications, agree with regulatory authorities on appropriate specifications, incentivize hospital personnel to solicit consent to donation or address variability in donor placentas, there may be inconsistencies in the therapeutic candidates we produce or we may be unable to initiate or continue ongoing clinical trials on the timelines we expect, or scale up our manufacturing process for later- stage clinical trials or commercialization, which could harm our reputation and adversely impact our business and prospects. Cell- based therapies rely on the availability of specialty raw materials, which may not be available to us on acceptable terms or at all. Our therapeutic candidates require many specialty raw materials, including viral vectors that deliver the CAR sequence from Sorrento, and other raw materials, some of which are manufactured by small companies with limited resources and experience to support a commercial therapeutic, or to deliver raw materials to our specifications. Although we are currently negotiating a supply agreement with Sorrento, we generally do not have dedicated supply contracts with many of our suppliers, and we may not be able to contract with them on acceptable terms, or at all. Many suppliers curtailed their operations during the COVID- 19 pandemic and our ability to source raw materials has been impacted. Further, some of our suppliers may not be able to scale- up as we move to later- stage clinical trials or commercialization. Accordingly, we may experience delays in receiving, or fail to secure entirely, key raw materials to support clinical or commercial manufacturing. Certain raw materials also require third- party testing, and some of the testing service companies

may not have capacity or be able to conduct the testing that we request. We also face competition for supplies from other cell therapy companies. Such competition may make it difficult for us to secure raw materials or the testing of such materials on commercially reasonable terms or in a timely manner. Some raw materials are currently available from a single supplier, or a small number of suppliers. We cannot be sure that these suppliers will remain in business or that they will not be purchased by one of our competitors or another company that is not interested in continuing to produce these materials for our intended purpose. In addition, the lead time needed to establish a relationship with a new supplier can be lengthy, and we may experience delays in meeting demand in the event we must switch to a new supplier. The time and effort to qualify a new supplier, including to meet any regulatory requirements for such qualification, could result in additional costs, diversion of resources or reduced manufacturing yields, any of which would negatively impact our operating results. Further, we may be unable to enter into agreements with a new supplier on commercially reasonable terms, which could have a material adverse impact on our business. If we or third party suppliers acting on our behalf use hazardous, non- hazardous, biological or other materials in a manner that causes injury or violates applicable law, we may be liable for damages. Our research and development and manufacturing activities involve the controlled use of potentially hazardous substances, including chemical and biological materials. We are subject to federal, state and local laws and regulations in the United States governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe our procedures, as well as the procedures of our third party suppliers for using, handling, storing and disposing of these materials comply with legally prescribed standards, neither we nor our third party suppliers can completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations. Risks Related to Government Regulation The FDA regulatory approval process is lengthy and time- consuming, and we may experience significant delays in the clinical development and regulatory approval of our therapeutic candidates. The research, testing, manufacturing, labeling, approval, selling, import, export, marketing, and distribution of drug products, including biologics, are subject to extensive regulation by the FDA and other regulatory authorities in the United States. We are not permitted to market any biological drug product in the United States until we receive approval of a biologics license application, or BLA, from the FDA. We have not previously submitted a BLA to the FDA, or similar approval filings to comparable foreign authorities. A BLA must include extensive preclinical and clinical data and supporting information to establish the therapeutic candidate' s safety and effectiveness for each desired indication. The BLA must also include significant information regarding the chemistry, manufacturing and controls for the product. We expect the novel nature of our therapeutic candidates to create further challenges in obtaining regulatory approval. For example, the FDA has limited experience with commercial development of allogeneic cell therapies. We may also request regulatory approval of future therapeutic candidates by target, regardless of cancer type or origin, which the FDA may have difficulty accepting if our clinical trials only involved cancers of certain origins. The FDA may also require a panel of experts, referred to as an Advisory Committee, to deliberate on the adequacy of the safety and efficacy data to support licensure. The opinion of the Advisory Committee, although not binding, may have a significant impact on our ability to obtain licensure of the therapeutic candidates based on the completed clinical trials, as the FDA often adheres to the Advisory Committee' s recommendations. Accordingly, the regulatory approval pathway for our therapeutic candidates may be uncertain, complex, expensive and lengthy, and approval may not be obtained. We may also experience delays in completing planned clinical trials for a variety of reasons, including if physicians encounter unresolved ethical issues associated with enrolling patients in clinical trials of our therapeutic candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles. Further, a clinical trial may be suspended or terminated by us, the IRBs for the institutions in which such trials are being conducted or by the FDA or other regulatory authorities due to a number of factors. The FDA' s review of our data for ongoing clinical trials may, depending on the data, also result in the delay, suspension or termination of one or more of our clinical trials, which would also delay or prevent the initiation of our other planned clinical trials. If we experience termination of, or delays in the completion of, any clinical trial of our therapeutic candidates, the commercial prospects for our therapeutic candidates will be harmed, and our ability to generate revenue will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our development and approval process and jeopardize our ability to commence therapeutic sales and generate revenue. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may ultimately lead to the denial of regulatory approval of our therapeutic candidates. To the extent our Biovance and Interfyl products do not qualify for regulation as HCT / P solely under Section 361 of the PHSA, this could result in removal of these products from the market. In November 2017, the FDA released a guidance document entitled " Regulatory Considerations for Human Cells, Tissues, and Cellular and Tissue- Based Products: Minimal Manipulation and Homologous Use — Guidance for Industry and Food and Drug Administration Staff ", which it revised and reissued in July 2020. The document confirmed the FDA' s stance that sheet forms of amniotic tissue are appropriately regulated as solely Section 361 HCT / Ps when manufactured in accordance with 21 CFR Part 1271 and intended for use as a barrier or covering. However, wound healing is not a homologous use of amniotic tissue, and to the extent we make claims for Biovance and Interfyl, two products in our degenerative disease business, that extend beyond homologous use, we may be subject to FDA enforcement. The Guidance stated that the FDA ~~intends~~ **intended** to exercise enforcement discretion under limited conditions with respect to the IND application and pre- market approval requirements for certain HCT / Ps for a period that expired on May 31, 2021. The FDA' s approach is risk- based, and the Guidance clarified that high- risk products and uses could be subject to immediate enforcement action. New York has interpreted the Guidance such that it has restricted

