UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2022

or

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

For the transition period from _____ to _____

Commission File Number: 001-37718

F-STAR THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**52-2386345**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Eddeva B920 Babraham Research Campus Cambridge, United Kingdom	**CB22 3AT**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: +44-1223-497400

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

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	**FSTX**	**The Nasdaq Stock Market (Nasdaq Capital Market)**

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

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

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

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares of Registrant's Common Stock outstanding as of March 31, 2022 was 21,493,212.

F-star Therapeutics, Inc.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

F-star Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(In Thousands, Except Share and Per Share Amounts)

	March 31, 2022	December 31, 2021
	Unaudited	*Audited*
Assets		
Current Assets:		
Cash and cash equivalents	$ 68,801	$ 78,549
Other receivables	15	—
Prepaid expenses and other current assets	4,318	3,879
Tax incentive receivable	4,152	2,311
Total current assets	77,286	84,739
Property and equipment, net	743	887
Right of use asset	3,034	3,281
Goodwill	14,772	14,898
In-process research and development and intangible assets, net	18,427	18,765
Other long-term assets	444	451
Total assets	$ 114,706	$ 123,021
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 4,310	$ 3,081
Accrued expenses and other current liabilities	5,511	6,241
Contingent value rights	1,936	1,907
Lease obligations, current	896	906
Total current liabilities	12,653	12,135
Long term Liabilities:		
Term debt	9,675	9,605
Lease obligations	2,484	2,723
Contingent value rights	1,723	1,694
Deferred tax liability	7	7
Total liabilities	26,542	26,164
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value; authorized, 10,000,000 shares at December 31, 2021 and 2020; no shares issued or outstanding at March 31, 2022 December 31, 2021	—	—
Common Stock, $0.0001 par value; authorized 200,000,000 shares at March 31, 2022 and December 31, 2021; 21,493,212 and 20,874,590 shares issued and outstanding at March 31, 2022 and December 31, 2021	2	2
Additional paid-in capital	180,141	176,808
Accumulated other comprehensive loss	(1,441)	(1,502)
Accumulated deficit	(90,538)	(78,451)
Total stockholders' equity	88,164	96,857
Total liabilities and stockholders' equity	$ 114,706	$ 123,021

See accompanying notes to consolidated financial statements.

F-star Therapeutics, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In Thousands, Except Share and Per Share Amounts)

	For the Three Months Ended March 31,	
	2022	**2021**
License revenue	$ 2,551	$ 2,917
Operating expenses:		
Research and development	8,037	7,132
General and administrative	5,702	6,429
Total operating expenses	13,739	13,561
Loss from operations	(11,188)	(10,644)
Other non-operating (expense) income:		
Interest expense	(308)	(87)
Change in fair value of contingent value rights	(58)	—
Other (expense) income	(533)	1,105
Total other non-operating (expense) income	(899)	1,018
Net loss before income taxes	(12,087)	(9,626)
Income tax expense	—	(108)
Net loss	$ (12,087)	$ (9,734)
Basic and diluted adjusted net loss per common shares	$ (0.57)	$ (1.07)
Weighted-average number of shares outstanding, basic and diluted	21,083,473	9,100,273
Other comprehensive loss:		
Net loss	$ (12,087)	$ (9,734)
Other comprehensive (loss) gain :		
Foreign currency translation	61	(468)
Total comprehensive loss	$ (12,026)	$ (10,202)

See accompanying notes to consolidated financial statements.

F-star Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity
For the three months ended March 31, 2022 and 2021
(Unaudited)
(In Thousands, Except Share Amounts)

	Stockholders' Equity					
	Common Shares					
For the Three Months Ended March 31, 2022	**Number of Shares**	**Value**	**Capital in Excess of par Value**	**Accumulated Other Comprehensive Loss**	**Accumulated deficit**	**Total Stockholders' Equity**
Balance at December 31, 2021	**20,874,590**	**2**	**176,808**	**(1,502)**	**(78,451)**	**96,857**
Issuance of common stock in connection with at-the-market offering, net of issuance costs	545,054	—	1,949	—	—	1,949
RSU vesting, net of shares repurchased to cover tax withholding	73,568	—	(70)	—	—	(70)
Share-based compensation	—	—	1,454	—	—	1,454
Equity adjustment from foreign currency translation	—	—	—	61	—	61
Net loss	—	—	—	—	(12,087)	(12,087)
Balance at March 31, 2022	**21,493,212**	**$ 2**	**$ 180,141**	**$ (1,441)**	**$ (90,538)**	**$ 88,164**

	Stockholders' Equity					
	Common Shares					
For the Three Months Ended March 31, 2021	**Number of shares**	**Value**	**Capital in Excess of par Value**	**Accumulated Other Comprehensive Loss**	**Accumulated deficit**	**Total Stockholders' Equity**
Balance at December 31, 2020	**9,100,117**	**$ 1**	**$ 91,238**	**$ (1,077)**	**$ (47,168)**	**$ 42,994**
Equity adjustment from foreign currency translation	—	—	—	(468)	—	(468)
Stock option exercises	203	—	—	—	—	—
Share-based compensation	—	—	2,180	—	—	2,180
Net loss	—	—	—	—	(9,734)	(9,734)
Balance at March 31, 2021	**9,100,320**	**$ 1**	**$ 93,418**	**$ (1,545)**	**$ (56,902)**	**$ 34,972**

See accompanying notes to consolidated financial statements.

F-star Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In Thousands)

	For the Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	$ (12,087)	$ (9,734)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share based compensation expense	1,454	2,180
Foreign currency (gain) loss	614	(670)
(Gain) loss on disposal of property, plant and equipment	—	(9)
Depreciation	122	144
Amortization of intangible assets	65	—
Non-cash interest	29	—
Amortization of debt issuance costs	42	77
Fair value adjustments	58	—
Changes in operating assets and liabilities:		
Other receivables	(15)	(2,805)
Prepaid expenses and other current assets	(534)	566
Tax incentive receivable	(1,952)	(413)
Operating right of use asset	223	278
Accounts payable	1,197	(548)
Accrued expenses and other current liabilities	(606)	(2,473)
Deferred revenue	—	(304)
Operating lease liability	(225)	(272)
Other long term asset	—	(395)
Net cash used in operating activities	(11,615)	(14,378)
Cash flows from investing activities:		
Purchase of property, plant and equipment	—	(267)
Proceeds from sale of property, plant and equipment	—	15
Net cash used in investing activities	—	(252)
Cash flows from financing activities:		
Net proceeds from issuance of common stock, net	1,949	—
Payments to tax authorities in connection with shares directly withheld from employees	(70)	—
Net cash provided by financing activities	1,879	—
Net increase in cash and cash equivalents	(9,736)	(14,630)
Effect of exchange rate changes on cash	(12)	(216)
Cash and cash equivalents at beginning of period	78,549	18,526
Cash and cash equivalents at end of period	$ 68,801	$ 3,680
Supplemental disclosure of cash flow information		
Interest paid	$ 238	$ —
Purchases of intangible assets included in accounts payable and accrued expenses	$ 100	$ —
Purchases of property and equipment included in accounts payable and accrued expenses	$ —	$ 97
Non-cash investing and financing activities:		
Additions to ROU assets obtained from new operating lease liabilities	—	1,468

See accompanying notes to consolidated financial statements.

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business

F-star Therapeutics Inc. (“we” or the “Company”) is a clinical-stage biopharmaceutical company dedicated to developing next generation immunotherapies to transform the lives of patients with cancer. We are pioneering the use of tetravalent (2+2) bispecific antibodies to create a paradigm shift in cancer therapy. We have four second generation immuno-oncology (also referred to as "IO") therapeutics in the clinic, each directed against some of the most promising IO targets in drug development, including LAG-3 and CD137. Our proprietary antibody discovery platform is protected by an extensive intellectual property estate. We have attracted multiple partnerships with biotechnology and pharmaceutical companies targeting significant unmet needs across several disease areas, including oncology, immunology, and indications affecting the central nervous system (“CNS”) with over 20 programs, based on our technology, being developed by our partners. Our goal is to offer patients better and more durable benefits than currently available immuno-oncology treatments by developing medicines that seek to block tumor immune evasion. Through our proprietary tetravalent, bispecific natural antibody (mAb²™) format, our mission is to generate highly differentiated medicines with monoclonal antibody-like manufacturability, good safety and tolerability.

Share Exchange Agreement

On November 20, 2020, F-star Therapeutics, Inc., formerly known as Spring Bank Pharmaceuticals, Inc., completed a business combination (the “Transaction”) with F-star Therapeutics Limited (“F-star Ltd”) in accordance with the terms of the Share Exchange Agreement, dated July 29, 2020 (the “Exchange Agreement”), by and among the Company, F-star Ltd and certain holders of capital stock and convertible notes of F-star Ltd (each a “Seller”, and collectively with holders of F-star Ltd securities who subsequently became parties to the Exchange Agreement, the “Sellers”). Pursuant to the Exchange Agreement, each ordinary share of F-star Ltd outstanding immediately prior to the closing of the Transaction (the “Closing”) was exchanged by the Sellers that owned such F-star Ltd shares for a number of duly authorized, validly issued, fully paid and non-assessable shares of Company common stock pursuant to the exchange ratio formula set forth in the Exchange Agreement (the “Exchange Ratio”), rounded to the nearest whole share of Company common stock (after aggregating all fractional shares of Company common stock issuable to such Seller). Also, on November 20, 2020, in connection with, and prior to completion of, the Transaction, Spring Bank effected a 1-for-4 reverse stock split of its common stock (the “Reverse Stock Split”) and, following the completion of the Transaction, changed its name to F-star Therapeutics, Inc. Following the completion of the Transaction, the business of the Company became the business conducted by F-star, which is a clinical-stage immuno-oncology company focused on cancer treatment through its proprietary tetravalent bispecific antibody programs. Unless otherwise noted, all references to share amounts in this report reflect the Reverse Stock Split.

Liquidity

From our inception through March 31, 2022, we have not generated any revenue from product sales, and we have incurred significant operating losses and negative cash flows from our operations. We do not expect to generate significant revenue from sales of any products for several years, if at all.

As of March 31, 2022, we had working capital (current assets less current liabilities) of $64.6 million, an accumulated deficit of $90.5 million, cash of $68.8 million and accounts payable and accrued expenses of $9.8 million. Our future success is dependent on our ability to successfully obtain additional working capital, obtain regulatory approval for and successfully launch and commercialize our product candidates and to ultimately attain profitable operations.

On March 30, 2021, the Company entered into a Sales Agreement (the “Sales Agreement”) with SVB Securities LLC with respect to an "at-the-market” (“ATM”) offering program under which the Company could offer and sell,

from time to time at its sole discretion, shares of its common stock, having an aggregate offering price of up to $50.0 million, through SVB Securities LLC as its sales agent. On May 6, 2021, the Company terminated the Sales Agreement.

On August 13, 2021, the Company entered into a new Sales Agreement (the "2021 Sales Agreement") with SVB Securities LLC with respect to an at-the-market offering program under which the Company may offer and sell, from time to time at its sole discretion, shares of its common stock having an aggregate offering price of up to $50.0 million, through SVB Securities LLC as its sales agent.

During the quarter ended March 31, 2022, the Company had sold 545,054 shares of common stock pursuant to the 2021 Sales Agreement for gross proceeds of $2.2 million, resulting in net proceeds of $2.1 million after deducting sales commissions.

Historically, we have financed our operations primarily with proceeds from the sale and issuance of common and convertible preferred shares, proceeds from issuances in connection with a convertible note facility, proceeds received from upfront payments and development milestone payments in connection with our collaboration arrangements, payments received for research and development services and term debt. We expect to continue to use these means of financing our operations until we are able to obtain regulatory approval for and successfully commercialize one or more of our drug candidates. We cannot provide any assurance that we will obtain regulatory approval or successfully commercialize any of our current or planned future drug product candidates.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") for interim financial statements. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

The accompanying interim condensed consolidated financial statements as of March 31, 2022, and for the three months ended March 31, 2022 and 2021, and information contained within the notes to these condensed consolidated financial statements, are unaudited. These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the Company's audited annual consolidated financial statements and in management's opinion contain all adjustments (including normal recurring adjustments) necessary for the fair presentation of the Company's financial position as of March 31, 2022, results of operations for the three months ended March 31, 2022 and 2021, statement of stockholders' equity for the three months ended March 31, 2022 and 2021 and its cash flows for the three months ended March 31, 2022 and 2021. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. The results for the three months ended March 31, 2022, are not necessarily indicative of the results expected for the full fiscal year or any interim period.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of F-star Therapeutics, Inc. and its wholly owned subsidiaries. All inter-company balances and transactions between the consolidated companies have been eliminated in consolidation.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of expenses during the reporting years. Significant estimates and assumptions reflected in these

condensed consolidated financial statements include, but are not limited to, the fair value of the assets and liabilities acquired in the transaction between Spring Bank and F-star Ltd, the fair value of contingent value rights, the accrual for research and development expenses, revenue recognition, fair values of acquired intangible assets and impairment review of those assets, share based compensation expense, and income taxes. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. Estimates are periodically reviewed in light of reasonable changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates or assumptions.

Concentrations of credit risk and of significant suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents in financial institutions in amounts that could exceed government-insured limits. The Company does not believe it is subject to additional credit risks beyond those normally associated with commercial banking relationships.

The Company is dependent on contract research organizations to provide its clinical trials and third-party manufacturers to supply products for research and development activities in its programs. In particular, the Company relies and expects to continue to rely on a small number of manufacturers to supply its requirements for supplies and raw materials related to these programs. These programs could be adversely affected by a significant interruption in these manufacturing services or the availability of raw materials.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation expense is recognized using the straight-line method over the estimated useful lives of the respective assets as follows:

	Estimated Useful Economic Life
Leasehold property improvements, right of use assets	Lesser of lease term or useful life
Laboratory equipment	5 years
Furniture and office equipment	3 years

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (“ROU”) assets, and lease obligations in the Company’s consolidated balance sheets.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company’s leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. This is the rate the Company would have to pay if borrowing on a collateralized basis over a similar term to each lease. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Impairment of long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Company compares the carrying amounts of the assets to their undiscounted expected future cash flows. If the undiscounted cash flows are insufficient to recover the carrying value, an impairment loss is recorded for the difference between the carrying value and fair value of the asset. As of March 31, 2022, no such impairment has been recorded.

License and collaboration arrangements and revenue recognition

The Company's revenues are generated primarily through license and collaboration agreements with pharmaceutical and biotechnology companies. The terms of these arrangements may include (i) the grant of intellectual property rights (IP licenses) to therapeutic drug candidates against specified targets, developed using the Company's proprietary mAb^2 bispecific antibody platform, (ii) performing research and development services to optimize drug candidates, and (iii) the grant of options to obtain additional research and development services or licenses for additional targets, or to optimize product candidates, upon the payment of option fees.

The terms of these arrangements typically include payment to the Company of one or more of the following:
non-refundable, upfront license fees; payments for research and development services; fees upon the exercise of options to obtain additional services or licenses; payments based upon the achievement of defined collaboration objectives; future regulatory and sales-based milestone payments; and royalties on net sales of future products.

The Company has adopted FASB ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. To date, the Company has entered into License and Collaboration Agreements with Denali Therapeutics, Inc. ("Denali"), Ares Trading S.A. ("Ares"), an affiliate of Merck KGaA, Darmstadt, Germany, AstraZeneca AB ("AstraZeneca") and Janssen Biotech, Inc. ("Janssen") which were determined to be within the scope of ASC 606.

Research and development costs

Research and development costs are expensed as incurred. Research and development expenses are comprised of costs incurred in performing clinical trials, research and development activities, including compensation expense, share-based compensation and benefits, facilities costs and laboratory supplies, depreciation, amortization and impairment expense, manufacturing expenses and external costs of outside vendors engaged to conduct preclinical development activities as well as the cost of licensing technology. Typically, upfront payments and milestone payments made for the licensing of technology are expensed as research and development in the period in which they are incurred, except for payments relating to intellectual property rights with future alternative use which will be expensed when the intellectual property is in use. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

Warrants

The Company accounts for warrants within stockholders equity or as liabilities based on the characteristics and provisions of each instrument. The Company evaluates outstanding warrants in accordance with ASC 480, *Distinguishing Liabilities from Equity*, and ASC 815, *Derivatives and Hedging*. If none of the criteria in the evaluation in these standards are met, the warrants are classified as a component of stockholders' equity and initially recorded at their grant date fair value without subsequent remeasurement. Warrants that meet the criteria are classified as liabilities and remeasured to their fair value at the end of each reporting period.

Stock-Based Compensation

The Company accounts for share-based compensation in accordance with ASC 718, "Compensation – Stock Compensation"("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in the Company's consolidated statements of operations and comprehensive loss.

Fair value measurements of financial instruments

The Company's financial instruments consist of cash, accounts payable, Contingent Value Rights ("CVRs") and liability classified warrants. The carrying amounts of cash and accounts payable approximate their fair value due to

the short-term nature of those financial instruments. The fair value of CVRs and the liability classified warrants are remeasured to fair value each reporting period.

Net loss per share

The Company computes net loss per share in accordance with ASC Topic 260, *Earnings Per Share* ("ASC 260") and related guidance, which requires two calculations of net (loss) income attributable to the Company's shareholders per share to be disclosed: basic and diluted. Convertible preferred shares are considered participating securities and are included in the calculation of basic and diluted net (loss) income per share using the two-class method. In periods where the Company reports net losses, such losses are not allocated to the convertible preferred shares for the computation of basic or diluted net (loss) income.

Diluted net (loss) income per share is the same as basic net (loss) income per share for the periods in which the Company had a net loss because the inclusion of outstanding common stock equivalents would be anti-dilutive.

Income taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. The potential recovery of deferred tax assets is evaluated by estimating the potential for future taxable profits, if any.

Research and development tax credit

As the entity located in the United Kingdom ("UK") carries out extensive research and development, and clinical trial activities, it seeks to benefit from the UK research and development tax credit cash rebate regime known as the Small and Medium-sized Enterprises R&D Tax Credit Program (the "SME Program"). Qualifying expenditures largely comprise employment costs for research staff, consumables expenses incurred under agreements with third parties that conduct research and development, preclinical activities, clinical activities and manufacturing on the Company's behalf and certain internal overhead costs incurred as part of research projects. The tax credit received in the UK pursuant to the SME Program permits companies to deduct an extra 130% of their qualifying costs from their yearly profit or loss, as well as the normal 100% deduction, to make a total 230% deduction. If the company is incurring losses, it is entitled to claim a tax credit worth up to 14.5% of the surrenderable loss. To qualify for relief under the SME Program, companies are required to employ fewer than 500 staff and have a turnover of under €100.0 million or a balance sheet total of less than €86.0 million.

Research and development tax credits received in the UK are recorded as a reduction in research and development expenses. The UK research and development tax credit is payable to companies after surrendering tax losses and is not dependent on current or future taxable income. As a result, it is not reflected as part of the income tax provision.

Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential loss range is probable and reasonably estimable under the provisions of the authoritative guidelines that address accounting for contingencies. The Company expenses costs as incurred in relation to such legal proceedings as general and administrative expense within the consolidated statements of operations and comprehensive loss.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed below, the Company does not believe that the adoption of recently issued standards have or may have a material impact on its consolidated financial statements and disclosures.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Since inception, the Company has devoted substantially all of its efforts to business planning, research and development, pre-clinical and clinical activities, recruiting management and technical staff, and securing funding via collaborations. The Company has historically funded its operations with proceeds from its collaboration arrangements, sale and issuance of its common stock and preferred stock, and proceeds from the sale and issuance of convertible notes and debt financing. As of March 31, 2022, the Company had incurred significant losses and has an accumulated deficit of $90.5 million. The Company had approximately $68.8 million in cash and cash equivalents as of March 31, 2022. The Company expects to continue to generate operating losses in the foreseeable future, particularly as the Company advances its pre-clinical activities and clinical trials for its product candidates in development. The Company plans to seek additional funding through public equity, private equity, debt financing, collaboration partnerships, or other sources. There are no assurances, however, that the Company will be successful in these endeavors.

If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate its research and development programs, or reduce product candidate expansion, which could adversely affect its business prospects. Although management continues to pursue its funding plans, there is no assurance that the Company will be successful in obtaining sufficient funding to continue operations on terms acceptable to the Company, if at all. Management believes that its existing cash and cash equivalents at March 31, 2022 will fund our current operating plan into the first quarter of 2023. Accordingly, the Company has concluded that substantial doubt exists concerning the Company's ability to continue as a going concern for a period of at least twelve months from the date of the financial statements.

2. Net Loss Per Share

The following table presents the calculation of basic and diluted net loss per share applicable to common stockholders of the Company (in thousands, except share and per share data):

Net Loss Per Share

	For the Three Months Ended March 31,	
	2022	**2021**
Net loss	$ (12,087)	$ (9,734)
Weighted average number shares outstanding, basic and diluted	21,083,473	9,100,273
Net loss income per common, basic and diluted	$ (0.57)	$ (1.07)

Diluted net loss per share of common stock is the same as basic net loss per share of common stock for all periods presented. The following shares were excluded from the calculation of diluted net loss per share, prior to the use of the treasury stock method or if-converted method, because their effect would have been anti-dilutive for the period presented:

Potential Dilutive Shares

	For the Three Months Ended March 31,	
	2022	2021
Common stock warrants	104,736	93,330
Stock options and RSUs	2,254,579	1,241,435

3. In process R&D (IPRD) and intangible assets, net

	March 31, 2022			December 31, 2021		
	Indefinite-lived assets		Definite-lived assets	Indefinite-lived assets		Definite-lived assets
	Goodwill	In-process R&D	In-process R&D	Goodwill	In-process R&D	In-process R&D
Cost	$ 14,772	$ 18,607	$ 4,431	$ 14,898	$ 18,961	$ 4,473
Less: accumulated amortization	—	—	200	—	—	130
Less: impairments	—	4,411	—	—	4,539	—
	$ 14,772	$ 14,196	$ 4,231	$ 14,898	$ 14,422	$ 4,343

$0.1 million and zero amortization was recorded for the three months ended March 31, 2022 and 2021 respectively.

4. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following (in thousands):

Property, Plant and Equipment, net

	March 31, 2022	December 31, 2021
Leasehold improvements	$ 150	$ 154
Laboratory equipment	2,164	2,227
Furniture and office equipment	157	162
	2,471	2,543
Less: Accumulated depreciation	1,728	1,656
	$ 743	$ 887

Depreciation expense for the three months ended March 31, 2022 and 2021 was $0.1 million and $0.1 million, respectively.

5. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	Fair Value Measurements as of March 31, 2022 Using:			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Contingent value rights	$ —	$ —	$ 3,659	$ 3,659
	$ —	$ —	$ 3,659	$ 3,659

	Fair Value Measurements as of December 31, 2021 Using:			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Contingent value rights	$ —	$ —	$ 3,601	$ 3,601
	$ —	$ —	$ 3,601	$ 3,601

The following table reflects the change in the Company's Level 3 liabilities, which consists of warrants, for the three months ended March 31, 2022 (in thousands):

Change in Level 3 Liabilities	
	Contingent Value Rights
Balance at December 31, 2021	$ 3,601
Change in fair value of CVR	58
Balance at March 31, 2022	$ 3,659

The fair value of the CVR liability represents the future payments that are contingent upon the achievement of specific sale or licensing events for the Company's STimulator of INterferon Gene ("STING") product candidates, and is based on the Company's probability-weighted discounted cash flow assessment that considers probability and timing of future payments. The fair value measurement is based on significant Level 3 unobservable inputs, such as the probability of achieving a sale, licensing agreement or development and regulatory milestones, anticipated timelines, and discount rate. The current liability of the CVR was $1.9 million at both March 31, 2022 and December 31, 2021, and the long term liability was $1.7 million as of March 31, 2022 and December 31, 2021. Changes in the fair value of the liability will be recognized in the consolidated statement of operations and comprehensive loss until settlement.

6. Accrued Expenses and other Current Liabilities

Accrued expenses as of March 31, 2022 and December 31, 2021, consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Clinical trial costs	$ 3,081	$ 2,834
Compensation and benefits	958	1,819
Professional fees	948	1,135
Other	524	453
Total	$ 5,511	$ 6,241

7. Term Debt

On April 1, 2021, the Company, as borrower, entered into a Venture Loan and Security Agreement (the "Loan and Security Agreement") with Horizon Technology Finance Corporation ("Horizon"), as lender and collateral agent for itself. The Loan and Security Agreement provides for four separate and independent $2.5 million term loans (Loan A, Loan B, Loan C, and Loan D, collectively, the "Term Loans"), whereby, upon the satisfaction of all the conditions to the funding of the Term Loans, each Term Loan was funded by Horizon to the Company in the following manner: (i) Loan A was delivered by Horizon to the Company by April 1, 2021, (ii) Loan B was delivered by Horizon to the Company by April 1, 2021, (iii) Loan C was delivered by Horizon to the Company by June 30, 2021, and (iv) Loan D was delivered by Horizon to the Company by June 30, 2021. The Company may only use the proceeds of the Term Loans for working capital or general corporate purposes as contemplated by the Loan and Security Agreement. On April 1, 2021, the Company drew down $5 million. On June 22, 2021, the Company drew down another $5 million under this facility. The Company incurred $0.3 million of debt issuance costs and issued $0.3 million of warrants.

The Term Loans mature on the 48-month anniversary following the funding date, therefore $5 million plus an additional fee of $0.2 million becomes due on April 1, 2025, and $5 million plus an additional fee of $0.2 million will become due on June 22, 2025. The principal balance of the Term Loan bears a floating interest. The interest rate is calculated initially and, thereafter, each calendar month as the sum of (a) the per annum rate of interest from time to time published in The Wall Street Journal as contemplated by the Loan and Security Agreement, or any successor publication thereto, as the "prime rate" then in effect, plus (b) 6.25%; provided that, in the event such rate of interest is less than 3.25%, such rate shall be deemed to be 3.25% for purposes of calculating the interest rate. Interest is payable on a monthly basis based on each Term Loan principal amount outstanding the preceding month and at March 31, 2022 the rate applied was 9.5%.

The Company may, at its option upon at least five business days' written notice to Horizon, prepay all or any portion of the outstanding Term Loan by simultaneously paying to Horizon an amount equal to (i) any accrued and unpaid interest on the outstanding principal balance of the Term Loan so prepaid; plus (ii) an amount equal to (A) if such Term Loan is prepaid on or before the Loan Amortization Date (as defined in the Loan and Security Agreement) applicable to such Term Loan, three percent of the then outstanding principal balance of such Term Loan, (B) if such Term Loan is prepaid after the Loan Amortization Date applicable to such Term Loan, but on or before the date that is 12 months after such Loan Amortization Date, two percent of the then outstanding principal balance of such Term Loan, or (C) if such Term Loan is prepaid more than 12 months after the Loan Amortization Date applicable to such Term Loan, one percent of the then outstanding principal balance of such Term Loan; plus (iii) the outstanding principal balance of such Term Loan; plus (iv) all other sums, if any, that had become due and payable under the Loan and Security Agreement.

The Company's debt obligation consisted of the following (in thousands):

Term Debt

	March 31, 2022	December 31, 2021
Term Loan A and B due April 2025	$ 5,000	$ 5,000
Term Loan C and D due June 2025	5,000	5,000
Term debt	10,000	10,000
Less: Unamortized deferred issuance costs	(180)	(197)
Less: Warrant discount and interest	(145)	(198)
Total debt obligations- long term	$ 9,675	$ 9,605

8. Stockholders' Equity

Common Stock

On August 13, 2021, the Company entered into a Sales Agreement (the "2021 Sales Agreement") with SVB Securities LLC with respect to an at-the-market offering program under which the Company may offer and sell, from time to time at its sole discretion, shares of its common stock having an aggregate offering price of up to $50.0 million through SVB Securities LLC as its sales agent. During the quarter ended March 31, 2022, the Company had sold 545,054 shares of common stock under the 2021 Sales Agreement for gross proceeds of $2.2 million, resulting in net proceeds of $2.1 million after deducting sales commissions.

9. Warrants

In 2019, Spring Bank, as borrower, entered into a loan and security agreement with Pontifax Medison Finance (Israel) L.P. and Pontifax Medison Finance (Cayman) L.P., as lenders, and pursuant to which Spring Bank issued to Pontifax Medison Finance GP, L.P warrants to purchase 62,500 shares of its common stock (the "Pontifax Warrants"). The Pontifax Warrants are exercisable at $8.32 per share and expire on September 19, 2025. The Company evaluated the terms of the warrants and concluded that they should be equity-classified. At March 31, 2022, there were 62,500 warrants outstanding.

In connection with the entry into the Loan and Security Agreement (refer to Note 7), the Company issued to Horizon warrants to purchase an aggregate number of shares of the Company's common stock in an amount equal to $100,000 divided by the exercise price for each respective warrant. If at any time the Company files a registration statement relating to an offering for its own account, or the account of others, of any of its equity securities, the Company has agreed to include such number of shares underlying the warrants in such registration statement as requested by the holder. The warrants, which are exercisable for an aggregate of 42,236 shares, will be exercisable for a period of seven years at a per-share exercise price of $9.47, which is equal to the 10-day average closing price prior to January 15, 2021, the date on which the term sheet relating to the Loan and Security Agreement was entered into, subject to certain adjustments as specified in the warrant. As of March 31, 2022, there were 42,236 warrants outstanding.

A summary of the warrant activity for the three months ended March 31, 2022, is as follows:

	Warrants Outstanding
Outstanding at December 31, 2021	104,736
Exercises	—
Issued	—
Expired	—
Outstanding at March 31, 2022	104,736

10. Stock Option Plans

Incentive Plans

The Company maintains two equity incentive plans (the "Plans") that provide for the granting of stock options, share appreciation rights, restricted shares, restricted share units, performance share units and certain other share based awards as provided in the Plans to certain employees, members of the board of directors, consultants or other service providers of the Company, with a prescribed contractual term not to exceed ten years. As of March 31, 2022, there were 152,681 shares of common stock available for grant under the Plans. Awards granted under the Plans generally vest over a four-year period with 25% or 28% of the award vesting on the first anniversary of the commencement date and the balance vesting monthly over the remaining three years. Grants are generally awarded with a contractual terms of 10 years from the date of the grant. For certain senior members of management and directors, the board of directors approved an alternative vesting schedule. The share reserve under one of the Plans automatically increases on January 1 each year, in an amount equal to 4% of the total number of shares outstanding as of December 31 of the preceding year.

In March 2022, the Company's Compensation Committee of the Board of Directors approved the issuance of nonqualified stock option awards to purchase Common Stock outside of the aforementioned Plans ("Inducement Awards") to employees to induce them to accept employment with the Company. The terms and vesting conditions of Inducement Awards are the same as for options granted under the Plans.

Stock option valuation

The fair value of stock option grants is estimated using the Black-Scholes option-pricing model with the following assumptions:

	Black-Scholes Option-Pricing	
	March 31, 2022	December 31, 2021
Risk-free interest rate	1.60% - 2.41%	0.42% - 1.34%
Expected volatility	95.51% - 97.42%	97.18% - 98.96%
Expected dividend yield	0%	0%
Expected life (in years)	6.1	6.1

The table below summarizes stock option activity under the Company's stock option plans and Inducement Awards:

Stock Option Activity

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term	Aggregate Intrinsic Value
			(in years)	(in thousands)
Outstanding as of December 31, 2021	1,098,134	$ 5.80	8.76	$ 5,808
Granted	934,464	4.20	10.00	(861)
Exercised	—	—	—	—
Forfeited and expired	(3,395)	8.30	8.97	5
Outstanding as of March 31, 2022	2,029,203	5.06	9.12	4,952
Options exercisable at March 31, 2022	497,046	6.20	8.30	3,260

The weighted average grant date fair value of options granted during the three months ended March 31, 2022 and 2021 was $3.27 and $6.70 per share, respectively. The total fair value of options vested during the three months ended March 31, 2022 and 2021 was $6.3 million and $2.8 million, respectively.