the marketing of such products without BLA approval, notwithstanding the current exception in the Guidance, and other states may make similar determination, which would limit the market for such products until a BLA is approved. Amniotic tissue is generally eligible for regulation solely as a HCT / P under Section 361 of the PHSA depending on whether the specific product at issue and the claims made for it are consistent with the applicable FDA criteria for minimal manipulation and homologous use. HCT / Ps that do not meet these minimal manipulation and homologous use criteria are subject to more extensive regulation as drugs, medical devices, biological products, or combination products. Such HCT / Ps must comply with both the FDA' s requirements for HCT / Ps and the requirements applicable to biologics, devices or drugs, including pre- market clearance or approval from the FDA. We may need to either modify our claims or cease selling our Biovance and Interfyl products until the FDA approves a BLA, and then we will only be able to market such products for indications that have been approved in a BLA. The loss of our ability to market and sell these products would have an adverse impact on our revenues, business, financial condition and results of operations. In addition, we expect the cost to manufacture our products will increase due to the costs to comply with the requirements that apply to Section 351 biological products, such as current cGMP and ongoing product testing costs. Increased costs relating to regulatory compliance could have an adverse impact on our business, financial condition and results of operations. In addition, the FDA might, at some future point, modify its position on which current or future products qualify as Section 361 HCT / Ps. Any regulatory changes could have adverse consequences for us and make it more difficult or expensive for us to conduct our business by requiring pre- market clearance or approval and compliance with additional post- market regulatory requirements with respect to those products. It is also possible that the FDA could require us to recall our Biovance and Interfyl products. We expect the therapeutic candidates we develop will be regulated as biological products, or biologics, and ~~therefore~~ they may be subject to competition sooner than anticipated. The BPCIA, was enacted as part of the ~~Patient Protection and~~ Affordable Care Act ~~, as amended by the Health Care and Education Reconciliation Act of 2010, collectively, the Affordable Care Act,~~ to establish an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as " interchangeable " based on its similarity to an approved biologic. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the reference product was approved under a BLA. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement the BPCIA may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for ~~its~~ **our** biological products. We believe that any of the therapeutic candidates we develop that are approved in the United States as a biological product under a BLA should qualify for the 12- year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider the subject therapeutic candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of the reference products in a way that is similar to traditional generic substitution for non- biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing. The regulatory landscape that will govern our therapeutic candidates is uncertain; regulations relating to more established cellular therapy products are still developing, and changes in regulatory requirements could result in delays or discontinuation of development of our therapeutic candidates or unexpected costs in obtaining regulatory approval. Because we are developing novel cellular therapeutic candidates that are unique biological entities, the regulatory requirements that we will be subject to are not entirely clear. Regulatory requirements governing gene therapy products and cell therapy products have changed frequently and may continue to change in the future. Moreover, there is substantial, and sometimes uncoordinated, overlap in those responsible for regulation of existing gene therapy products and cell therapy products. Although the FDA decides whether individual therapy protocols may proceed, review process and determinations of other reviewing bodies can impede or delay the initiation of a clinical study, even if the FDA has reviewed the study and approved its initiation. Conversely, the FDA can place an IND application on clinical hold even if such other entities have provided a favorable review. Furthermore, each clinical trial must be reviewed and approved by an independent IRB at or servicing each institution at which a clinical trial will be conducted. In addition, adverse developments in clinical trials of gene or cell therapy products conducted by others may cause the FDA or other regulatory bodies to change the requirements for approval of any of our therapeutic candidates. Complex regulatory environments exist in other jurisdictions in which we might consider seeking regulatory approvals for our therapeutic candidates, further complicating the regulatory landscape. The various committees and advisory groups involved in regulatory review, and new or revised guidelines that they promulgate from time to time may lengthen the regulatory review process, require us to perform additional studies, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of our therapeutic candidates or lead to significant post- approval limitations or restrictions. Because the regulatory landscape for our placental- derived cell therapeutic candidates is new, we may face even more cumbersome and complex regulations than those for more traditional pharmaceutical or biological products. Furthermore, even if our therapeutic candidates obtain required regulatory approvals, such approvals may later be withdrawn as a result of changes in regulations or the interpretation of regulations by applicable regulatory agencies. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a potential therapeutic to market could decrease our ability to generate sufficient revenue to maintain our business. The FDA may disagree with our regulatory plan and we may fail to obtain regulatory approval of our cell therapeutic candidates. If we complete our planned and Phase 1 and Phase 1 / 2a clinical trials and obtain positive data, we expect to advance to potential registrational trials. The general approach for FDA approval of a new biologic or drug is for the sponsor to provide dispositive data from two well- controlled, Phase 3 clinical studies of the relevant biologic or drug in the relevant patient population. Phase 3 clinical studies typically involve hundreds of patients, have significant costs and take years to complete. If the results are sufficiently compelling, we