Restricted Stock Units

The following table summarizes the movement in the number of Restricted Stock Units ("RSUs") issued by the Company under the Stock Incentive Plans The table below summarizes activity relating to RSUs for the three months ended March 31, 2022:

RSU Activity

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Total nonvested units at December 31, 2021	291,886	$ 9.06
Granted	25,000	2.91
Vested	(91,510)	8.72
Total nonvested units at March 31, 2022	225,376	$ 8.51

The vesting for the time-based RSUs occurs either immediately, after one year or after four years. For the three months ended March 31, 2022 and March 31, 2021, the Company recognized approximately $0.3 million and $0.9 million in expenses related to the time-based RSUs respectively.

Share-based Compensation

The Company recorded share-based compensation expense in the following expense categories for the three months ended March 31, 2022 and 2021 of its consolidated statements of operations and comprehensive loss (in thousands):

Share-Based Compensation

	For the Three Months Ended March 31,	
	2022	2021
Research and development expenses	$ 454	$ 414
General and administrative expenses	1,000	1,766
Total	$ 1,454	$ 2,180

At March 31, 2022, there was $5.1 million of unrecognized stock-based compensation expense relating to stock options granted pursuant to the Stock Incentive Plans, which will be recognized over the weighted-average remaining vesting period of 3.3 years.

At March 31, 2022, there was $1.6 million of unrecognized stock-based compensation expense relating to the time-based RSUs granted pursuant to the Stock Incentive Plans, which will be recognized over the weighted-average remaining vesting period of 2.9 years.

11. Significant Agreements

License and Collaboration agreements

For the three months ended March 31, 2022 and 2021, the Company had License and Collaboration agreements (“LCAs”) with Ares, Denali, Janssen and AstraZeneca. The following table summarizes the revenue recognized in the Company’s consolidated statements of operations and comprehensive loss from these arrangements (in thousands):

Revenue by Collaboration Partner

	For the Three Months Ended March 31,	
	2022	**2021**
Ares	$ 2,551	2,800
Denali	—	117
Total	$ 2,551	$ 2,917

2019 License and collaboration agreement with Ares Trading S.A.

Summary

On May 14, 2019, the Company entered into a licensing and collaboration agreement ("2019 LCA") with Ares, pursuant to which the Company granted the option to enter into a worldwide, exclusive license to certain patents and know-how to develop, manufacture and commercialize two separate mAb2 antibody products that each contain a specific Fcab and a Fab target pair (each a licensed product).

For the exclusive rights granted in relation to the first molecule, an option fee of $11.1 million was paid by Ares to the Company. Following receipt of the option fee, Ares became responsible for the development of the molecule and development, regulatory and sales-based royalties become payable to Company upon achievement of specified events.

On July 15, 2020, a deed of amendment (the “2020 Amendment”) was entered into in respect of the 2019 LCA. The 2020 Amendment had two main purposes: (i) to grant additional options to acquire intellectual property rights for a third and fourth molecule; and (ii) to allow Ares to exercise its option early to acquire intellectual property rights to the second molecule included in the 2019 LCA as well as to terminate the research and development services. On execution of the amendment, an option fee of $8.5 million was paid by Ares to the Company to acquire rights to the second molecule.

During March 2021, Ares paid an option fee of $2.7 million to acquire the rights to the third molecule.

As a result of the 2020 Amendment, the maximum amount payable by Ares on the achievement of certain development and regulatory milestones in the aggregate was increased to $473.9 million, and the maximum amount payable on the achievement of certain commercial milestones was increased to $292.3 million. In addition, to the extent that any product candidates covered by the exclusive licenses granted to Ares are commercialized, the Company will be entitled to receive a single digit royalty based on a percentage of net sales on a country-by-country basis.

Revenue recognition

Management has considered the performance obligations identified in the Ares LCA and concluded that the option for the grant of intellectual property rights is not distinct from the provision of R&D services, as the R&D services would significantly modify the early-stage intellectual property. As a result, the option for the grant of intellectual property rights and the provision of R&D services has been combined into a single performance obligation for each individual molecule included in the 2019 LCA. The Company recognized revenue using the cost-to-cost method, which it believes best depicted the transfer of control of the services to the customer. Under the cost-to-cost method,

the extent of progress towards completion is measured based on the ratio of actual costs incurred to the total estimated costs expected upon satisfying the identified performance obligation.

The total transaction price for the 2019 LCA, was initially determined to be $15.4 million, consisting of the upfront payment for the first molecule and research and development funding for the research term for the second molecule. Variable consideration to be paid to the company upon reaching certain milestones had been excluded from the calculation, as at the inception of the contract, it was not probable that a significant reversal of revenue recognized would not occur in a subsequent reporting period.

There were two components identified in the 2020 Amendment, each of which was accounted for as a separate performance obligation. The first component, the grant of the additional options to acquire intellectual property rights for the third and fourth molecule, was deemed to be distinct, as the customer can benefit from it on its own, and it is independent of the delivery of other performance obligations in the 2019 LCA. Additionally, as the amount of consideration reflects a standalone selling price, the Company determined that the second component is accounted for as a separate contract.

The second component, which allowed the customer to exercise its option to acquire intellectual property rights to the second molecule early, is considered to be a modification of the 2019 LCA. This is because the option is not independent of the research and development services provided under the 2019 LCA, and therefore the goods and services are not distinct. All performance obligations under the 2019 LCA in respect of the second molecule were deemed to have been fully satisfied on July 15, 2020. The Company updated the transaction price to $22.4 million on execution of the 2020 Amendment, due to the addition of $8.5 million for the option exercise for the second molecule and a reduction in research and development services of $1.5 million, due to the early termination of the services.

For the three months ended March 31, 2021, $2.7 million was recognized in relation to the option exercise to acquire intellectual property rights for the third molecule included in the 2020 Amendment.

During the three months ended March 31, 2022, Ares provided notice of its intention to exercise its option to acquire the intellectual property rights for the fourth molecule included in the 2020 Amendment and $2.6 million was recognized at a point in time in respect of the option exercise.

License and collaboration agreement with Denali Therapeutics, Inc.

Summary

In August 2016, the Company entered into an exclusive license and collaboration agreement (the “Denali LCA”) with Denali. Under the terms of the Denali LCA, Denali was granted the right to nominate up to three Fcab targets for approval (“Accepted Fcab Targets”), within the first three years of the date of the agreement. Upon entering into the Denali LCA, Denali had selected Transferrin receptor as the first Accepted Fcab Target and paid an upfront fee of $5.5 million to the Company. In May 2018, Denali exercised its right to nominate two additional Fcab targets and identified a second Accepted Fcab Target. Denali made a one-time payment to the F-star group for the two additional Accepted Fcab Targets of $6.0 million and extended the time period for its selection of the third Accepted Fcab Target until August 2020.

Under the terms of the agreement the Company is entitled to receive contingent payments that relate to certain defined preclinical, clinical, regulatory, and commercial milestones with a maximum value of $49.5 million.

Revenue recognition

The Company has considered the performance obligations identified in the contracts and concluded that the grant of intellectual property rights is not distinct from the provision of R&D services, as the R&D services are expected to significantly modify the early-stage intellectual property. As a result, the grant of intellectual property rights and the provision of R&D services has been combined into a single performance obligation for this contract.

The initial transaction price for the first Accepted Fcab Target was deemed to be $7.1 million consisting of $5.0 million for the grant of intellectual property rights and $2.1 million for R&D services. The initial transaction price for the second Accepted Fcab Target was $5.1 million, consisting of $3.0 million for the grant of intellectual property rights and $2.1 million for R&D services. During the year ended December 31, 2019, the transaction price for the first Accepted Fcab Target was increased to $8.6 million due to achievement of a $1.5 million milestone that

on initial recognition of the Denali LCA was not included in the transaction price, as it was not deemed probable that a reversal would not occur in a future reporting period.

All performance obligations were deemed to have been fully satisfied during the year ended December 31, 2019 in respect of the first Accepted Fcab Target, and during the three months ended March 30, 2021 in respect of the second Accepted Fcab Target. For the three months ended March 31, 2022 and 2021, the Company recognized zero and $0.1 million, respectively in respect of the second Accepted Fcab Target.

2021 Agreement with AstraZeneca

Summary

On July 7, 2021 the Company entered into a License Agreement with AstraZeneca. Under the terms of the agreement the Company has granted an exclusive license to certain patents and know-how to develop, manufacture and commercialize STING inhibitor compounds. AstraZeneca will be responsible for all future research, development and commercialization activities.

For the exclusive rights granted, an initial upfront fee of $0.5 million was paid by AstraZeneca to the Company during the three months ended September 2021. The Company is entitled to receive additional contingent near-term preclinical milestones of $11.5 million, plus maximum contingent payments that relate to certain defined development and regulatory milestones of $85.0 million and commercial milestones of $221.3 million, as well as royalty payments based upon a single digit percentage on net sales of products developed. Pursuant to the STING Antagonist CVR Agreement, 80% of net proceeds received the Company under the License Agreement with AstraZeneca will be payable, pursuant to the Exchange Agreement, to common stockholders of Spring Bank as of November 19, 2020, immediately prior to the Closing of the transaction.

Revenue recognition

Management has identified a single performance obligation in the contract, which is the grant of intellectual property rights.

The total transaction price was initially determined to be $0.5 million, consisting only of the upfront payment. Variable consideration to be paid to the company upon reaching certain milestones has been excluded from the calculation, as at the inception of the contract, it is not probable that a significant reversal of revenue recognized would not occur in a subsequent reporting period. The transaction price was allocated to the single performance obligation, which was deemed to be fully satisfied on the grant of intellectual property rights, and therefore the initial upfront fee was recognized at a point in time.

No revenue was recorded for this contract in the three months ended March 31, 2022 or March 31, 2021.

2021 License and Collaboration Agreement with Janssen Biotech, Inc.

On October 19, 2021, we entered into a license and collaboration agreement (the “Janssen Agreement”) with Janssen. The Janssen Agreement was facilitated by Johnson & Johnson Innovation.

Under the Janssen Agreement, Janssen received a worldwide exclusive license to research and develop and the option to commercialize up to five novel bispecific antibodies directed to Janssen therapeutic targets using F-star’s proprietary Fcab and mAb2platforms. Janssen is responsible for all research, development, and commercialization activities under the Janssen Agreement.

F-star received upfront fees of $17.5 million, and is entitled to receive near-term fees and potential further milestones of up to $1.35 billion. F-star is also eligible to receive potential tiered mid-single digit royalties on annual net sales of any products that receive regulatory approval and are commercialized using the licensed technology.

Revenue recognition

The Company assessed the arrangement in accordance with ASC 606 and concluded that Janssen is a customer based on the arrangement structure. The Company identified a single performance obligation under the arrangement consisting of the grant of intellectual property rights at the inception of the Janssen Agreement. There are no R&D services included in the arrangement or needed for Janssen to use the technology.

Revenue is recognized as functional IP, at the point in time when control of the license is transferred.

The Company determined that the transaction price at the onset of the arrangement is the total upfront payment received in the amount of $17.5 million. The transaction price was allocated to the single performance obligation, which was deemed to be fully satisfied upon the grant of intellectual property rights, and therefore the initial upfront fee was recognized at a point in time. Separately, we also identified customer options, which include our obligations to grant an additional 18-month period to the research license granted at contract inception and to grant exploitation licenses for up to five subject mAb2 molecules. These options do not represent a material right, as they are not offered at a significant and incremental discount, and will be recorded as separate contracts when and if they are executed.

No revenue was recorded for this contract in the three months ended March 31, 2022 or March 31, 2021.

Summary of Contract Assets and Liabilities

Up-front payments and fees are recorded as deferred revenue upon receipt or when due until such time as the Company satisfies its performance obligations under these arrangements. A contract asset is a conditional right to consideration in exchange for goods or services that the Company has transferred to a customer. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional.

The following table presents changes in the balances of the Company's contract liabilities (in thousands):

	Deferred revenue balance at January 1, 2022	Additions	Revenue recognized	Impact of exchange rates	Deferred revenue balance at March 31, 2022
Deferred revenue					
Ares collaboration	$ —	$ —	$ —	$ —	$ —
Denali collaboration	—	—	—	—	—
Total deferred revenue	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

	Deferred revenue balance at January 1, 2021	Additions	Revenue recognized	Impact of exchange rates	Deferred revenue balance at March 31, 2021
Deferred revenue					
Ares collaboration	$ 37	$ —	$ (37)	$ —	$ —
Denali collaboration	263	—	(117)	(146)	—
Total deferred revenue	**$ 300**	**$ —**	**$ (154)**	**$ (146)**	**$ —**

During the three months ended March 31, 2021, all revenue recognized by the Company as a result of changes in the contract liability balances in the respective periods was based on proportional performance.

12. Commitments and Contingencies

Lease Obligations

On January 27, 2021, the Company signed an operating lease for three years for its corporate headquarters in Cambridge, UK. The Company also has leases for the former Spring Bank headquarters and laboratory space in Hopkinton, Massachusetts which are or were being subleased. One of the two leases expired on May 31, 2021 and

the remaining lease has a remaining term of approximately 6.8 years for its former principal office and laboratory space, which includes an option to extend the lease for up to 5 years. The Company's former headquarters location is being subleased through the remainder of the lease term.

Operating lease costs under the leases for the three months ended March 31, 2022, and 2021 were approximately $0.2 million and $0.3 Million.

The following table summarizes the Company's maturities of operating lease liabilities as of March 31, 2022 (in thousands):

Maturities of Operating Lease Liabilities

Periods		
For the period April 1, 2022 to December 31, 2022	$	671
2023		905
2024		393
2025		382
2026		372
Thereafter		657
Total lease payments	$	3,380

Sublease

The Company subleases the former Spring Bank offices in Hopkinton, Massachusetts. Operating sublease income under operating lease agreements for the three months ended March 31, 2022, and 2021 was $0.1 million and $0.1 million. This sublease has a remaining lease term of 6.6 years. Future expected cash receipts from our sublease as of March 31, 2022, are as follows (in thousands):

Future Expected Cash Receipts From Sublease

Period		
For the period April 1, 2022 to December 31, 2022	$	349
2023		474
2024		486
2025		498
2026		511
Thereafter		970
Total sublease receipts	$	3,288

Service Agreements

As of March 31, 2022, the Company had contractual commitments of $4.7 million with a contract manufacturing organization ("CMO") for activities that are ongoing or are scheduled to start between three and nine months of the date of the statement of financial position. Under the terms of the agreement with the CMO, the Company is committed to pay for some activities if those activities are cancelled up to three, six or nine months prior to the commencement date.

13. Subsequent Events

During April 2022, the Company issued and sold 80,558 ordinary shares, pursuant to its ATM program for gross proceeds of $0.30 million, resulting in net proceeds of $0.29 million after deducting sales commissions and offering expenses of $0.01 million.

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

The following information should be read in conjunction with the unaudited financial information and the notes thereto included in this Quarterly Report on Form 10-Q and the consolidated financial statements and notes thereto for the year ended December 31, 2021, and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on March 15, 2022.

Our actual results and the timing of certain events may differ materially from the results discussed, projected, anticipated, or indicated in any forward-looking statements due to various important factors, risks and uncertainties, including, but not limited to, those set forth under "Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q or under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 15, 2022, as may be updated by Part II, Item 1A, Risk Factors of our subsequently filed Quarterly Reports on Form 10-Q. We caution our readers that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those expressed or implied by the forward-looking statements contained in this Quarterly Report on Form 10-Q.

We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future operations, future financial position, projected costs, prospects, plans and objectives of management, are forward-looking statements. In some cases, you can identify forward-looking statements by terms including, but not limited to, "may," "likely," "will," "should," "would," "design," "expect," "seek," "plan," "anticipate," "could," "intend," "target," "project," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions.

These forward-looking statements include, but are not limited to, statements about:

- the accuracy of our estimates regarding expenses, revenues, uses of cash, cash equivalents and investment securities, capital requirements and the need for additional financing;
- our expectations regarding our research, development and commercialization of our product candidates, including FS118, FS222, FS120 and SB 11285;
- the duration and severity of the COVID-19 pandemic and its impact on our business, including the impact of COVID-19 on the research, development and commercialization of our product candidates and our ability to adapt our approach as appropriate;
- the supply and availability of and demand for our product candidates;
- the initiation, cost, timing, progress and results of our development activities, non-clinical studies and clinical trials;
- the timing of and our ability to obtain and maintain regulatory approval, or submit an application for regulatory approval, of our product candidates, including FS118, FS222, FS120 and SB 11285, and any product candidates that we may develop, and any related restrictions, limitations, and/or warnings in the label of any approved product candidates;
- our plans to research, develop and commercialize our current and future product candidates, including FS118, FS222, FS120 and SB 11285;
- the election by any collaborator to pursue research, development and commercialization activities;
- our ability to obtain future reimbursement and/or milestone payments from our collaborators;
- our ability to attract collaborators with development, regulatory and commercialization expertise;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- the size and growth of the markets for our product candidates, including FS118, FS222, FS120 and SB 11285, and our ability to serve those markets;
- the rate and degree of market acceptance of any future products;
- the success of competing drugs that are or become available;
- regulatory developments in the United States, European Union and other countries and regulatory bodies;
- the performance of our third-party suppliers and manufacturers and our ability to obtain alternative sources of raw materials;

- our ability to obtain additional financing;
- our use of the proceeds from our securities offerings;
- any restrictions on our ability to use our net operating loss carryforwards;
- our exposure to investment risk, interest rate risk and capital market risk; and
- our ability to attract and retain key scientific, management or sales and marketing personnel.

You should read this Quarterly Report on Form 10-Q and the documents that we have filed as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. You should also read carefully the factors described in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 15, 2022, to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements. You are advised, however, to consult any further disclosures we make on related subjects in our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, press releases, and our website. Any forward-looking statements that we make in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of unanticipated events.

Overview

F-star Therapeutics, Inc. (collectively with its subsidiaries, "we", "F-star" or the "Company") is a clinical-stage biopharmaceutical company dedicated to developing next generation immunotherapies to transform the lives of patients with cancer. F-star is pioneering the use of tetravalent (2+2) bispecific antibodies to create a paradigm shift in cancer therapy. The Company has four second generation immuno-oncology ("IO") therapeutics in the clinic, each directed against some of the most promising IO targets in drug development, including LAG-3 and CD137. F-star's proprietary antibody discovery platform is protected by an extensive IP estate. F-star has over 500 granted patents and pending patent applications relating to its platform technology and associated product pipeline. The Company has attracted multiple partnerships with biopharma targeting the significant unmet needs across several disease areas, including oncology, immunology, and CNS with over 20 programs being developed by our partners using our technology. F-star's goal is to offer patients better and more durable benefits than currently available immuno-oncology treatments by developing medicines that seek to block tumor immune evasion. Through its proprietary tetravalent, bispecific natural antibody (mAb^{2}™) format, F-star's mission is to generate highly differentiated medicines with monoclonal antibody-like manufacturability, good safety and tolerability. With four distinct binding sites in a natural human antibody format, we believe our proprietary technology will overcome many of the challenges facing current immuno-oncology therapies, including other bispecific formats, due to the strong pharmacology enabled by tetravalent bispecific binding.

Our Programs

F-star's most advanced product candidate, FS118, is currently being evaluated in proof-of-concept Phase 2 trials in PD-1/PD-L1 acquired resistance head and neck cancer patients and in checkpoint inhibitor ("CPI") naïve non-small cell lung cancer ("NSCLC") and diffuse large B-cell lymphoma ("DLBCL") patients. FS118 is a tetravalent mAb_2 bispecific antibody targeting two receptors, PD-L1 and LAG-3, both of which are validated targets in immuno-oncology. Phase 1 data from 43 heavily pre-treated patients with advanced cancer, who have failed PD-1/PD-L1 therapy, showed that administration of FS118 was well-tolerated with no dose limiting toxicities up to 20 mg/kg. In addition, a disease control rate ("DCR"), defined as either a complete response, partial response or stable disease, of 49% (19 out of 39) was observed in patients receiving dose levels of FS118 of 1mg/kg or greater. In acquired resistance patients, the DCR was 55% (17 out of 31) in patients receiving 1 mg/kg or greater and long-term (more than six months) disease control was observed in six of these patients. We expect to provide an update from the proof-of-concept Phase 2 trial in PD-1/PD-L1 acquired resistance head and neck cancer patients in mid-2022. Data reported during the first half of 2021, from a randomized Phase 3 trial conducted by another company in patients with previously untreated, locally advanced or metastatic melanoma provides clinical validation for the combination

of LAG-3 and PD-1 inhibition. This clinical benefit in targeting PD-1 and LAG-3 gives us reason to believe that FS118 has potential to benefit patients not only with acquired resistance, but also in preventing resistance in patients receiving PD-1 monotherapy for the first time. With respect to the latter, we initiated a clinical trial of FS118 in CPI-naïve patients in biomarker enriched NSCLC and DLBCL populations in late 2021.

F-star's second product candidate, FS222, aims to improve outcomes particularly in patients with tumors that express low levels of PD-L1 and is a mAb^2 bispecific antibody that is designed to target both the costimulatory CD137 and the inhibitory PD-L1 ligand, which are co-expressed in many tumor types. The Phase 1 clinical trial evaluating FS222 in patients with advanced cancers is ongoing. We believe there is a strong rationale to combine FS222 with other anti-cancer agents, and this can be done within the Phase 1 study. The accelerated dose titration was completed in the second half of 2021, and identification of optimal patient groups, dose and schedule is on-going. We expect to provide an update on the progress of the Phase 1 trial and report safety, biomarker and preliminary efficacy data in the second half of 2022.

F-star's third product candidate, FS120, aims to improve checkpoint inhibitor and chemotherapy outcomes and is a mAb^2bispecific antibody that is designed to bind to and stimulate OX40 and CD137, two proteins found on the surface of T cells that both function to enhance T cell activity. F-star is developing FS120 alone and in combination with PD-1 therapy for the treatment of tumors where PD-1 inhibitors are approved, and which have been associated with co-expression of OX40 and CD137 in the tumor microenvironment. The Phase 1 clinical trial in patients with advanced cancers is ongoing and we completed the accelerated dose titration phase during the second half of 2021. We are continuing further dose escalation to determine an optimal dosing regimen to initiate a combination of FS120 and the PD-1 inhibitor, pembrolizumab, in the second half of 2022. Pembrolizumab will be supplied under clinical trial collaboration and supply agreement with Merck & Co.

SB 11285, which F-star acquired pursuant to a business combination with Spring Bank Pharmaceuticals, Inc. ("Spring Bank"), is a next generation cyclic dinucleotide STimulator of INterferon Gene ("STING") agonist designed to improve checkpoint inhibition outcomes as an immunotherapeutic compound for the treatment of selected cancers. SB 11285 appeared to be well tolerated both alone and in combination with atezolizumab across all dose levels tested to-date, including five dose levels as monotherapy and three dose levels as a combination. Initial analysis showed that pharmacokinetics (PK) were in-line with the predicted profile for rapid cellular uptake, a characteristic of second generation STING agonists. F-star is continuing with further dose-escalation and in parallel pursuing strategic business development opportunities for SB 11285. We expect to report an update on this study in the second half of 2022.

Share Exchange Agreement

On November 20, 2020, the Company, formerly known as Spring Bank, completed a business combination (the "Transaction") with F-star Therapeutics Limited ("F-star Ltd") in accordance with the terms of the Share Exchange Agreement, dated July 29, 2020 (the "Exchange Agreement"), by and among the Company, F-star Ltd and certain holders of the capital stock and convertible notes of F-star Ltd (each a "Seller", and collectively with holders of F-star Ltd securities who subsequently became parties to the Exchange Agreement, the "Sellers"). Pursuant to the Exchange Agreement, each ordinary share of F-star Ltd outstanding immediately prior to the closing of the Transaction (the "Closing") was exchanged by the Sellers that owned such F-star Ltd shares for a number of duly authorized, validly issued, fully paid and non-assessable shares of Company common stock pursuant to an exchange ratio formula as set forth in the Exchange Agreement (the "Exchange Ratio"), rounded to the nearest whole share of Company common stock (after aggregating all fractional shares of Company common stock issuable to such Seller). Also, on November 20, 2020, in connection with, and prior to completion of, the Transaction, Spring Bank effected a 1-for-4 reverse stock split of its common stock (the "Reverse Stock Split") and, following the completion of the Transaction, changed its name to F-star Therapeutics, Inc. Following the completion of the Transaction, the business of the Company became the business conducted by F-star, which is a clinical-stage immuno-oncology company focused on cancer treatment through its proprietary tetravalent bispecific antibody programs. Unless otherwise noted, all references to share amounts in this report reflect the Reverse Stock Split.

Under the terms of the Exchange Agreement, at the Closing, Spring Bank issued an aggregate of 4,620,618 shares of its common stock to F-star Ltd stockholders, based on an Exchange Ratio of 0.1125 shares of Spring Bank common stock for each F-star Ltd ordinary share, stock option and restricted stock unit ("RSU") outstanding immediately

prior to the Closing. The Exchange Ratio was determined through arms-length negotiations between Spring Bank and F-star Ltd pursuant to a formula set forth in the Exchange Agreement.

Pursuant to the Exchange Agreement, immediately prior to the Closing, certain investors in F-star Ltd purchased $15.0 million of F-star Ltd ordinary shares (the "Pre-Closing Financing"). These ordinary shares of F-star Ltd were then exchanged at the Closing for shares of the Company's common stock in the Transaction at the Exchange Ratio.

Pursuant to the Exchange Agreement, all outstanding options to purchase Spring Bank common stock were accelerated immediately prior to the Closing and each outstanding option with an exercise price greater than the closing price of the stock on the Closing Date was exercised in full and all other outstanding options to purchase Company common stock were cancelled effective as of the Closing Date.

Immediately following the Reverse Stock Split and the Closing, there were approximately 4,449,559 shares of Spring Bank common stock outstanding. Following the Closing, the F-star Ltd stockholders beneficially owned approximately 53.7% of the combined company's common stock, and the existing stockholders of Spring Bank beneficially owned approximately 46.3% of the combined company's common stock. Concurrently with the execution of the Exchange Agreement, certain officers and directors of Spring Bank and F-star Ltd and certain stockholders of F-star Ltd entered into lock-up agreements, pursuant to which they agreed to certain restrictions on transfers of any shares of the Company's common stock for the 180-day period following the Closing, other than the shares of the Company's common stock received in exchange for ordinary shares of F-star Ltd subscribed for in the Pre-Closing Financing and pursuant to certain other limited exceptions.

In addition, at the Closing, Spring Bank, F-star Ltd, a representative of Spring Bank stockholders prior to the Closing, and Computershare Trust Company N.A., as the Rights Agent, entered into a STING Agonist Contingent Value Rights Agreement (the "STING Agonist CVR Agreement"). Pursuant to the Exchange Agreement and the STING Agonist CVR Agreement, each pre-Reverse Stock Split share of Spring Bank common stock held by stockholders as of the record date on November 19, 2020, immediately prior to the Closing, received a dividend of one contingent value right ("CVR") ("STING Agonist CVR"), payable on a pre-Reverse Stock Split basis, entitling such holders to receive, in connection with certain transactions involving proprietary STING agonist compound designated as SB 11285 occurring on or prior to the STING Agonist CVR Expiration Date (as defined below) that resulted in aggregate Net Proceeds (as defined in the STING Agonist CVR Agreement) at least equal to the Target Payment Amount (as defined below), an aggregate amount equal to the greater of (i) 25% of the Net Proceeds received from all CVR Transactions (as defined in the STING Agonist CVR Agreement) and (ii) an aggregate amount equal to the product of $1.00 and the total number of shares of Company common stock outstanding as of such record date (not to exceed an aggregate amount of $18.0 million) (the "Target Payment Amount").

The CVR payment obligation expires on the later of 18 months following the Closing or the one-year anniversary of the date of the final database lock of the STING clinical trial (as defined in the STING Agonist CVR Agreement) (the "STING Agonist CVR Expiration Date"). The final database lock of the STING clinical trial occurred on July 15, 2021. The STING Agonist CVRs are not transferable, except in certain limited circumstances, are not certificated or evidenced by any instrument, do not accrue interest and are not registered with the SEC or listed for trading on any exchange. Until the STING Agonist CVR Expiration Date, subject to certain exceptions, the Company is required to use commercially reasonable efforts to (a) complete the STING Trial and (b) pursue a CVR Transaction. The STING Agonist CVR Agreement became effective upon the Closing and, unless terminated earlier in accordance with its terms, will continue in effect until the STING Agonist CVR Expiration Date the payment or all CVR payment amounts are paid pursuant to their terms.

At the Closing, Spring Bank, F-star Ltd, a representative of Spring Bank stockholders prior to the Closing, and Computershare Trust Company N.A., as the Rights Agent, also entered into a STING Antagonist Contingent Value Rights Agreement (the "STING Antagonist CVR Agreement"). Pursuant to the Exchange Agreement and the STING Antagonist CVR Agreement, each share of common stock held by Spring Bank stockholders as of November 19, 2020, immediately prior to the Closing, received a dividend of one CVR ("STING Antagonist CVR") entitling such holders to receive, in connection with the execution of a potential development agreement (the "Approved Development Agreement") and certain other transactions involving proprietary STING antagonist compounds occurring on or prior to the STING Antagonist CVR Expiration Date (as defined below) equal to: 80% of all net proceeds (as defined in the STING Antagonist CVR Agreement) received by the Company after the

Closing pursuant to (i) the Approved Development Agreement, if any, and (ii) all CVR Transactions (as defined in the STING Antagonist CVR Agreement) entered into prior to the STING Antagonist CVR Expiration Date.

On July 7, 2021, we entered into a License Agreement with AstraZeneca. Under the terms of the agreement, the Company granted an exclusive license to certain patents and know-how to develop, manufacture and commercialize STING inhibitor compounds. AstraZeneca is responsible for all future research, development and commercialization activities.

For the exclusive rights granted, an initial upfront fee of $0.5 million was paid by AstraZeneca to the Company. The Company is entitled to receive additional contingent near-term preclinical milestones of $11.5 million, plus maximum contingent payments that relate to certain defined development and regulatory milestones of $96.5 million and commercial milestones of $221.3 million, as well as royalty payments based upon a single digit percentage on net sales of products developed. Pursuant to the STING Antagonist CVR Agreement, 80% of net proceeds received the Company under the License Agreement with AstraZeneca are payable, pursuant to the Exchange Agreement, to common stockholders of Spring Bank as of November 19, 2020.

The STING Antagonist CVRs are not transferable, except in certain limited circumstances, are not certificated or evidenced by any instrument, do not accrue interest, and are not registered with the SEC or listed for trading on any exchange. Until the STING Antagonist CVR Expiration Date, subject to certain exceptions, the Company is required to use commercially reasonable efforts to (a) consummate the Approved Development Agreement, (b) to perform the terms of the Approved Development Agreement and (c) pursue CVR Transactions. The STING Antagonist CVR Agreement became effective upon the Closing and, unless terminated earlier in accordance with its terms, will continue in effect until the STING Antagonist CVR Expiration Date or all CVR payment amounts are paid pursuant to their terms. On July 8, 2021, the Company entered into a License Agreement with AstraZeneca under which AstraZeneca will receive global rights to research, develop and commercialize next generation STING inhibitor compounds. Under the terms of the agreement, AstraZeneca is granted exclusive access to and will be responsible for all future research, development and commercialization of the STING inhibitor compounds. F-star is eligible to receive upfront and near-term payments of up to $12 million upon meeting certain milestones. In addition, F-star will be eligible for development and sales milestone payments of over $300 million, as well as single digit percentage royalty payments. Payments received by F-star are subject to a contingent value rights agreement (“CVR 2”), under which 80% will be payable to stockholders of F-star that were previously stockholders of Spring Bank prior to the business combination between F-star and Spring Bank.

The acquisition-date fair value of the CVR liability represents the future payments that are contingent upon the achievement of sale or licensing for the product candidates. The fair value of the contingent consideration acquired of $2.5 million as of December 31, 2021, and $3.5 million as of March 31, 2022, is based on the Company’s probability-weighted discounted cash flow assessment that considers probability and timing of future payments. The fair value measurement is based on significant Level 3 unobservable inputs such as the probability of achieving a sale or licensing agreement, anticipated timelines, and discount rate. Changes in the fair value of the liability will be recognized in the consolidated statement of operations and comprehensive loss until settlement. For the three months ended March 31, 2022, the estimated fair value increased to $3.5 million which resulted in a $0.4 million charge on the Consolidated Statements of Operations and Comprehensive Loss.