intend to discuss with the FDA submission of a BLA for the relevant therapeutic candidate. However, we do not have any agreement or guidance from the FDA that its regulatory development plans will be sufficient for submission of a BLA. For example, the FDA may require that we conduct a comparative trial against an approved therapy including potentially an approved autologous cell therapy, which would significantly delay our development timelines and require substantially more resources. In addition, the FDA may only allow us to evaluate patients that have failed or who are ineligible for autologous therapy, which are extremely difficult patients to treat and patients with advanced and aggressive cancer, and ~~its~~ **our** therapeutic candidates may fail to improve outcomes for such patients. If the FDA grants us accelerated approval based on Phase 1 / 2a clinical trial results, if and when such trials occur, as a condition for accelerated approval, the FDA may require us to perform post- marketing studies to verify and describe the predicted effect on irreversible morbidity or mortality or other clinical endpoint, and the drug or biologic may be subject to withdrawal procedures by the FDA **. However** , ~~but~~ the FDA may ultimately require a Phase 3 clinical trial prior to approval, particularly because our therapeutic candidates represent a novel treatment **methods** . In addition, the standard of care may change with the approval of new therapeutics in the same indications that we are studying. This may result in the FDA or other regulatory agencies requesting additional studies to **evaluate our** ~~show that its~~ therapeutic candidate **relative** ~~is superior~~ to ~~the new~~ **newly** ~~products~~ **approved therapeutics** . Our clinical trial results may also not support approval. In addition, our therapeutic candidates could fail to receive regulatory approval for many reasons, including the following: • the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials; • We may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that our therapeutic candidates are safe and effective for any of their proposed indications; • the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval, including due to the heterogeneity of patient populations; • We may be unable to demonstrate that our therapeutic candidates' clinical and other benefits outweigh their safety risks; • the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials; • the data collected from clinical trials of our therapeutic candidates may not be sufficient to the satisfaction of the FDA or comparable foreign regulatory authorities to support the submission of a BLA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the United States or elsewhere; • the FDA or comparable foreign regulatory authorities will review our manufacturing process and inspect our commercial manufacturing facility and may not approve our manufacturing process or facility; and • the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval. We plan to seek orphan drug designation for some or all of our therapeutic candidates across various indications, but we may be unable to obtain such designations or to maintain the benefits associated with orphan drug designation, including market exclusivity, which may cause our revenue, if any, to be reduced. Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and user- fee waivers. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process, but if a product that has orphan drug designation subsequently receives the first FDA approval of that particular product for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a BLA, to market the same biologic (meaning, a product with the same principal molecular structural features) for the same indication for seven years, except in limited circumstances. See the section entitled " Business — Government Regulation and Product Approval " for more information regarding orphan drug designation. Even though in April 2021, the FDA granted orphan drug designation to our non- genetically modified cryopreserved human placental hematopoietic stem cell- derived NK cell therapy, CYNK- 001, for the treatment of patients with malignant gliomas, **and, in February 2022, the FDA granted orphan drug designation to our investigational natural killer cell therapy, CYNK- 101, for the treatment of gastric / gastroesophageal junction cancer,** the FDA can still approve other biologics that do not have the same principal molecular structural features for use in treating the same indication or disease or the same biologic for a different indication or disease during the exclusivity period. Furthermore, the FDA can waive orphan exclusivity if we are unable to manufacture sufficient supply of our therapeutic or if a subsequent applicant demonstrates clinical superiority over our product. We plan to seek orphan drug designation for some or all of our therapeutic candidates in specific orphan indications in which there is a medically plausible basis for the use of these therapeutics. Even if we obtain orphan drug designation, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to assure sufficient quantities of the therapeutic to meet the needs of patients with the rare disease or condition, or if a subsequent applicant demonstrates clinical superiority over our therapeutics, if approved. We may not elect or be able to take advantage of any expedited development or regulatory review and approval processes available to therapeutic candidates granted breakthrough therapy or fast track designation by the FDA. We intend to evaluate and continue ongoing discussions with the FDA on regulatory strategies that could enable ~~it~~ **us** to take advantage of expedited development pathways for certain of our therapeutic candidates, although we cannot be certain that our therapeutic candidates will qualify for any expedited development pathways or that regulatory authorities will grant, or allow ~~it~~ **us** to maintain, the relevant qualifying designations. Potential expedited development pathways that we could pursue include breakthrough therapy and fast track designation. Breakthrough therapy designation is intended to expedite the development and review of therapeutic candidates that are designed to treat serious or life- threatening diseases when " preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. " The designation of a therapeutic candidate as a breakthrough therapy provides potential benefits that include more frequent meetings with FDA to discuss the development plan for the therapeutic candidate and ensure collection of appropriate data needed to support approval;

more frequent written correspondence from FDA about such things as the design of the proposed clinical trials and use of biomarkers; intensive guidance on an efficient drug development program, beginning as early as Phase 1; organizational commitment involving senior managers; and eligibility for rolling review and priority review. Fast track designation is designed for therapeutic candidates intended for the treatment of a serious or life- threatening disease or condition, where nonclinical or clinical data demonstrate the potential to address an unmet medical need for this disease or condition. Although we have received fast track designation for certain of ~~its~~ **our** cell therapy candidates, we may elect not to pursue either of breakthrough therapy or fast track designation for our other therapeutic candidates, and the FDA has broad discretion whether or not to grant these designations. Accordingly, even if we believe that a particular therapeutic candidate is eligible for breakthrough therapy or fast track designation, we cannot assure you that the FDA would decide to grant such designation. Breakthrough therapy designation and fast track designation do not change the standards for product approval, and there is no assurance that such designation or eligibility will result in expedited review or approval or that the approved indication will not be narrower than the indication covered by the breakthrough therapy designation or fast track designation. Thus, even if we do receive breakthrough therapy or fast track designation, **we** ~~the company~~ may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw breakthrough therapy or fast track designation if it believes that the product no longer meets the qualifying criteria. ~~our~~ **Our** business may be harmed if we are unable to avail ourself of these or any other expedited development and regulatory pathways. Obtaining and maintaining regulatory approval of our therapeutic candidates in one jurisdiction does not mean that we will be successful in obtaining regulatory approval of our therapeutic candidates in other jurisdictions. Obtaining and maintaining regulatory approval of our therapeutic candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval of a therapeutic candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the therapeutic candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical studies conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a therapeutic candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval. We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of therapeutic candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for it and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and / or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our therapeutic candidates will be harmed. Even if we receive regulatory approval of our therapeutic candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our therapeutic candidates. Any regulatory approvals that we receive for our therapeutic candidates will require surveillance to monitor the safety and efficacy of the therapeutic candidate. The FDA may also require a REMS in order to approve our therapeutic candidates, which could entail requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves our therapeutic candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our therapeutic candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post- marketing information and reports, registration, as well as continued compliance with ~~cGMPs~~ **cGMP** and current GCPs for any clinical trials that ~~Celularity~~ **we** ~~conducts~~ **conduct** post- approval, and compliance with applicable product tracking and tracing requirements. As such, we will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any BLA, other marketing application and previous responses to inspectional observations. Accordingly, we and others with whom we work with must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control. In addition, the FDA could require us to conduct another study to obtain additional safety or biomarker information. Further, we will be required to comply with FDA promotion and advertising rules, which include, among others, standards for direct- to- consumer advertising, restrictions on promoting products for uses or in patient populations that are not described in the product' s approved uses (known as " off- label use "), limitations on industry- sponsored scientific and educational activities and requirements for promotional activities involving the internet and social media. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off- label uses, and a company that is found to have improperly promoted off- label uses may be subject to significant liability. However, physicians may, in their independent medical judgment, prescribe legally available products for off- label uses. The FDA does not regulate the behavior of physicians in their choice of treatments, but the FDA does restrict manufacturer' s communications on the subject of off- label use of their products. Later discovery of previously unknown problems with our therapeutic candidates, including adverse events of unanticipated severity or frequency, or with our third- party suppliers, or our manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, imposition of post- market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