F-star Ltd was determined to be the accounting acquirer based on an analysis of the criteria outlined in ASC 805 and the facts and circumstances specific to the Transaction, including the fact that immediately following the Transaction: (1) F-star Ltd shareholders owned the majority of the voting rights of the combined company; (2) F-star Ltd designated a majority (five of eight) of the initial members of the board of directors of the combined company; and (3) F-star Ltd senior management held the key positions in senior management of the combined company. As a result, upon consummation of the Transaction, the historical financial statements of F-star Ltd became the historical financial statements of the combined organization.

Impact of COVID-19 on our Business

The continued spread of the COVID-19 pandemic has been evolving, and to date has led to the implementation of various responses, including government-imposed quarantines, travel restrictions and other public health safety measures.

Management continues to closely monitor the impact of the COVID-19 pandemic on all aspects of the business, including how it will impact operations and the operations of customers, vendors and business partners. The extent to which COVID-19 impacts the future business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence at this time, such as new information that may emerge concerning the emergence or severity of other strains of COVID-19 or the effectiveness of actions to vaccinate against or contain COVID-19 or treat its impact, among others. If we or any of the third parties with whom we engage, however, were to experience shutdowns or other business disruptions, the ability to conduct business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on business, results of operations and financial condition. The estimates of the impact on our business may change based on new information that may emerge concerning COVID-19 and the actions to contain it or treat its impact and the economic impact on local, regional, national, and international markets.

Management has not identified any triggering events which would result in any significant impairment losses in the carrying values of assets as a result of the pandemic and are not aware of any specific related event or circumstance that would require management to revise estimates reflected in our consolidated financial statements.

Recent Developments

Subsequent Events

During April 2022, the Company issued and sold 80,558 ordinary shares, pursuant to its ATM program for gross proceeds of $0.30 million, resulting in net proceeds of $0.29 million after deducting sales commissions and offering expenses of $0.01 million.

Components of Operating Results

License revenue

To date, we have not generated any revenue from product sales, and we do not expect to generate any revenue from product sales for the foreseeable future. Our revenue consists of collaboration revenue under our license and collaboration agreements with Ares, Denali, AstraZeneca, Janssen and others, including amounts that are recognized related to upfront payments, milestone payments, option exercise payments, and amounts due to us for research and development services. In the future, revenue may include new collaboration agreements, additional milestone payments, option exercise payments, and royalties on any net product sales under our collaborations. We expect that any revenue we generate will fluctuate from period to period as a result of the timing and amount of license, research and development services, and milestone and other payments.

Operating Expenses

Research and development costs

Research and development costs are expensed as incurred. Research and development expenses are comprised of costs incurred in performing clinical trials, research and development activities, including salaries, share-based compensation expense and benefits, facilities costs and laboratory supplies, depreciation, amortization and impairment expense, manufacturing expenses and external costs of outside vendors engaged to conduct preclinical development activities and clinical trials as well as the cost of licensing technology. Typically, upfront payments and milestone payments made for the licensing of technology are expensed as research and development in the period in which they are incurred, except for payments relating to intellectual property rights with future alternative use which will be expensed when the intellectual property is in use. Non-refundable advance payments for goods or

services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

Those expenses associated with R&D and clinical costs primarily include:

- expenses incurred under agreements with contract research organizations (“CROs”) as well as investigative sites and consultants that conduct our clinical trials, preclinical studies and other scientific development services;
- manufacturing scale-up expenses and the cost of acquiring and manufacturing preclinical and clinical trial materials;
- expenses incurred for outsourced professional scientific development services;
- costs for laboratory materials and supplies used to support our research activities;
- allocated facilities costs, depreciation, and other expenses, which include rent and utilities;
- up-front, milestone and management fees for maintaining licenses under our third-party licensing agreements; and
- compensation related expenses

We recognize external R&D costs based on an evaluation of the progress to completion of specific tasks using information provided to it by its internal program managers and service providers.

Research and development activities are central to the our business models. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later stage clinical trials. As a result, we expect that research and development expenses will increase over the next several years as we increase personnel costs, initiate and conduct additional clinical trials and prepare regulatory filings related to the various product candidates.

The successful development of our product candidates is highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of these product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from our product candidates. This is due to the numerous risks and uncertainties associated with developing products, including the uncertainty of:

- research and development support of our product candidates, including conducting future clinical trials of FS118, FS120, FS222 and SB 11285;
- progressing the clinical development of FS118, FS120, FS222 and SB11285;
- establishing an appropriate safety profile with investigational new drug-enabling studies to advance our programs into clinical development;
- identifying new product candidates to add to our development pipeline;
- successful enrollment in, and the initiation and completion of clinical trials;
- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- commercializing the product candidates, if and when approved, whether alone or in collaboration with others;
- establishing commercial manufacturing capabilities or making arrangements with third party manufacturers;
- the development and timely delivery of commercial-grade drug formulations that can be used in our clinical trials;
- addressing any competing technological and market developments, as well as any changes in governmental regulations;

- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations under such arrangements;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how, as well as obtaining and maintaining regulatory exclusivity for our product candidates;
- continued acceptable safety profile of the drugs following approval; and
- attracting, hiring, and retaining appropriately qualified personnel.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, the U.S. Food and Drug Administration, European Medicines Agency or another regulatory authority may require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or we may experience significant trial delays due to patient enrolment or other reasons, in which case we would be required to expend significant additional financial resources and time on the completion of clinical development. In addition, we may obtain unexpected results from our clinical trials, and we may elect to discontinue, delay or modify clinical trials of some product candidates or focus on others. Identifying potential product candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success.

General and administrative expenses

General and administrative expenses consist primarily of salaries, related benefits, travel, and share-based compensation expense for personnel in executive, finance, legal and administrative functions. General and administrative expenses also include facility-related costs, patent filing and prosecution costs, insurance and marketing costs and professional fees for legal, consulting, accounting, audit, tax services and costs associated with being a public company. Other expense also includes foreign currency transaction losses. The Company expects that general and administrative expenses will increase in the future as the Company expands its operating activities and continues to incur costs of being a US public company.

Other income and expenses, net

Other income and expenses, net, is primarily rent received from subletting an office in the United States and interest received on overdue trade receivable balances, bank interest received, and interest expense, which is primarily bank interest payable and similar charges, the interest liability on leased assets and convertible debt notes, and foreign exchange losses incurred. Foreign exchange gain (loss) is foreign exchange gains or losses due to the fluctuation of GBP, U.S. dollar and the Euro. Change in the fair value of convertible debt is the fair value adjustment of the convertible notes as measured using level 3 inputs.

Income tax

The Company is subject to corporate taxation in the United States and the UK.

Our UK established entities have generated losses and some profits in the UK since inception and have therefore not paid significant UK corporation tax. Our Austrian subsidiary has historical losses in Austria with more recent profits, which has resulted in payment of Austrian corporation tax in the years ended December 31, 2021, and 2020. The corporation tax benefit (tax) presented in the Company’s statements of comprehensive income (loss) represents the tax impact from its operating activities in the United States, UK and Austria, which have generated taxable income in certain periods. As the entities located in the UK carry out extensive research and development activities, they seek to benefit from the UK research and development tax credit cash rebate regime known as the Small and Medium-sized Enterprises R&D Tax Credit Program (the “SME Program”). Qualifying expenditures largely comprise employment costs for research staff, consumables expenses incurred under agreements with third parties

that conduct research and development, preclinical activities, clinical activities and manufacturing on the Company's behalf and certain internal overhead costs incurred as part of research projects.

The tax credit received in the UK pursuant to the SME Program permits companies to deduct an extra 130% of their qualifying costs from their yearly profit or loss, as well as the normal 100% deduction, to make a total 230% deduction. If the company is incurring losses, it is entitled to claim a tax credit worth up to 14.5% of the surrenderable loss. To qualify for relief under the SME Program, companies are required to employ fewer than 500 staff and have a turnover of under €100.0 million or a balance sheet total of less than €86.0 million.

Research and development tax credits received in the UK are recorded as a reduction in research and development expenses. The UK research and development tax credit is payable to companies after surrendering tax losses and is not dependent on current or future taxable income. As a result, it is not reflected as part of the income tax provision.

Income tax expense was not material for the three months ended March 31, 2022.

Accrued Research and Development Expenses

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

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

We base our expenses related to preclinical studies and clinical trials on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple CROs that conduct and manage clinical trials on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the clinical expense. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed, enrollment of patients, number of sites activated and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or amount of prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in us reporting amounts that are too high or too low in any particular period. To date, we have not made any material adjustments to our prior estimates of accrued research and development expenses.

Contingent value rights

The acquisition-date fair value of the CVR liability represents the future payments that are contingent upon the achievement of sale or licensing for the STING product candidates. The fair value of the contingent value rights is based on the Company's probability-weighted discounted cash flow assessment that considers probability and timing of future payments. The fair value measurement is based on significant Level 3 unobservable inputs such as

the probability of achieving a sale or licensing agreement, anticipated timelines, and discount rate. Changes in the fair value of the liability will be recognized in the consolidated statement of operations and comprehensive loss until settlement.

Share-based compensation

The Company accounts for share-based compensation in accordance with ASC 718, "Compensation – Stock Compensation" ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in the Company's consolidated statements of operations and comprehensive loss.

The Company records the expense for option awards using a graded vesting method. The Company accounts for forfeitures as they occur. For share-based awards granted to non-employee consultants, the measurement date is the date of grant. The compensation expense is then recognized over the requisite service period, which is the vesting period of the respective award.

The fair value of stock options ("options") on the grant date is determined utilizing the Black-Scholes option-pricing model using the single-option approach. The Black-Scholes option pricing model requires the use of highly subjective and complex assumptions, including an option's expected term and the price volatility of the underlying stock, to determine the fair value of the award.

The Company classifies share-based compensation expense in its consolidated statements of operations and comprehensive loss Income in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Results of Operations

Comparison of the three months ended March 31, 2022 and 2021

The table below summarizes our results of operations for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		
	2022	2021	Change
		(in thousands)	
Statements of Comprehensive Income			
License revenue	$ 2,551	$ 2,917	$ (366)
Operating expenses:			
Research and development	8,037	7,132	905
General and administrative	5,702	6,429	(727)
Total operating expenses	13,739	13,561	178
Loss from operations	(11,188)	(10,644)	(544)
Other non-operating (expense) income:			
Interest expense	(308)	(87)	(221)
Change in fair value of contingent value rights	(58)	—	(58)
Other (expense) income	(533)	1,105	(1,638)
Total other non-operating (expense) income	(899)	1,018	(1,917)
Net loss before income taxes	(12,087)	(9,626)	(2,461)
Income tax expense	—	(108)	108
Net loss	(12,087)	(9,734)	(2,353)

Licensing and Research & Development Services Revenue

Revenue for the three months ended March 31, 2022 was $2.6 million compared to $2.9 million for the three months ended March 31, 2021, a decrease of approximately $0.4 million. In both periods Ares exercised an option to acquire intellectual property rights, which generated $2.6 million of licensing revenue in the current period and $2.8 million of licensing revenue during the three months ended March 31, 2022 and 2021, respectively. The remaining

$0.3 million decrease is due to the recognition of $0.3 million in licensing and research and development services for the second molecule in the Company's License and Collaboration Agreement with Denali during the three months ended March 31, 2021. All performance obligations relating to the molecule were satisfied in February 2021 and as a result, no further revenue has been recognized since that date.

Research and development costs

Total research and development expenses were $8.0 million for the three months ended March 31, 2022, as compared to $7.1 million for the three months ended March 31, 2021. This $0.9 million increase is primarily due to an increase in clinical CRO costs of $1.4 million resulting from an increased number of patients on clinical trials in our four clinical-stage programs, an increase of $1.2 million of R&D staff-related costs, and an increase of $0.4 million of other costs, offset by a decrease in manufacturing costs of $0.4 million due to the timing of batch manufacturing activities and a $1.7 million increase in the R&D tax credit, which is recorded as a deduction in R&D cost.

General and administrative expense

General and administrative expense for the three months ended March 31, 2022 decreased by approximately $0.7 million compared to the three months ended March 31, 2021, primarily due to a decrease in stock compensation expense of $0.8 million and legal and professional costs of $0.4 million, due to costs incurred in the comparative period for work in relation to the share exchange transaction with Spring Bank. These decreases were offset by increases of $0.2 million in facilities-related costs, $0.2 million in information technology costs and other costs of $0.1 million.

Other income (expense)

Other income (expense) for the three months ended March 31, 2022, consisted primarily of sublease income of $0.2 million, offset by foreign exchange expense of $0.7 million, interest expense on the term debt of $0.3 million and a change in the fair value of the CVR liability of $0.1 million.

For the three months ended March 31, 2021, the total income of $0.1 million consisted of $1.0 million of foreign currency gains and $0.1 million of rental income, offset by $0.1 million of interest expense.

Liquidity and Capital Resources

Sources of liquidity

From our inception through March 31, 2022, we have not generated any revenue from product sales, and we have incurred significant operating losses and negative cash flows from our operations. We do not expect to generate significant revenue from sales of any products for several years, if at all.

As of March 31, 2022, the Company had an accumulated deficit of $90.5 million, cash of $68.8 million and working capital of $64.6 million. The future success of the Company is dependent on its ability to successfully obtain additional working capital, obtain regulatory approval for and successfully launch and commercialize its product candidates and to ultimately attain profitable operations. Management believes that its existing cash and cash equivalents at March 31, 2022 will fund our current operating plan into the first quarter of 2023. Should our potential mitigating plans, which include additional funding through public equity, private equity, debt financing, collaboration partnerships, or other sources, not materialize, then Management would delay certain research projects and capital expenditures and eliminate certain future operating expenses to fund operations at reduced levels in order for the Company to continue as a going concern for a period of 12 months from the date the financial statements are issued.

Historically, we have financed our operations with proceeds from the sale and issuance of equity securities, proceeds from the issuance of notes payable and proceeds received in connection with our collaboration arrangements and for providing research and development services. We expect this historical financing trend to continue if and until we are able obtain regulatory approval for and successfully commercialize one or more of our drug candidates, although

there can be no assurance that we will obtain regulatory approval or successfully commercialize any of our current or planned future product candidates.

Cash Flows

The following table summarizes our cash flows for each of the periods presented:

Summarized cash flow information

	Three Months Ended March 31,		
	2022	**2021**	**Change**
		(in thousands)	
Net cash used in operating activities	$ (11,615)	(14,378)	$ 2,763
Net cash used in investing activities	—	(252)	252
Net cash provided by financing activities	1,879	—	1,879
Effect of exchange rate changes on cash	(12)	(216)	204
Net increase in cash	**$ (9,748)**	**$ (14,846)**	**$ 5,098**

Operating activities

Net cash used of $11.6 million in operating activities for the three months ended March 31, 2022, consisted of the net loss of $12.1 million adjusted for changes in operating assets and liabilities of $2.0 million and offset by non-cash charges of $2.5 million, primarily for share-based compensation expense of $1.5 million, foreign exchange losses of $0.6 million, depreciation and amortization of $0.2 million, fair value adjustment of the CVR liability of $0.1 million and non-cash interest expense of $0.1 million.

Net cash used of $14.4 million in operating activities for the three months ended March 31, 2021, was primarily due to a net loss of $9.7 million adjusted by changes in operating assets and liabilities of $6.4 million and offset by non-cash charges of $1.7 million. The non-cash charges included share-based compensation of $2.2 million, depreciation of $0.1 million and non-cash interest expense of $0.1 million, offset by foreign exchange gains of $0.7 million.

Investing activities

For the three months ended March 31, 2022 and 2021, net cash used in investing activities was zero and $0.3 million respectively. During the three months ended March 31, 2021, net cash used in investing activities was primarily due to the purchase of laboratory equipment.

Financing activities

For the three months ended March 31, 2022, net cash provided by financing activities was $1.9 million. This included $2.0 million raised net from the use of our “at the market” offering facility, offset by $0.1 million of proceeds paid to tax authorities in connection with shares withheld from employees to cover their tax obligations upon RSU vesting.