• restrictions on the marketing or manufacturing of our therapeutic candidates, withdrawal of the therapeutic from the market or

voluntary or mandatory product recalls; • fines, warning letters or holds on clinical trials; • refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals; • product seizure or detention, or refusal to permit the import or export of our therapeutic candidates; and • injunctions or the imposition of civil or criminal penalties. The FDA' s and other regulatory authorities' policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our therapeutic candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability. Negative public opinion and increased regulatory scrutiny of genetic research and therapies involving gene editing or modified cells may damage public perception of our therapeutic candidates or adversely affect ~~its~~ **our** ability to conduct ~~its~~ **our** business or obtain regulatory approvals for our therapeutic candidates. The gene- editing technologies that we use are novel. Public perception may be influenced by claims that gene editing is unsafe, and products incorporating gene editing may not gain the acceptance of the public or the medical community. In particular, our success will depend upon physicians specializing in our targeted diseases prescribing our therapeutic candidates as treatments in lieu of, or in addition to, existing, more familiar, treatments for which greater clinical data may be available. Any increase in negative perceptions of gene editing may result in fewer physicians prescribing our treatments or may reduce the willingness of patients to utilize our treatments or participate in clinical trials for our therapeutic candidates. In addition, given the novel nature of gene- editing and cell therapy technologies, governments may place import, export or other restrictions in order to retain control or limit the use of the technologies. Increased negative public opinion or more restrictive government regulations either in the United States or internationally, would have a negative effect on our business or financial condition and may delay or impair the development and commercialization of our therapeutic candidates or demand for such therapeutic candidates. Even if we obtain regulatory approval of our therapeutic candidates, the cell therapies may not gain market acceptance among physicians, patients, hospitals, cancer treatment centers and others in the medical community. The use of engineered placental- derived cells as a potential treatment is a recent development and may not become broadly accepted by physicians, patients, hospitals, cancer treatment centers and others in the medical community. We may not be able to educate these persons on the benefits of using our therapeutic candidates for many reasons. For example, certain of the therapeutic candidates that we will be developing target a cell surface marker that may be present on cancer cells as well as non- cancerous cells. It is possible that our therapeutic candidates may kill these non- cancerous cells, which may result in unacceptable side effects, including death. Additional factors will influence whether our therapeutic candidates are accepted in the market, including: • the clinical indications for which our therapeutic candidates are approved; • physicians, hospitals, cancer treatment centers and patients considering ~~its~~ **our** therapeutic candidates as a safe and effective treatment; • the potential and perceived advantages of our therapeutic candidates over alternative treatments; • the prevalence and severity of any side effects; • product labeling or product insert requirements of the FDA or other regulatory authorities; • limitations or warnings contained in the labeling approved by the FDA; • the timing of market introduction of our therapeutic candidates as well as competitive products; • the cost of treatment in relation to alternative treatments; • the availability of coverage and adequate reimbursement by third- party payors and government authorities; • the willingness of patients to pay out- of- pocket in the absence of coverage and adequate reimbursement by third- party payors and government authorities; • relative convenience and ease of administration, including as compared to alternative treatments and competitive therapies; and • the effectiveness of our sales and marketing efforts. If our therapeutic candidates are approved but fail to achieve market acceptance among physicians, patients, hospitals, cancer treatment centers or others in the medical community, we will not be able to generate significant revenue. Even if our cell therapies achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our therapeutics, are more cost effective or render our therapeutics obsolete. Coverage and reimbursement may be limited or unavailable in certain market segments for our therapeutic candidates, which could make it difficult for us to sell our cell therapies, if approved, profitably. Successful sales of our therapeutic candidates, if approved, depend on the availability of coverage and adequate reimbursement from third- party payors including governmental healthcare programs, such as Medicare and Medicaid, managed care organizations and commercial payors, among others. Significant uncertainty exists as to the coverage and reimbursement status of any therapeutic candidates for which we obtain regulatory approval. In addition, because our therapeutic candidates represent new approaches to the treatment of cancer, infectious and degenerative diseases, we cannot accurately estimate the potential revenue from our therapeutic candidates. **For more information on coverage and reimbursement requirements see the section entitled " Business — Government Regulation and Product Approval – Coverage, Pricing and Reimbursement. "** Patients who are provided medical treatment for their conditions generally rely on third- party payors to reimburse all or part of the costs associated with their treatment. Obtaining coverage and adequate reimbursement from third- party payors is critical to new product acceptance. Third- party payors decide which drugs and treatments they will cover and the amount of reimbursement. Reimbursement by a third- party payor may depend upon a number of factors, including, but not limited to, the third- party payor' s determination that use of a therapeutic is: • a covered benefit under our health plan; • safe, effective and medically necessary; • appropriate for the specific patient; • cost- effective; and • neither experimental nor investigational. Obtaining coverage and reimbursement of a therapeutic from a government or other third- party payor is a time- consuming and costly process that could require us to provide to the payor supporting scientific, clinical and cost- effectiveness data for the use of our therapeutics. Even if we obtain coverage for a given therapeutic, if the resulting reimbursement rates are insufficient, hospitals may not approve our therapeutic for use in their facility or third- party payors may require co- payments that patients find unacceptably high. Patients are unlikely to use our therapeutic candidates unless coverage is provided, and reimbursement is adequate to cover a significant portion of the cost of our therapeutic candidates. Separate reimbursement for

the therapeutic itself may or may not be available. Instead, the hospital or administering physician may be reimbursed only for providing the treatment or procedure in which our therapeutic is used. Further, from time to time, CMS revises the reimbursement systems used to reimburse health care providers, including the Medicare Physician Fee Schedule and Outpatient Prospective Payment System, which may result in reduced Medicare payments. In some cases, private third- party payors rely on all or portions of Medicare payment systems to determine payment rates. Changes to government healthcare programs that reduce payments under these programs may negatively impact payments from private third- party payors and reduce the willingness of physicians to use our therapeutic candidates. In the United States, no uniform policy of coverage and reimbursement for products exists among third- party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. Further, one payor' s determination to provide coverage for a product does not assure that other payors will also provide coverage for the product. Adequate third- party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development. We intend to seek approval to market our therapeutic candidates in both the United States and in selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for our therapeutic candidates, we will be subject to rules and regulations in those jurisdictions. In some foreign countries, particularly those in Europe, the pricing of biologics is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining marketing approval of a therapeutic candidate. Some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular therapeutic candidate to currently available therapies. Other EU member states allow companies to fix their own prices for medicines but monitor and control company profits. The downward pressure on health care costs has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross- border imports from low- priced markets exert a commercial pressure on pricing within a country. The marketability of any therapeutic candidates for which we receive regulatory approval for commercial sale may suffer if government and other third- party payors fail to provide coverage and adequate reimbursement. We expect downward pressure on pharmaceutical pricing to continue. Further, coverage policies and third- party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more therapeutics for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. The advancement of healthcare reform may negatively impact our ability to sell ~~its~~ **our** therapeutic candidates, if approved, profitably. Third- party payors, whether domestic or foreign, or governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our ability to sell our therapeutic candidates, if approved, profitably. Further legislation or regulation could be passed that could harm our business, financial condition and results of operations. See the section entitled " Business — Government Regulation and Product Approval **– Healthcare Reform** " for a discussion of these laws and regulations. There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our therapeutics. Such reforms could have an adverse effect on anticipated revenue from therapeutic candidates that we may successfully develop and for which we may obtain regulatory approval and may affect ~~its~~ **our** overall financial condition and ability to develop therapeutic candidates. In addition, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U. S. congressional inquiries and federal and state legislative activity designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient assistance programs, and reform government program reimbursement methodologies for drugs. Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. We cannot predict the initiatives that may be adopted in the future. Additionally, the continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and / or impose price controls may adversely affect: • the demand for our therapeutic candidates, if we obtain regulatory approval; • our ability to set a price that ~~it~~ **we** ~~believes~~ **believe** is fair for our therapeutics; • our ability to generate revenue and achieve or maintain profitability; • the level of taxes that we are required to pay; and • the availability of capital. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors, which may adversely affect our future profitability. Risks Related to Our Intellectual Property If our efforts to protect the proprietary nature of the intellectual property related to our technologies is not adequate, we may not be able to compete effectively in our market. As is the case with other biopharmaceutical companies, our success depends in large part on our ability to obtain and maintain protection of intellectual property. We rely upon a combination of patents, trade secret protection and license agreements to protect the intellectual property related to ~~its~~ **our** technologies. Any disclosure to or misappropriation by third parties of ~~its~~ **our** confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in our market. We have filed additional patent applications, and we anticipate additional patent applications will be filed in the future, both in the United States and in other countries, as appropriate. However, we cannot predict: • if and when patents will issue; • the degree and range of protection any issued patents will afford us against competitors, including whether third parties will find ways to invalidate or otherwise circumvent our patents; • whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications; or • whether we will need to initiate litigation or administrative proceedings, which may be costly whether we win or lose. Obtaining and enforcing biopharmaceutical patents is costly, time consuming and

complex, and we may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we may fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing and prosecution of patent applications licensed from third parties, or to maintain the rights to patents licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. We cannot be certain that the claims in our pending patent applications will be considered patentable by the United States Patent and Trademark Office, or USPTO, or by patent offices in foreign countries, or that the claims in any of our issued patents will be considered valid and enforceable by courts in the United States or foreign countries. The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. The patent applications that we own or in- license may fail to result in issued patents with claims that cover our therapeutic candidates or uses thereof in the United States or in other foreign countries. Even if the patents do successfully issue, third parties may challenge the patentability, validity, enforceability or scope thereof, which may result in such patents being canceled, narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect ~~its~~ **our** intellectual property or prevent others from designing their products to avoid being covered by our claims. If the breadth or strength of protection provided by the patents and patent applications we hold with respect to our therapeutic candidates is threatened, it could dissuade companies from collaborating with us to develop, and threaten our ability to commercialize, our therapeutic candidates. Further, if we encounter delays in our clinical trials, the period of time during which we could market our therapeutic candidates under patent protection would be reduced. Further, changes in U. S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products. Depending on decisions by the U. S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information. In addition to the protection afforded by patents, we seek to rely on trade secret protection and confidentiality agreements to protect proprietary know- how that is not patentable, processes for which patents are difficult to enforce and any other elements of our product discovery and development processes that involve proprietary know- how, information or technology that is not covered by patents. We take steps to protect our intellectual property and proprietary technology by entering into agreements, including confidentiality agreements, non- disclosure agreements and intellectual property assignment agreements, with our employees, consultants, corporate partners and, when needed, advisers. Trade secrets, however, may be difficult to protect. Monitoring unauthorized disclosure and detection of unauthorized disclosure is difficult, and we do not know whether the steps ~~it has~~ **we have** taken to prevent such disclosure are, or will be, adequate. If we were to enforce a claim that a third party had illegally obtained and was using our trade secrets, it would be expensive and time- consuming, and the outcome would be unpredictable. Although we require all of our employees to assign their inventions to us, and requires all of our employees and key consultants who have access to our proprietary know- how, information, or technology to enter into confidentiality agreements, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our confidential information or intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition. We may be subject to claims that ~~its~~ **our** employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties. We have received confidential and proprietary information from third parties. In addition, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants, advisors and independent contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that ~~the Company~~ **we or** ~~or~~ **our** ~~the Company' s~~ employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary or confidential information of these third parties or our employees' former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights and face increased competition to business. A loss of key research personnel work product could hamper or prevent our ability to commercialize potential technologies and solutions, which could harm our business. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management team and employees. In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Any of the foregoing could harm our business, financial condition, results of operations and prospects. Third- party claims of intellectual property infringement may prevent or delay our product discovery and development efforts and our ability to commercialize our therapeutic candidates. Our commercial success depends in part on us avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries. Numerous U. S. and foreign issued patents and pending patent applications, which