Future Funding Requirements

F-star expects to incur substantial losses in the foreseeable future as it conducts and expands its clinical trial and research and development activities. Management believes that its existing cash and cash equivalents at March 31, 2022 will fund our current operating plan into the first quarter of 2023.

The Company may continue to seek additional working capital through the sale and issuance of equity securities, debt financing, collaboration arrangements or other sources. There are no assurances, however, that the Company will be successful in raising additional working capital, or if it is able to raise additional working capital, it may be unable to do so on commercially favorable terms. The Company’s failure to raise additional capital or enter into other financing arrangements if and when needed would have an adverse impact on its business, results of operations and financial condition and its ability to develop its product candidates.

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

- the cost, progress, results of the proof-of-concept Phase 2 clinical trials of FS118 and any later-stage clinical trials for this product candidate;
- the cost, progress, and results of the Phase 1 clinical trials of FS222, FS120, and SB 11285 and any later-stage clinical trials for these product candidates;
- the scope, progress, results and costs of preclinical development, laboratory testing and clinical trials for any future product candidate;
- the number of potential new product candidates we identify and decide to develop;
- the cost of manufacturing drug supply for the clinical trials of our product candidates;
- the time and costs involved in obtaining regulatory approval for our product candidates and any delays we may encounter as a result of evolving regulatory requirements or adverse clinical trial results with respect to any of our product candidates;
- the costs involved in growing our organization to the size and expertise needed to allow for the research, development and potential commercialization of our current or any future product candidates;
- fulfilling obligations under our existing collaboration agreements and the entry into new collaboration agreements;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims, including any claims by third parties that we are infringing upon their intellectual property rights;
- the cost of commercialization activities and costs involved in the creation of an effective sales, marketing and healthcare compliance organization for any product candidates we develop, if approved;
- the potential additional expenses attributable to adjusting our development plans (including any supply related matters) to the COVID-19 pandemic;
- the potential additional expenses attributable to adjusting our development plans (including any supply related matters) to the Ukraine conflict;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval; and
- the costs of operating as a public company.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our consolidated financial statements and related disclosures requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue, costs and expenses and related disclosures. We believe that the estimates and assumptions underlying the accounting policies described therein may have the greatest potential impact on our consolidated financial statements and, therefore, consider these to be our critical accounting policies. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these current estimates based on different assumptions and under different conditions. There have been no material changes to the Company’s critical accounting policies and estimates as disclosed in the Company’s Annual Report filed on SEC Form 10-K for the year ended December 31, 2021, filed with the SEC on March 15, 2022.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business with third-party service providers for clinical trials, preclinical research studies and testing, manufacturing and other services and products for operating purposes. We have not included our payment obligations under these contracts as these contracts generally provide for termination

upon notice, and therefore, we believe that our non-cancelable obligations under these agreements are not material, and we cannot reasonably estimate the timing of, or whether they will occur. We could also enter into additional research, manufacturing, supplier and other agreements in the future, which may require up-front payments and even long-term commitments of cash.

Off-Balance Sheet Arrangements

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

Smaller Reporting Company Status

We are a "smaller reporting company" as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We may take advantage of certain of the scaled disclosures available to smaller reporting companies. These include, but are not limited to, reduced disclosure obligations regarding executive compensation in our periodic and annual reports, exemption from the requirement to provide a compensation discussion and analysis describing compensation practices and procedures, and reduced financial statement disclosure in our registration statements, which must include two years of audited financial statements rather than the three years of audited financial statements that are required for other public reporting companies. Smaller reporting companies are also eligible to provide such reduced financial statement disclosure in annual reports on Form 10-K. We will be able to take advantage of these scaled disclosures and exemptions for so long as (i) our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of March 31, 2022, our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any material litigation.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021,, as filed with the SEC on March 15, 2022, which could materially affect our business, financial condition, or results of operations. There have been no material changes to the risk factors described in our Annual Report on Form 10-K filed with the SEC on March 15, 2022.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index set forth immediately prior to the signature page.

EXHIBIT INDEX

Exhibit Number	Description
10.1*#	Executive Service Agreement Amendment, dated as of April 6, 2022 by and between F-star Therapeutics Ltd and Eliot Forster, Ph.D.
10.2*#	Consulting Agreement Amendment, dated April 6, 2022 by and between F-star Therapeutics, Inc and Darlene Deptula-Hicks.
10.3*#	Service Agreement Amendment, dated April 6, 2022 by and between F-star Therapeutics Ltd and Neil Brewis, Ph.D.
10.4*#	Addendum to the Indefinite-Term Employment Contract, dated as of June 25, 2021, by and between F-star Therapeutics, Inc. and Louis Kayitalire
10.5*#	Employment Agreement Amendment, dated April 6, 2022 by and between F-star Therapeutics, Inc and Louis Kayitalire M.D.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, has been formatted in Inline XBRL.

***** Filed herewith.
\# Indicates a management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

F-star Therapeutics, Inc.

Date: May 10, 2022

By: */s/ Eliot R. Forster*

Eliot R. Forster, Ph.D.
President and Chief Executive Officer

Exhibit 10.1

Tel: +44 (0)1223 497400
Fax: +44 (0)1223 497461
cambridge@f-star.com

F-star Therapeutics Limited
Eddeva B920
Babraham Research Campus
Cambridge
CB22 3AT
United Kingdom

www.f-star.com

STRICTLY PRIVATE & CONFIDENTIAL
Eliot Forster
Addresses

6 April 2022

Dear Eliot

Amendment to Service Agreement

I am writing to confirm an Amendment to your Service Agreement with effect from 31 March 2022.

The parties hereby agree as follows:

1. Section 18.6 of the Service Agreement is amended by deleting the reference to, “to the extent not assumed by an acquirer”.
2. Except as specifically modified herein, any of the other terms of the Agreement shall remain in full force and effect.

In witness whereof, the parties hereto have executed the Amendment as of the date first written above.

For F-star Therapeutics Ltd		**For Employee**	
Signature:	/s/ Darlene Deptula-Hicks	Signature:	/s/ Eliot R. Forster
Name:	Darlene Deptula-Hicks	Name:	Eliot Forster
Title:	Chief Financial Officer	Title:	Chief Executive Officer

F-star Therapeutics Inc
245 First Street
Riverview II
Floor 18
Cambridge, MA
02142
USA

www.f-star.com

Darlene Deptula-Hicks
Crimson Consulting, LLC
Addresses

6 April 2022

Dear Darlene,

Amendment to Consulting Agreement

I am writing to confirm an Amendment to your August 1, 2021 Consulting Agreement with the Company (the "Consulting Agreement") with effect from 31 March, 2022.

The parties hereby agree as follows:

1. Section 14.3 of the Consulting Agreement is amended by adding the following to the end of the current Section 14.3:

   In circumstances where a Without Cause Termination or a termination by Consultant for Good Reason (as defined below) takes effect during the 12 month period immediately following a Change of Control (as defined below), any options or RSUs granted to Consultant under any equity incentive plan adopted or to-be-adopted by Client shall vest in full.

   For purposes of this Section 14.3:

   "**Good Reason**" means: (a) material diminution in the nature or scope of Consultant's duties, or responsibilities occurring without Consultant's consent; or (b) a material reduction in Consultant's compensation without Consultant's consent, which for purposes of this Agreement shall mean a reduction of more than fifteen percent (15%) in the aggregate of Consultant's Hourly Fees as compared to the aggregate Hourly Fees received by Consultant during the 12 month period immediately prior to the Change of Control.

   "**Change of Control**" means the occurrence of any of the following events:

(a) a sale, lease or other disposition of all or substantially all of the assets of Client; or

(b) a consolidation or merger of Client with or into any other corporation or other entity or person, or

any other corporate reorganisation, in which the shareholders of Client immediately prior to such consolidation, merger or reorganisation, own less than fifty percent (50%) of the outstanding voting power of the surviving entity (and its parent) following the consolidation, merger or reorganisation; or

(c) any transaction (or series of related transactions involving a person or entity, or a group of affiliated persons or entities) in which in excess of fifty percent (50%) of Client's outstanding voting power is transferred.

2. Except as specifically modified herein, any of the other terms of the Consulting Agreement shall remain in full force and effect.

In witness whereof, the parties hereto have executed the Amendment as of the date first written above.

For F-star Therapeutics, Inc.		**For Consultant**	
Signature:	/s/ Eliot R. Forster	Signature:	/s/ Darlene Deptula-Hicks
Name:	Eliot Forster	Name:	Darlene Deptula-Hicks
Title:	CEO	Title:	Chief Financial Officer

Exhibit 10.3

Tel: +44 (0)1223 497400
Fax: +44 (0)1223 497461
cambridge@f-star.com

F-star Therapeutics Limited Eddeva B920
Babraham Research Campus Cambridge
CB22 3AT
United Kingdom

www.f-star.com

STRICTLY PRIVATE & CONFIDENTIAL
Neil Brewis
Addresses

6 April 2022

Dear Neil

Amendment to Service Agreement

I am writing to confirm an Amendment to your Service Agreement with effect from 31 March 2022.

The parties hereby agree as follows:

1. Section 18.6 of the Service Agreement is amended by deleting the reference to, “to the extent not assumed by an acquirer”.

2. Except as specifically modified herein, any of the other terms of the Agreement shall remain in full force and effect.

In witness whereof, the parties hereto have executed the Amendment as of the date first written above.

For F-star Therapeutics Ltd		**For Employee**	
Signature:	/s/ Eliot R. Forster	Signature:	/s/ Neil Brewis
Name:	Eliot Forster	Name:	Neil Brewis
Title:	Chief Executive Officer	Title:	Chief Scientific Officer

ADDENDUM TO THE INDEFINITE- TERM EMPLOYMENT CONTRACT	**AVENANT AU CONTRAT DE TRAVAIL À DURÉE INDÉTERMINÉE**
BETWEEN	**ENTRE**
F-star Therapeutics Inc, having its registered office **245 First Street, Riverview ll, 18th Floor, Cambridge, Massachusetts 02142, U.S.A,** registered with the Companies and Commercial Registry of Delaware under no. 52- 2386345	**F-star Therapeutics Inc**, dont le siège social est situé **245 First Street, Riverview ll, 18th Floor, Cambridge, Massachusetts 02142, U.S.A**, enregistrée au Registre du Commerce et des Sociétés du Delaware sous le numéro 52- 2386345
Represented by **Eliot Forster** In his capacity as **CEO, F-star Therapeutics Inc.**	Représentée par **Eliot Forster** En sa qualité de **CEO, F-star Therapeutics Inc.**
Hereinafter the "**Employer**";	Ci-après désignée « **l'Employeur** » ;
AND	**ET**
Mr. Louis Kayitalire French citizen Social security number: XXX	Monsieur Louis Kayitalire De nationalité française Numéro de sécurité sociale : XXX
Residing at **:** Addresses	Demeurant Adresses
Hereinafter the "**Employee**";	Ci-après désigné «**le Salarié**» ;
Hereinafter referred to collectively as the "**parties"** or individually as the "**party**."	Ci-après désignés collectivement « **les parties** », ou, individuellement, « **la partie** » ;
PREAMBLE	**PREAMBULE:**
The Employee has been initially hired by the company F-Star Therapeutics LLC pursuant to the terms of an employment contract dated May 24, 2019 and is performing now his position in the United States for the Employer.	Le Salarié a été embauché initialement par la société F-StarTherapeutics LLC aux termes d'un contrat de travail en date du 24 Mai 2019 et il exerce actuellement sa fonction aux Etats-Unis pour le compte de l'Employeur.
At the request of the Employee, the Parties have agreed that the Employee would carry out his professional activity in France. The Parties therefore agreed to transfer the Employee's	A la demande du Salarié, il a été convenu entre les Parties que le Salarié exercerait son activité professionnelle en France. Les Parties ont donc convenu de transférer le lieu de travail du Salarié en France à compter du 16 juin 2021.

workplace to France effective from June 16, 2021. It is within this context that the Employee and the Company have agreed to sign this addendum, in order to describe the terms and conditions for the continuation of the Employee's employment contract in France.	 C'est dans ce cadre que le Salarié et la Société ont convenu de signer le présent avenant, afin de décrire les modalités de poursuite du contrat de travail du Salarié en France.
THE PARTIES HAVE AGREED AS FOLLOWS: ***Article 1 – Position*** The Employee will continue to hold the position of Chief Medical Officer. This position corresponds to the executive (*cadre*) status, Group XI of the provisions of the currently applicable collective bargaining agreement in France, i.e., the pharmaceutical industry collective bargaining agreement. The Employee's duties remain inchanged. Both Parties remind that this position includes all the tasks directly or indirectly necessary to the exercise of this position. Within the scope of his position, the Employee shall continue to report on his activities to the Chief Executive Officer. ***Article 2 – Place of work*** From June 16, 2021, the Employee will perform his job position in France. Given the organization of the Employer's activity in France, the Employee shall perform his duties as from his residence in France located in Paris. The Employee shall inform the company should he moves his residence out of France. The Parties expressly agree that the place of performance of the Employee's function may be changed in France, in accordance with the needs of the Employer, and notably if they adopt another mode of organization.	**IL A ETE CONVENU CE QUI SUIT :** ***Article 1 – Fonction*** Le Salarié continuera d'occuper la fonction de Responsable Direction Médicale. Cette fonction relève du statut cadre, Groupe XI selon les dispositions conventionnelles actuellement applicables en France, à savoir celles de la convention collective de l'industrie pharmaceutique. Les attributions du Salarié demeurent inchangées. Les Parties rappellent que sa fonction comprend toutes les tâches qui sont directement ou indirectement nécessaires à l'exercice de cette fonction. Dans le cadre de sa fonction, le Salarié continuera de rendre compte de son activité au Chief Executive Officer. ***Article 2 – Lieu de travail*** A compter du 16 Juin 2021, le Salarié exercera sa fonction en France. Compte tenu de l'organisation de l'activité de l'Employeur en France, le Salarié exercera sa fonction à partir de son domicile en France situé à Paris. Le Salarié s'engage à informer la société en cas de changement de résidence hors de France. Les Parties conviennent expressément que le lieu d'exercice de la fonction du Salarié pourra être modifié en France en fonction des besoins de l'Employeur, et notamment si elles adoptent un autre mode d'organisation.

The Employee may have to travel to any other branch of the company or the Group and in particular in the United States or United Kingdom, in accordance with business needs.	Le Salarié pourra être conduit à effectuer des déplacements ponctuels au sein de tout autre établissement de la Société ou du groupe notamment aux Etats-Unis ou au Royaume-Uni, en fonction des nécessités du service.
Article 3 – Working time	***Article 3 – Durée du travail***
Given the nature of the duties exercised by the Employee given the current organization of the Employer, as well as his responsibilities, his independence in the organization of his work time, the autonomy that he has in making decisions in his field of competence, and his level of compensation, the Employee is classified in the executive employee category, such as defined in Article L. 3111-2 of the Labor Code.	Compte-tenu de la nature des fonctions exercées par le Salarié dans le cadre de l'organisation actuelle de l'Employeur, ainsi que des responsabilités lui incombant, de son indépendance dans l'organisation de son emploi du temps, de l'autonomie dont il dispose dans la prise de décision relevant de son domaine de compétence, de son niveau de rémunération, le Salarié relève de la catégorie de cadre dirigeant, telle que définie à l'article L 3111-2 du Code du travail.
Therefore, the Employee is fully free and independent in organizing and managing his work schedule with a view to carrying out his tasks and the assignments with which he is entrusted.	Le Salarié dispose donc d'une totale liberté et indépendance dans l'organisation et la gestion de son emploi du temps pour remplir les tâches et missions qui lui sont confiées.
In return, and in order to take into account all of his obligations, the Employee shall receive a gross remuneration as set out in Article 4 below.	En contrepartie, et pour tenir compte de l'ensemble de ses obligations, le Salarié percevra une rémunération brute telle que fixée à l'Article 4 ci-dessous.
This remuneration is flat and independent of the time that the Employee will in fact devote to the performance of his duties.	Cette rémunération est forfaitaire et est indépendante du temps que le Salarié consacrera à l'exercice de ses fonctions.
The Employee is excluded from the legal and regulatory provisions relating to work time.	Le Salarié est exclu des dispositions légales et règlementaires concernant la durée du travail.
Article 4 – Remuneration	***Article 4 – Rémunération***
The Employee's gross annual salary is set at 382,260 Euros (three hundred and eighty two thousand two hundred and sixty Euros gross) in consideration of the working time defined above.	Le salaire annuel brut du Salarié est fixé à 382 260 Euros (trois cent quatre vingt deux mille deux cent soixante euros bruts) en contrepartie de la durée du travail définie ci-dessus.
This remuneration shall be subject to French social security exclusively.	Cette rémunération sera soumise aux cotisations de sécurité sociale en France exclusivement.