are owned by third parties, exist in the fields in which we are developing our therapeutic candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that ~~its~~ **our** therapeutic candidates may give rise to claims of infringement of the patent rights of others. Third parties may assert that we infringe their patents or are otherwise employing their proprietary technology without authorization and may sue. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our therapeutic candidates may be alleged to infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. If any third- party patents were held by a court of competent jurisdiction to cover the manufacturing process of our therapeutic candidates, constructs or molecules used in or formed during the manufacturing process, or any final therapeutic itself, the holders of any such patents may be able to block our ability to commercialize the therapeutic candidate unless we obtain a license under the applicable patents, or until such patents expire or they are finally determined to be held not infringed, unpatentable, invalid or unenforceable. Similarly, if any third- party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the therapeutic candidate unless we obtain a license or until such patent expires or is finally determined to be held not infringed, unpatentable, invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third- party patent on commercially reasonable terms, or at all, our ability to commercialize our therapeutic candidates may be impaired or delayed, which could in turn significantly harm our business. Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our therapeutic candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business and may impact our reputation. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need to obtain licenses from third parties to advance our research or allow commercialization of our therapeutic candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our therapeutic candidates, which could harm our business significantly. We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses. Presently, we have rights to the intellectual property, through licenses from third parties and under patent applications that we own or will own, that we believe will facilitate the development of our therapeutic candidates. In the future, we may identify third party intellectual property and technology that we may need to acquire or license in order to engage in ~~its~~ **our** business, including to develop or commercialize new technologies or services, and the growth of our business may depend in part on our ability to acquire, in- license or use this technology. We may be unable to acquire or in- license any third- party intellectual property rights from third parties that we identify. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, which would harm ~~its~~ **our** business. Even if we are able to obtain a license, we may be non- exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology. We may need to cease use of the compositions or methods covered by such third- party intellectual property rights to the extent we are unable to maintain our license with any such third- party licensors. The licensing and acquisition of third- party intellectual property rights is a competitive area, and companies, which may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third- party intellectual property rights that we may consider necessary or attractive in order to commercialize our therapeutic candidates. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. If such licenses are available, we may be required to pay the licensor in return for the use of such licensor' s technology, lump- sum payments, payments based on certain milestones such as sales volumes, or royalties based on sales. In addition, our licenses may also place restrictions on our future business opportunities. In spite of our best efforts, our licensors might conclude that we have materially breached our license agreements and might therefore terminate the license agreements, thereby removing our ability to develop and commercialize technology covered by these license agreements. If these licenses are terminated, or if the underlying intellectual property fails to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market products that use technologies identical to those licensed to us. This could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects. Additionally, termination of these agreements or reduction or elimination of our rights under these agreements, or restrictions on our ability to freely assign or sublicense our rights under such agreements when it is in the interest of our business to do so, may result in us having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology or impede, or delay or prohibit the further development or commercialization of one or more technologies that rely on such agreements. In addition to the above risks, intellectual property rights that may be licensed now or in the future could include sublicenses under intellectual property owned by third parties, in some cases through multiple tiers. The actions of our licensors may therefore affect our rights to use sublicensed intellectual property, even if we are in compliance with all of the obligations under ~~its~~ **our** license agreements. Should our licensors or any of the upstream licensors fail to comply with their obligations under the agreements pursuant to which they obtain the rights that are sublicensed to us, or should such agreements be terminated or amended, our ability to develop and commercialize therapeutic candidates may be materially harmed. Further, we

may not have the right to control the prosecution, maintenance and enforcement of all of our licensed and sublicensed intellectual property, and even when we do have such rights, we may require the cooperation of our licensors and upstream licensors, which may not be forthcoming. Our business could be adversely affected if we or our licensors are unable to prosecute, maintain and enforce licensed and sublicensed intellectual property effectively. Our licensors may have relied on third- party consultants or collaborators or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents and patent applications in- licensed. If other third parties have ownership rights to patents or patent applications in- licensed by us, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. Our business, financial condition, results of operations and prospects could be materially and adversely affected if we are unable to enter into necessary agreements on acceptable terms or at all, if any necessary licenses are subsequently terminated, if the licensors fail to abide by the terms of the licenses or fail to prevent infringement by third parties, or if the acquired or licensed patents or other rights are found to be invalid or unenforceable. Moreover, we could encounter delays in the introduction of services while we attempt to develop alternatives. Further, defense of any lawsuit or failure to obtain any of these licenses on favorable terms could prevent us from commercializing products, which could harm our business, financial condition, or results of operations and prospects. We may be involved in lawsuits or other legal proceedings to protect or enforce ~~its~~ **our** patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful. Competitors may infringe our patents or the patents of ~~its~~ **our** licensors or misappropriate or otherwise violate our intellectual property rights or the intellectual property rights of our licensors. In the future, we or our licensors may initiate legal proceedings to enforce or defend our intellectual property rights or the intellectual property rights of our licensors, to protect our trade secrets or the trade secrets of our licensors, or to determine the validity or scope of intellectual property rights we own or control. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time- consuming. Third parties may also initiate legal proceedings against us or our licensors to challenge the validity or scope of intellectual property rights we own, control or to which we have rights. In an infringement proceeding, a court may decide that one or more of our patents are not valid or are unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly and could put one or more of our pending patent applications at risk of not issuing. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. Additionally, many of our adversaries or adversaries of our licensors in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. Third- party pre- issuance submission of prior art to the USPTO, or opposition, derivation, revocation, reexamination, inter partes review or interference proceedings, or other pre- issuance or post- grant proceedings or other patent office proceedings or litigation in the United States or other jurisdictions provoked by third parties or brought by us or our licensors, may challenge or be necessary to determine the inventorship, priority, patentability or validity of inventions with respect to us or our licensor' s patents or patent applications. An unfavorable outcome could leave our technology or therapeutic candidates without patent protection, allow third parties to commercialize our technology or therapeutic candidates and compete directly with us, without payment to us, or could require us or our licensors to cease using the related technology or to obtain license rights from the prevailing party in order to be able to manufacture or commercialize our therapeutic candidates without infringing third- party patent rights. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Litigation or other legal proceedings may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. If the breadth or strength of protection provided by us or our licensor' s patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize therapeutic candidates. Moreover, the uncertainties associated with litigation could have a material adverse effect on **our** ~~Celularity' s~~ ability to raise the funds necessary to continue clinical trials, continue research programs, license necessary technology from third parties, or enter into collaborations. Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. Periodic maintenance fees on any issued patent are due to be paid to the USPTO, and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits,

non- payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business. The lives of our patents may not be sufficient to effectively protect our products and business. Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years after its first effective filing date. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our therapeutic candidates are obtained, once the patent life has expired for a product, we may be open to competition from biosimilar or generic medications. In addition, although upon issuance in the United States a patent' s life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. If our technologies require extended development and / or regulatory review, patents protecting our technologies might expire before or shortly after we are able to successfully commercialize them. If we do not have sufficient patent life to protect our products, our business and results of operations will be adversely affected. We or our licensors may be subject to claims challenging the inventorship of our patents and other intellectual property. We or our licensors may in the future be subject to claims that former employees, collaborators, or other third parties have an interest in our patents or other intellectual property as an inventor or co- inventor. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing ~~its~~ **our** therapeutic candidates. Litigation may be necessary to defend against these and other claims challenging inventorship. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on ~~its~~ **our** business. Even if we or our licensors are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. We may not be able to protect our intellectual property rights throughout the world. We may not be able to protect our intellectual property rights outside the United States. Filing, prosecuting and defending patents on therapeutic candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States, and even where such protection is nominally available, judicial and governmental enforcement of such intellectual property rights may be lacking. Whether filed in the United States or abroad, our patents and patent applications may be challenged or may fail to result in issued patents. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using its inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to other parties. Furthermore, many countries limit the enforceability of patents against other parties, including government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of any patents. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the misappropriation or other violations of our intellectual property rights including infringement of our patents in such countries. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that ~~it~~ **we** ~~initiates~~ **initiate**, or that are initiated against us, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technologies and the enforcement of intellectual property. Accordingly, our efforts to enforce ~~its~~ **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. Changes in patent law, including recent patent reform legislation, could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. Changes in either the patent laws or in interpretations of patent laws in the United States or other countries or regions may diminish the value of our intellectual property. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third party patents. We may not develop additional proprietary technologies that are patentable. Assuming that other requirements for patentability are met, prior to March 16, 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. On or after March 16, 2013, under the Leahy- Smith America Invents Act, or the America Invents Act, enacted on September 16, 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. A third party that files a patent application in the USPTO on or after March 16, 2013, but before us, could therefore be awarded a patent covering an invention of ours, even if we have made the invention before it was made by such third party. This will require us to be cognizant of the time from invention to filing of a patent application. Because patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (i) file any patent application related to our technology or (ii) invent any of the inventions claimed in us or our licensor' s patents or patent applications. The America Invents Act also includes a number of significant changes that affect

the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post- grant proceedings, including post- grant review, inter partes review and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our owned or in- licensed patent applications and the enforcement or defense of our owned or in- licensed issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, the patent position of companies in the biotechnology field is particularly uncertain. Various courts, including the United States Supreme Court have rendered decisions that affect the scope of patentability of certain inventions or discoveries relating to biotechnology. These decisions state, among other things, that a patent claim that recites an abstract idea, natural phenomenon or law of nature (for example, the relationship between particular genetic variants and cancer) are not themselves patentable. Precisely what constitutes a law of nature or abstract idea is uncertain, and it is possible that certain aspects of our technology could be considered natural laws. Accordingly, the evolving case law in the United States, and abroad, may adversely affect us and our licensor' s ability to obtain new patents or to enforce existing patents and may facilitate third party challenges to any owned or licensed patents. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain any competitive advantage. For example: • others may be able to make products that are similar to any therapeutic candidates we may develop or utilize similar technology that are not covered by the claims of the patents that we license or may own in the future; • we, or our, current or future collaborators, might not have been the first to make the inventions covered by the issued patents and pending patent applications that we license or may own in the future; • we, or our, current or future collaborators, might not have been the first to file patent applications covering certain of our intellectual property or our inventions; • others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights; • it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents; • issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors; • our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive therapeutics for sale in our major commercial markets; • we cannot ensure that any patents issued to us or our licensors will provide a basis for an exclusive market for our commercially viable therapeutic candidates or will provide us with any competitive advantages; • we cannot ensure that our commercial activities or therapeutic candidates will not infringe upon the patents of others; • we cannot ensure that we will be able to successfully commercialize our therapeutic candidates on a substantial scale, if approved, before the relevant patents that we own or licenses expire; • we cannot ensure that any of our patents, or any of our pending patent applications, if issued, or those of our licensors, will include claims having a scope sufficient to protect our therapeutic candidates; • we may not develop additional proprietary technologies that are patentable; • the patents or intellectual property rights of others may harm our business; and • we may choose not to file a patent application in order to maintain certain trade secrets or know- how, and a third party may subsequently file a patent covering such intellectual property. Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects. Risks Related to Ownership of Our Class A Common Stock There may not be an active trading market for our securities, which may make it difficult to sell shares of Class A ~~Common~~ **common** ~~Stock~~ **stock** . It is possible that an active trading market for our securities will not develop or, if developed, that any market will not be sustained. This would make it difficult for **us** to sell our securities at an attractive price or at all. The market price of our securities may be volatile, which could cause the value of an investment to decline. The price of our securities may fluctuate significantly due to general market and economic conditions. An active trading market for our securities may not develop or, if developed, it may not be sustained. In addition, fluctuations in the price of our securities could contribute to the loss of all or part of the investment in **us** ~~our company~~ . Even if an active market for our securities develops and continues, the trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include: • the realization of any of the risk factors presented in this annual report; • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us; • changes in the market' s expectations about our operating results; • our operating results failing to meet the expectation of securities analysts of investors in a particular period; • operating and share price performance of other companies that investors deem comparable to us; • the volume of shares of Class A common stock available for public sale; • future issuances, sales, resales or repurchases or anticipated issuances, sales, resales or repurchases of our securities; • the commencement, enrollment or results of our ongoing and planned clinical trials of our therapeutic candidates or any future clinical trials we may conduct, or changes in the development status of our therapeutic candidates; • our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial; • adverse results or delays in clinical trials; • any delay in our regulatory filings for our therapeutic candidates and any adverse development or perceived adverse development with respect to the applicable regulatory