Article 5 – Bonus	***Article 5 – Bonus***
In addition to the basic salary described above and in respect of each full fiscal year, the Employee will be eligible to participate in an annual bonus plan maintained by the Company. The Employee's annual target bonus opportunity shall be equal, to forty percent (40%) of the base salary with the actual amount of bonus, if any, to be determined by the Board of Directors or the Compensation Committee of the Board, in accordance with applicable performance criteria reasonably established by the Board or the CEO.	En complément de la rémunération de base décrite ci-dessus et au titre de chaque exercice fiscal complet, le Salarié aura le droit de participer à un plan de bonus annuel mis en place par la Société. Le bonus annuel cible du Salarié sera égal à quarante pour cent (40%) du salaire de base, le montant réel du bonus, s'il existe, étant déterminé par le Conseil d'administration ou le Comité de rémunération du Conseil d'administration, conformément aux critères de performance applicables raisonnablement établis par le Conseil ou le CEO.
In order to earn an annual bonus for any fiscal year, the Employee must be employed on the date of its payment.	Afin de percevoir un bonus annuel pour une année fiscale, le Salarié devra être toujours salarié à la date de son paiement.
If the Company decides to terminate the employment contract of the Employee, or in case the Company and the Employee agree to the termination of the employment contract in the framework of a mutual termination ("*rupture conventionnelle homologuée*") the Employee will be eligible to receive a prorated portion of their Bonus if the conditions for its payment are met.	Si la Société prononce la rupture du contrat de travail du Salarié ou si la Société et le Salarié conviennent de la rupture du contrat de travail du Salarié dans le cadre d'une rupture conventionnelle homologuée, le Salarié sera éligible au versement d'un prorata de bonus si les conditions de son versement sont réunies.
Article 6 – Welfare benefits	***Article 6 – Avantages sociaux***
The Employee shall be entitled to all the welfare benefits in force within the Employeur for the employees performing their activity in France. - Complementary retirement scheme _____ - Provident scheme and complementary health insurance _____	Le Salarié bénéficiera de l'ensemble des avantages sociaux en vigueur au sein de l'Employeur pour les salariés exerçant leur activité en France. - Retraite complémentaire: _____ - Prévoyance et mutuelle : _____
The Employee agrees that the deduction corresponding to the employee's withholding taxes will be made monthly from his gross pay.	Le Salarié accepte que soit prélevée mensuellement sur sa rémunération brute la retenue correspondant à la quote-part salariale des cotisations.
The Employee will be provided with all documents and information relating to these guarantees.	Le Salarié se verra remettre l'ensemble des documents et informations relatives à ces garanties.
Article 7 – Reimbursement of business expenses	***Article 7 – Remboursement de frais professionnels***
Reasonable business expenses shall be reimbursed to the Employee, upon presentation	Les frais professionnels raisonables seront

of receipts relating thereto and on the condition that such expenditures are in accordance with the customary practices within the Employer in this respect and have been approved by the latter.	remboursés au Salarié, sur présentation des justificatifs y afférents et à condition que de telles dépenses soient conformes aux usages existants au sein de l'Employeur en la matière et aient été approuvées par celui-ci.
Article 8 – Absence – Inability to work	***Article 8 – Absence - Incapacité de travail***
The Employee is required to immediately advise the Employer of any absence.	Le Salarié est tenu de prévenir immédiatement l'Employeur de toute absence.
In case of inability to work due to illness and/or accident, the Employee must immediately so advise the employer. The Employee shall also provide the reasons thereof by producing a medical certificate that shall mention the starting point of the inability to work and its presumed duration. The Employer shall receive this certificate within 48 hours after the beginning of the inability to work.	En cas d'incapacité de travail due à une maladie et/ou un accident, le Salarié devra en avertir l'Employeur immédiatement. Le Salarié devra également en fournir les raisons en produisant un certificat médical, qui mentionnera le point de départ de l'incapacité et sa durée présumée. L'Employeur devra recevoir ce certificat dans les 48 heures suivant le début de l'incapacité.
In the event that the inability to work extends beyond the duration originally expected, a new medical certificate must be provided to the Employer within 48 hours after the first day not covered by the original certificate.	Dans le cas où l'incapacité de travail se prolongera au-delà de la période initialement anticipée, un nouveau certificat médical devra être fourni à l'Employeur dans les 48 heures suivant le premier jour non couvert par le certificat initial.
Article 9 – Annual paid vacation	***Article 9 – Congés annuels***
The Employee will be entitled to a paid leave in accordance to the legal, regulatory and conventional rules applicable in France, i.e. 25 working days/30 workable days per reference period.	Le Salarié aura droit aux jours de congés payés en application des règles légales, règlementaires et conventionnelles applicables en France, soit 25 jours ouvrés/30 jours ouvrable par période de référence
The dates of paid leave will be determined with the prior agreement of the Employer in consideration of the constraints of the activity.	Les dates de congés seront fixées avec l'accord préalable de l'Employeur en considération des contraintes de l'activité.
Paid leave accrued by the Employee in the n-1 year must be taken during the n year.	Tous les congés payés acquis au titre de l'année n- 1 doivent être pris au cours de l'année n.
Article 10 – Exclusivity	***Article 10 – Exclusivité***
The Employee undertakes to commit all his work time and efforts to the exclusive benefit of the Employer and therefore may not engage in any other professional activity throughout the duration of this contract without the prior written consent of the legal representative of the Employer.	Le Salarié s'engage à consacrer tout son temps de travail et tous ses efforts au profit exclusif de l'Employeur et ne pourra donc exercer aucune autre activité professionnelle pendant la durée du présent contrat, sauf accord préalable écrit du représentant légal de l'Employeur.

Article 11 – Confidentiality - Discretion	***Article 11 – Confidentialité - Discrétion***
During his employment, the Employee will have access to and will be entrusted with confidential information and trade secrets relating to the business of the Company.	Dans le cadre de ses missions, le Salarié aura accès à des informations confidentielles ainsi qu'à des secrets commerciaux liés à l'activité de l'entreprise.
This includes but is not limited to information and secrets relating to: - corporate and marketing strategy, business development and plans, sales reports and research results; - technical information and know-how relating to the Company's business, which is not available to the public generally, including inventions, designs, programs, techniques, database systems, formulae and ideas; - business contacts, lists of customers and suppliers and details of contracts with them and information on employees and the terms of their employment; - budgets, management accounts, trading statements and other financial reports; - any document named "confidential".	Cela inclut sans que cette liste ne soit limitative, les informations et secrets liés à : - Stratégie d'entreprise et marketing, développement de l'activité et plans, rapports de ventes et résultats de recherche - information techniques et savoir-faire lié à l'activité de l'entreprise, non accessible au public, incluant des inventions, des designs, des programmes, des systèmes de données, des formules et des idées - Contacts d'affaire, liste de clients et fournisseurs, détails des contrats avec ces derniers et information sur les salariés et leurs conditions d'emploi, - Budgets, comptes de gestion, rapports commerciaux et rapports financiers - Tout document marqué « confidentiel »
The Employee may not during his employment (otherwise than in the proper performance of his duties and then only to those who need to know such information or secrets) or afterwards (otherwise than with the prior written consent of a Director or as required by law) use or disclose any confidential information or trade secrets concerning the business of the Company or in respect of which the Company may be bound by an obligation of confidence to any third party.	Durant son contrat de travail ainsi qu'après sa rupture, le Salarié ne pourra pas utiliser ou divulguer toute information confidentielle (autrement que pour la réalisation de sa mission et seulement à ceux qui ont besoin de connaître ces informations ou secrets ou alors uniquement avec le consentement écrit préalable d'un supérieur ou si cela est requis par la loi) ou secret commercial concernant l'activité de l'entreprise ou à l'égard de laquelle l'entreprise pourrait être liée par une obligation de confidentialité envers un tiers.
The Employee should also use his best endeavors to prevent the publication or disclosure of such information or secrets. These restrictions will apply after his employment has terminated, unless such information has become available to the public generally, otherwise than through unauthorized disclosure.	Le Salarié devra également faire son possible pour prévenir toute publication ou divulgation de telles informations ou secrets. Ces restrictions s'appliqueront également après la fin de son contrat de travail, excepté si une telle information est devenue accessible au public autrement que par une divulgation non autorisée.
The secrecy obligation does not cover knowledge which is available to the public or the disclosure of which is without disadvantage for the	L'obligation de confidentialité ne couvre pas les informations accessibles au public ou les divulgations qui ne portent pas atteintes à la Société. En cas de doute, le Salarié est obligé

Company. If in doubt, the Employee is obliged to obtain an instruction from the management whether or not a certain fact must be treated confidentially.	d'obtenir une instruction de la direction sur le fait de considérer certaines informations comme étant confidentielles ou non.
Any breach of the provisions of this article will constitute serious misconduct.	Toute infraction aux dispositions du présent article constitue une faute grave.
Article 12 – Intelectual Property	***Article 12 – Proprété intelectuelle***
As the Employee's duties may include, either now or in the future, research, development, design and creation activities, the results of which may or may not be eligible for protection as intellectual property, the Parties agree that the Employee shall assign to the Employer the intellectual property rights and interests related to any non-protectable creations.	Dans la mesure où les attributions du Salarié comportent, peuvent comporter, ou pourront comporter notamment des activités de recherche, développement, conception, création, dont les résultats peuvent être protégés par des droits de propriété de propriété intellectuelle ou non, les Parties conviennent de la cession par le Salarié à l'Employeur des droits de propriété intellectuelle et intérêts liés aux créations non protégeables.
Patentable inventions, works, methods, research, studies, know-how:	Inventions brevetables, travaux, méthodes, recherches, études, savoir-faire, know-how :
By definition, all patentable inventions and works, methods, research, processes, studies and know-how created, designed and developed in the scope of this employment contract shall automatically vest to the Employer pursuant to Article L.611-7 of the French Intellectual Property Code.	Par définition, toute invention brevetable et tous les travaux, méthodes, recherches, processus, études, savoir-faire et know-how créés, conçus et développés dans le cadre du présent contrat de travail, sont dévolus automatiquement à l'Employeur conformément à l'article L.611-7 du Code de la propriété intellectuelle.
Consequently, when an invention is discovered either during the performance of the Employee's duties or in the scope of the Employer's (current or future) business, or based on knowledge or the use of techniques or resources specific to the Employer or data issuing from the Employer, the invention shall automatically become its property.	En conséquence, lorsque l'invention est découverte, soit dans l'exercice des fonctions de l'Employé, soit dans le champ d'activités de l'Employeur (actuel ou futur), soit à partir de connaissances ou de l'utilisation de techniques ou de moyens propres à l'Employeur ou de données émanant de lui, l'invention devient automatiquement sa propriété.
The Employee shall immediately inform the Employer of any invention or discovery whether falling inside or outside the scope of his employment contract.	Le Salarié informera immédiatement l'Employeur de toute invention ou découverte, qu'elle intervienne ou non dans le cadre de l'exécution de son contrat de travail.
Insofar as the intellectual property rights are held by the Employer, it is the Employer who shall carry out any necessary formalities for the filing of any patent or other titles.	Les droits de propriété intellectuelle appartenant à l'Employeur, c'est celui-ci qui effectuera les formalités de dépôt de brevet ou de prise de tout autre titre qui s'avèreraient nécessaires.
Unless the Employee objects, and within the limit of the legal registration formalities, the Employee's name shall appear on the patent application as the inventor. However, such	Sauf si l'Employé s'y oppose, et dans la limite des formalités légales d'enregistrement, son nom figurera sur la demande de brevet, en qualité d'inventeur, sans que celui confère le moindre droit de propriété ou de jouissance sur l'invention

indication shall not grant him any right of ownership or enjoyment over the corresponding invention and/or patent. Additional remuneration may possibly be granted to the Employee pursuant to the provisions of the applicable Collective Bargaining Agreement and Article L.611-7 of the French Intellectual Property Code.	et/ou le brevet correspondant. Une rémunération supplémentaire pourra éventuellement être accordée à l'Employé, selon les dispositions de la Convention Collective applicable et conformément à l'article L.611-7 du Code de la propriété intellectuelle.
In the event that the Employer requires the Employee's assistance in order to be eligible for the ownership of a patent, the Employee shall provide such assistance immediately and take all such actions, sign all such documents and generally do everything necessary to ensure compliance with this clause.	Dans tous les cas où, pour pouvoir bénéficier de la propriété d'un brevet, l'Employeur aura besoin de l'assistance de l'Employé, celui-ci la lui apportera sans délai et accomplira toutes démarches, signera tous actes et fera toutes diligences pour que la présente clause soit respectée.
Any inventions made by the Employee outside his work shall remain the Employee's property, on the express condition they were not made and/or discovered and/or developed during the course of his duties and/or in the Employer's field of business and/or thanks to the knowledge or use of techniques, resources or data procured by the Employer. In which case, the Employer may claim ownership or enjoyment of the invention but shall be required to pay a fair price for such invention.	Les inventions effectuées par le Salarié en dehors de son travail demeureront la propriété de celui-ci, sous la réserve expresse qu'elles n'aient pas été réalisées et/ou découvertes et/ou développées dans le cours de l'exécution de ses fonctions et/ou dans le domaine des activités de l'Employeur et/ou grâce à la connaissance ou à l'utilisation de techniques, moyens ou données procurés par l'Employeur. L'Employeur pourra alors revendiquer la propriété ou la jouissance de l'invention, mais devra verser un juste prix en contrepartie de cette invention.
All such disputes as may arise between the Employer and the Employee regarding the ownership, remuneration or price of the inventions created by the Employee shall be referred to the National Committee for Employee Inventions or to the Paris Court of First Instance.	Tous litiges entre l'Employeur et le Salarié relatifs à la propriété, à la rémunération ou au prix des inventions créées par le Salarié seront soumis à la Commission Nationale des Inventions de Salariés ou au Tribunal de Grande Instance de Paris.
<u>Copyright and other creations</u>	<u>Droits d'auteur et autres créations</u>
By definition, all intellectual creations made by the Employee during the performance of his duties, in connection with his duties and/or with the resources provided to him by the Employer, whether protectable by intellectual property rights or not, shall be deemed collective works belonging, from their creation, to the Employer and that may be disclosed under its name only.	Par définition, toutes créations intellectuelles réalisées par le Salarié dans l'exercice de ses fonctions, à l'occasion de ses fonctions et/ou avec les moyens de l'Employeur mis à sa disposition, qu'elles soient protégeables par les droits de propriété intellectuelle ou non, sont réputées être des œuvres collectives appartenant dès leur origine à l'Employeur et pouvant être divulguées sous son seul nom.
As soon as any such creations are made, the Parties agree to apply the following rights assignment clause to them:	Les Parties conviennent de soumettre lesdites créations dès le début de leur réalisation, à la clause de cession de droits ci-après détaillée :