authority' s review of such filings, including without limitation the FDA' s issuance of a " refusal to file " letter or a request for additional information; • our failure to commercialize our therapeutic candidates; • adverse regulatory decisions, including failure to receive regulatory approval of our therapeutic candidates; • changes in laws or regulations applicable to our therapeutic candidates, including but not limited to clinical trial requirements for approvals; • adverse developments concerning manufacturers or suppliers; • our inability to manufacture or obtain adequate supply for any approved therapeutic or inability to do so at acceptable prices; • our inability to establish collaborations if needed; • additions or departures of key scientific or management personnel; • unanticipated serious safety concerns related to cellular therapies; • introduction of new therapeutics or services offered by our competitors; • announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors; • our ability to effectively manage growth; • actual or anticipated variations in quarterly operating results; • our cash position; • our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public; • publication of research reports about us or our industry, or cellular therapy in particular, or positive or negative recommendations or withdrawal of research coverage by securities analysts; • changes in the structure of healthcare payment systems; • changes in the market valuations of similar companies; • overall performance of the equity markets; • speculation in the press or investment community; • sales of Class A common stock by us or our stockholders in the future; • the trading volume of our Class A common stock; • changes in accounting practices; • the ineffectiveness of our internal control over financial reporting; • disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain or maintain patent protection for ~~its~~ **our** technologies; • significant lawsuits, including patent or stockholder litigation; • general political and economic conditions, including health pandemics, such as COVID- 19; and • other events or factors, many of which are beyond our control. In addition, the stock market in general, and Nasdaq and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our Class A common stock, regardless of its actual operating performance. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company' s securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management' s attention and resources, which would harm our business, operating results or financial condition. We do not intend to pay cash dividends for the foreseeable future. We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any cash dividends in the foreseeable future. As a result, you may only receive a return on your investment in our Class A common stock if the trading price of your shares increases. **Our Class A common stock may be delisted from the Nasdaq and begin trading in the over- the- counter markets if we are not successful in regaining compliance with the Nasdaq' s continued listing standards, which may negatively impact the price of our common stock and our ability to access the capital markets. On March 14, 2023, we received notice from the Listing Qualifications department of the Nasdaq Stock Market LLC, or Nasdaq, notifying us that the we no longer comply with the minimum bid price requirement for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5450 (a) (1) because the closing bid price for our Class A common stock has fallen below $ 1. 00 per share for the last 30 consecutive business days. In accordance with Nasdaq Listing Rule 5810 (c) (3) (A), we have a period of 180 calendar days, or until September 11, 2023, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of our Class A common stock must meet or exceed $ 1. 00 per share for a minimum of 10 consecutive business days prior to September 11, 2023. If we do not regain compliance by September 11, 2023, we may be eligible for an additional 180- day grace period if we meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement. We intend to actively monitor the closing bid price of our Class A common stock and will evaluate available options to regain compliance with the minimum bid requirement. However,** ~~There~~ **there** can be no assurance that we will **regain compliance with the minimum bid requirement during the 180- day compliance period, secure a second period of 180 days to regain compliance, or maintain compliance with the other Nasdaq listing requirements. If we are not successful, or choose not to implement a reverse stock split, we anticipate that our securities would begin trading on the over- the- counter market. Delisting from Nasdaq and trading on the over- the- counter market could adversely affect the liquidity of our securities. Securities traded on the over- the- counter market generally have limited trading volume and exhibit a wider spread between the bid / ask quotation, as compared to securities listed on a national securities exchange. Consequently, you may not** be able to ~~comply with~~ **liquidate your investment in the event of an emergency or for any** ~~the~~ **other reason.** ~~continued listing standards of Nasdaq~~. If Nasdaq delists our securities from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant negative consequences including: • limited availability of market quotations for our securities; • a determination that the Class A common stock is a " penny stock " which will require brokers trading in the Class A common stock to adhere to more stringent rules; • possibly resulting in a reduced level of trading activity in the secondary trading market for shares of the Class A common stock; • a limited amount of analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. Future sales and issuances of our Class A common stock or rights to purchase common stock, including pursuant to our equity plans, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall. We expect that significant additional capital may be needed in the future to continue our planned operations, including conducting clinical trials, commercialization efforts, expanded research and development activities and costs associated with operating as a public company. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner ~~it~~ **we** ~~determines~~ **determine** from time to time. ~~we~~ **We** may also sell our common stock as part of entering into strategic alliances, creating joint ventures or collaborations or entering into additional licensing arrangements with third parties that we believe will complement

or augment our development and commercialization efforts. If we sell common stock, convertible securities or other equity securities, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to existing stockholders, and new investors could gain rights, preferences and privileges senior to the holders of our Class A common stock. Anti- takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our Class A common stock and may prevent or frustrate attempts by our stockholders to replace or remove ~~its~~ **our** current management. Our second amended and restated certificate of incorporation and our amended and restated bylaws adopted in connection with the completion of the Business Combination contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions include: • a board of directors divided into three classes serving staggered three- year terms, such that not all members of our board of directors will be elected at one time; • a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders; • a requirement that special meetings of stockholders be called only by the chairman of our board of directors, the chief executive officer, or by a majority of the total number of authorized directors; • advance notice requirements for stockholder proposals and nominations for election to our board of directors; • a requirement that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two- thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors; • a requirement of approval of not less than two- thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and • the authority of our board of directors to issue preferred stock on terms determined by the directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock. In addition, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, or DGCL, which may prohibit certain business combinations with stockholders owning 15 % or more of our outstanding voting stock. These anti- takeover provisions and other provisions in our charter and bylaws could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by the then- current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our Class A common stock to decline. Our charter provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our charter provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative claim or cause of action brought on our behalf; • any claim or cause of action for breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; • any claim or cause of action against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the DGCL, our charter or the bylaws; • any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our charter or bylaws; • any claim or cause of action as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and • any claim or cause of action against us or any of our directors, officers or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court' s having personal jurisdiction over the indispensable parties named as defendants. 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 U. S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our charter provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our charter. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. These exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with our company or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive- forum provision in our charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business. General Risk Factors Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price. The global credit and financial markets have experienced extreme volatility and disruptions in the past, most recently **including** as a result of the ongoing COVID- 19 pandemic **, and more recently, the failure of Silicon Valley Bank** . These disruptions can result in severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business

environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our operations, growth strategy, financial performance and stock price and could require it to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers may not survive an economic downturn, which could directly affect our ability to attain our operating goals on schedule and on budget. Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, and corresponding provisions of state law, if a corporation undergoes an " ownership change " (generally defined as a greater than 50 percentage point change (by value) in the equity ownership of certain stockholders over a rolling three- year period), **our** ~~the corporation' s~~ ability to use ~~its~~ **our** pre- change federal net operating loss, or NOL, carryforwards and other pre-change tax attributes to offset ~~its~~ **our** post- change income and taxes may be limited. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As of December 31, ~~2021~~ **2022**, we had approximately $ ~~72~~ **84**. ~~4~~ **6** million of U. S. federal and $ ~~15~~ **18**. ~~9~~ **2** million state NOL carryforwards, and these NOL carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our profitability. We anticipate incurring significant additional net losses for the foreseeable future, and our ability to utilize NOL carryforwards associated with any such losses to offset future taxable income may be limited to the extent we incur future ownership changes. In addition, at the state level, there may be periods during which the use of NOL carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, we may be unable to use all or a material portion of our NOL carryforwards and other tax attributes, which could adversely affect our future cash flows. Changes in tax law could adversely affect our business and financial condition. The rules dealing with U. S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the U. S. Internal Revenue Service and the U. S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our securities. In recent years, many such changes have been made and changes are likely to continue to occur in the future. Future changes in tax laws could have a material adverse effect on our business, cash flow, financial condition or results of operations. **For example, the IRA includes a 15 % corporate alternative minimum tax and a 1 % excise tax on share repurchases.** We urge investors to consult with their legal and tax advisers regarding the implications of changes in tax laws on an investment in our securities. ~~73~~ **Fluctuations in the cost and availability of raw materials, equipment, labor, and transportation could cause manufacturing delays or increase our costs. The price and availability of key components used to manufacture our products has been increasing and may continue to fluctuate significantly. In addition, the cost of labor internally or at our third- party manufacturers could increase significantly due to regulation or inflationary pressures. Additionally, the cost of logistics and transportation fluctuates in large part due to the price of oil, and availability can be limited due to political and economic issues. Any fluctuations in the cost and availability of any of our raw materials, packaging, or other sourcing or transportation costs could harm our gross margins. If we are unable to successfully mitigate a significant portion of these product cost increases or fluctuations, our results of operations could be harmed.**