❖*Purpose of the assignment* The Employee shall assign to the Employer, who accepts, on an exclusive basis and as and when they are created, the material and intellectual property rights (economic rights) to any creations and works of the mind he may make on the Employer's behalf pursuant to his employment contract and that may or may not be eligible for copyright protection, the right to designs and all intellectual property rights in general.	❖*Objet de la cession* Le Salarié cède à titre exclusif au fur et à mesure de leur création, à l'Employeur qui l'accepte, la propriété matérielle et intellectuelle (droits patrimoniaux) des créations et œuvres de l'esprit qu'il sera amené à réaliser pour le compte de celui-ci dans le cadre de l'exécution de son contrat de travail, non protégeables ou protégeables par les droits d'auteur, le droit des dessins et modèles et d'une manière générale les droits de propriété intellectuelle.
❖*Scope of the assigned rights* These rights shall consist of all use, reproduction and performance rights, as well as registration, copy, adaptation, communication, translation, marketing and Internet broadcasting rights. The Employee expressly waives his rights to withdraw and reconsider. The assigned rights may be exercised directly by the Employer or transferred by it without having to refer to the Employee in any way whatsoever.	❖*Étendue des droits cédés* Ces droits sont constitués par la totalité des droits d'usage, de reproduction et de représentations, ainsi que des droits d'enregistrement, de copie, d'adaptation, de communication, de traduction, de commercialisation et de diffusion sur le réseau internet. Le Salarié renonce expressément à l'exercice de ses droits de retrait et de repentir. Les droits ainsi cédés pourront être exploités directement ou cédés par l'Employeur sans avoir à en référer au Salarié de quelque manière que ce soit.
❖*Nature, place and term* The Employee expressly assigns to the company which accepts, on an exclusive basis and as and when they are created, all of the aforementioned rights to any creations and works of the mind he may create pursuant to his employment contract, on a worldwide basis and for the entire duration of protection under French and international laws and current and future International Conventions, including any extensions of such durations. It is expressly agreed that this assignment shall survive the termination of this employment contract for any reason whatsoever.	❖*Nature, lieu et durée* Le Salarié cède expressément à titre exclusif, au fur et à mesure de leur réalisation, l'ensemble des droits précités sur les créations et œuvres de l'esprit qu'il créera dans le cadre de son contrat de travail à la société qui les accepte, et ce pour tous les territoires du monde entier et pour la totalité de leurs durées de protection d'après les législations tant françaises qu'internationales et les Conventions Internationales actuelles et futures, y compris les prolongations éventuelles qui pourraient être apportées à ces durées. Il est expressément entendu que cette cession perdurera au-delà de la fin du présent contrat, et ce qu'elle qu'en soit la cause.
❖*Guarantees to the assigned rights* The Employee guarantees full and peaceful enjoyment of all the rights assigned to the Employer. The Employer shall not be held liable for the breach of any obligations vis-à-vis third	❖*Garanties sur les droits cédés* Le Salarié garantit une jouissance paisible et complète sur l'ensemble des droits cédés à l'Employeur. Ce dernier ne pourra être tenu pour responsable des manquements aux obligations

parties to whom the Employee may have previously assigned or granted a right to use the creation(s). The Employee shall indemnify and hold the Employer harmless from any such direct, indirect or related harm as the Employer may sustain as a result of any infringement of third-party intellectual property rights further to the design, realization, performance or reproduction of the assigned creation. <u>Remuneration</u> Except for the patentable inventions listed above and that might result in additional remuneration for the Employee, considering the Employer's activity and the Employee's current and future duties, the Parties agree that the assignment of the creations and/or works of the mind referred to in this Article shall not imply the habitual and automatic provision of additional remuneration to the Employee. On a case-by-case basis, the Employer may, as per the provisions of the French Intellectual Property Code, grant additional remuneration to the Employee. <u>Protection of the creations and intellectual</u> <u>property rights</u> The Employee shall provide help and assistance to the Employer, at its request, for the filing, protection, maintenance, opposition and defense of the intellectual property rights or creations in any judicial, administrative or extra-judicial proceedings. The Employee shall also assist the Employer, at its first request, in attesting and proving the validity of the assignment of the intellectual property right or creation concerned. To this end, the Employee shall provide the Employer with any documents or explanations, shall sign any documents and carry out any formalities that may be necessary or useful in order to file, protect, maintain, prove, oppose and	dues aux tiers auxquels le Salarié aurait préalablement cédé ou concédé un droit d'utilisation sur la ou lesdites créations. Le Salarié s'engage à garantir et à indemniser l'Employeur de tout préjudice tant direct qu'indirect ou connexe, que ce dernier serait amené à subir du fait du non-respect des droits de propriété intellectuelle appartenant à des tiers du fait de la conception, de la réalisation, de la représentation ou de la reproduction de la création cédée. <u>Rémunération</u> Hormis les inventions brevetables énumérées au point ci-dessus et susceptibles d'entraîner une rémunération supplémentaire du Salarié, compte tenu de l'activité de l'Employeur et de la mission actuelle et éventuellement future du Salarié, les Parties conviennent que la cession des créations et/ou œuvres de l'esprit visées dans le présent article n'imposent pas qu'il soit prévu de manière habituelle et automatique de rémunération supplémentaire au profit du Salarié. Au cas par cas, l'Employeur pourra, selon les prescriptions du Code de la propriété intellectuelle, accorder une rémunération complémentaire au Salarié. <u>Défense des créations et droits de propriété</u> <u>intellectuelle</u> Le Salarié s'engage à apporter son aide et son concours à l'Employeur, à la première demande de ce dernier, pour déposer, protéger, maintenir, opposer et défendre le droit de propriété intellectuelle ou création, dans toute procédure judiciaire, administrative ou extrajudiciaire. Le Salarié s'engage également à assister l'Employeur, à la première demande de ce dernier, en vue d'attester et de prouver la validité de la cession du droit de propriété intellectuelle ou de la création concerné. A cette fin, le Salarié fournira à l'Employeur tout document ou explication, signera tout document et remplira toute formalité qui pourraient être exigés ou utiles en vue de déposer, protéger, maintenir, prouver, opposer et défendre ledit droit de

defend the intellectual property right or creation	propriété intellectuelle ou création.
Article 13 – Clients	***Article 13 – Clients***
It is expressly acknowledged by the Employee that the clients are those of the Company and that he has no claim with respect to their existence or development.	Il est expressément reconnu par le Salarié que la clientèle est celle de la Société et qu'il n'a aucun droit relativement à son maintien ou à son développement.
The Employee is prohibited from accepting any presents, special favours, in open or hidden form, from suppliers or customers.	Le Salarié s'interdit d'accepter tout présent, avantage particulier, explicitement ou implicitement, de la part de fournisseurs ou clients.
Moreover, the Employee is prohibited from giving preferential treatment of any kind to suppliers or customers due to common casual gifts or to provide them with any other special favours.	En outre, le Salarié s'interdit de donner un traitement préférentiel d'une quelconque manière, à des clients ou fournisseurs qui lui offrent des cadeaux ou avantages spéciaux.
Article 14 – Disloyal behaviour	***Article 14 – Concurrence déloyale***
The performance of the present employment contract involves a loyal behaviour from the Company and from the Employee.	L'exécution du présent contrat de travail implique un comportement loyal de la part de la Société comme du Salarié.
Therefore, the Employee expressly refrains from any disloyal behaviour vis-à-vis the Company.	En conséquence, le Salarié s'interdit de se livrer à tout acte de concurrence déloyale envers la Société.
Could, inter alia, be qualified as disloyal behaviour, the following: - using documents, invoices, or mails presenting similarities with the Company's; - behaving in a way that creates confusion in a client's mind concerning the actual identity of the service provider; - to profit by using information acquired in the Company during his employment; - obtain service contracts for personal benefit from knowledge of the rates charged within the Company; - terminate client agreements with the Company with the intention of taking them back for personal account; - Transferring Company files to any third party.	Est notamment susceptible de constituer un tel acte, le fait de : - faire usage de documents, factures, ou courriers présentant de grandes similitudes avec ceux de la Société, - avoir auprès d'un client un comportement de nature à créer une confusion sur l'identité du prestataire de service, - utiliser à son profit des renseignements acquis au cours de ses fonctions, - utiliser les ressources de la Société afin d'obtenir des contrats pour son compte personnel, - mettre fin à des contrats clients dans l'intention de les reprendre pour son compte personnel, - transférer les dossiers de la Société à un concurrent.
The Company reserves the right to prosecute the	

Employee and/or the third parties jointly responsible to obtain reimbursement for losses suffered.	La Société se réserve le droit de faire ordonner sous astreinte toute infraction à la présente clause et d'obtenir entière réparation du préjudice ainsi subi.
Article 15 – Prior notice	***Article 15 – Préavis***
Each of the parties has the right to terminate this contract, under the conditions provided by law, subject to compliance, except in cases of gross negligence, willful misconduct or *force majeure*, with a notice period determined in accordance with the provisions of the applicable collective bargaining agreement.	Chacune des parties a le droit de mettre fin au présent contrat, dans les conditions fixées à cet effet par la loi, sous réserve de respecter, sauf en cas de faute grave, de faute lourde ou de force majeure, un délai de préavis fixé conformément aux dispositions de la convention collective applicable.
Article 16 – Change of control and Contractual severance indemnity	***Article 16 – Changement de contrôle et Indemnité contractuelle de rupture***
It is specified that for the purpose of this Article, a change of control shall mean the occurence of any of the following events i) a sale, lease, or other disposition of all or substantially all of the assets of the Company ii) a consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate organisation, in which the stockholders of the Company immediately prior to such consolidation, merger or reorganisation, own less than fifty percent (50%) of the outstanding voting power of the surviving entiy (and its parent) following the consolidation, merger or reorganisation, or iii) any transaction (or series of related transactions involving a person or entity, or a group of affiliated persons or entities) in which in excess of fifty percent (50%) of the Company outstanding voting power is transferred.	Il est précisé qu'au sens du présent Article un changement de contrôle s'entend de la survenance de l'un quelconque des évenements suivants i) une vente, une location ou toute autre disposition de la totalité ou de la quasi-totalité des actifs de la Société ii) une consolidation ou une fusion de la Société avec ou dans toute autre société ou autre entité ou personne, ou toute autre entité juridique, dans laquelle les actionnaires de la Société, immédiatement avant cette consolidation, fusion ou reorganisation, détiennent moins de cinquante pour cent (50 %) des droits de vote en circulation de la Société restante (et sa société-mère) après la consolidation, fusion ou reorganisation, ou iii) toute opération (ou série d'opérations connexes impliquant une personne ou une entité, ou un groupe de personnes ou d'entités affiliées) dans laquelle plus de cinquante pour cent (50 %) des droits de vote en circulation de la Société sont transférés.
In the event of a change of control, the Company shall refrain from unilaterally modifying the Employee's function or remuneration or from unilaterally transferring his place of work outside France within twelve (12) months following the effective date of the change of control.	En cas de changement de contrôle, la Société s'interdit de modifier unilatéralement la fonction, la rémunération du Salarié ou de transférer unilatéralement son lieu de travail hors de France dans un délai de douze (12) mois suivant la date d'effet du changement de controle.
If the Company decides to terminate the employment contract of the Employee, except in the case of gross negligence or gross misconduct, or in case the Company and the Employee agree to the termination of the employment contract in	Si la Société prononce la rupture du contrat de travail du Salarié, hors le cas d'une faute grave ou lourde, ou si la Société et le Salarié conviennent de la rupture du contrat de travail du Salarié dans le cadre d'une rupture conventionnelle

the framework of a mutual termination ("*rupture conventionnelle homologuée*") and if this termination of the employment contract occurs within a period of twelve (12) months following a change of control affecting the Employer, the Employee will be entitled to a contractual severance indemnity equal to 12 (twelve) months of the gross base monthly salary he earned at the date of notification of the termination of his employment contract or at the date of the homologation of the mutual termination ("*rupture conventionnelle homologuée"*) of his employment contract, this sum including the amount of the conventional or legal severance indemnity.	homologuée, et si la rupture du contrat de travail intervient dans un délai de douze (12) mois suivant un changement de contrôle affectant l'Employeur, le Salarié pourra prétendre à une indemnité contractuelle de rupture égale à 12 (douze) mois du salaire mensuel brut de base qu'il percevait à la date de notification de la rupture de son contrat de travail ou à la date d'homologation de la rupture conventionnelle de son contrat de travail, ce montant incluant le montant de l'indemnité conventionnelle ou légale de licenciement.
If the Company decides to terminate the employment contract except in the case of gross negligence or gross misconduct, or in case the Company and the Employee agree to the termination of the employment contract in the framework of a mutual termination *("rupture conventionnelle homologuée*") and if this termination occurs from twelve (12) to twenty four (24) months following a change of control affecting the Employer, the Employee will be entitled to a contractual severance indemnity equal to 9 (nine) months of the gross base monthly salary he earned at the date of notification of the termination of his employment contract or at the date of the homologation of the mutual termination ("*rupture conventionnelle homologué*e"), this sum including the amount of the conventional or legal severance indemnity.	Si la Société prononce la rupture du contrat de travail, hors le cas d'une faute grave ou lourde, ou en cas de rupture conventionnelle homologuée du contrat de travail du Salariéet si cette rupture intervient dans un délai compris entre douze (12) et ving-quatre (24) mois suivant un changement de contrôle affectant l'Employeur, le Salarié pourra prétendre à une indemnité contractuelle de rupture égale à 9 (neuf) mois du salaire mensuel brut de base qu'il percevait à la date de notification de la rupture de son contrat de travail ou à la date d'homologation de la rupture conventionnelle de son contrat de travail, ce montant incluant le montant de l'indemnité conventionnelle ou légale de licenciement.
This contractual severance indemnity will be paid within 28 days following the termination date of the employment contract.	Cette indemnité contractuelle de rupture sera versée dans un délai de 28 jours suivant la date de fin du contrat de travail.
If the amount of the legal or conventional severance indemnity is at least equal to 9 (nine) or 12 (twelve), whichever is applicable, months' gross base salary, as described above, no additional sum will be paid.	Si le montant de l'indemnité légale ou conventionnelle de licenciement est au moins égale à 9 (neuf) ou à 12 (douze) mois de salaire brut de base, tel que visé ci-dessus, aucune somme complémentaire ne sera versée.
Article 17- Equity Incentive Plan(s)	***Article 17- Plans d'attribution d'actions***
If the termination of the employment contract occurs within a period of twenty four (24) months following a change of control affecting the Employer, any Stock Options or RSUs	Si la résiliation du contrat de travail intervient dans une période de ving-quatre (24) mois après un changement de contrôle affectant l'Employeur, toutes les stock options ou RSUs octroyées à

granted to the Employee under an equity incentive plan adopted or to-be-adopted by the Company (a "Plan") shall, to the extent not assumed by an acquirer, vest in full.	l'Employé dans le cadre du plan d'attribution d'actions mis en œuvre ou à mettre en oeuvre au sein de l'Employeur seront, dans la mesure où elles ne sont pas reprises par un acquéreur, entièrement acquises.
Article 18 – Use and return of the equipment and documents belonging to the Employer	***Article 18 – Utilisation et restitution du matériel et documents appartenant à l'Employeur***
Upon termination of the Employee's employment contract, the Employee undertakes to return to the Employer all of the equipment that shall have been provided to him, as well as any documents, exhibits, samples, notes, ledgers, forms, outlines and drafts that may have been provided to the Employee or that he may have designed, collected or acquired in any manner whatsoever.	Lors de la rupture du contrat de travail du Salarié, le Salarié s'engage à retourner à l'Employeur tout équipement qui lui aura été confié, ainsi que tous les documents, pièces, échantillons, notes, registres, imprimés, brouillons, projets qui auraient été remis au Salarié ou qu'il a conçus, collectés ou acquis de quelque manière que ce soit.
Article 19 – Applicable law	***Article 19 – Loi applicable***
This addendum is governed by the laws and regulations in force in France.	Cet avenant est régi par les lois et règlements en vigueur en France.
Article 20– Collective bargaining agreement	***Article 20 – Convention collective***
For information purposes, it is specified that the collective bargaining agreement currently in force in France within the Employer is the national pharmaceutical industry collective bargaining agreement.	A titre d'information, il est précisé que la convention collective actuellement en vigueur au sein de l'Employeur en France est la convention collective nationale de l'industrie pharmaceutique.
Article 21 – Language	***Article 21 – Langue***
Only the French version shall be binding between the parties.	Seule la version française du présent avenant fait foi entre les parties.
Article 22 – Other contractual documents	***Article 22 – Autres documents contractuels***
It is specified that from June 16, 2021, which is the effective date of the employee's transfer to France, only the present addendum will apply. It will replace any other contractual document and in particular the employment contract initially signed between the Company and the Employee as well as any contract or contractual document signed between the Employee and F-	Il est précisé qu'à compter du 16 juin 2021, date marquant le point de départ du transfert du salarié en France, seul le présent avenant aura vocation à s'appliquer. Il se substituera à tout autre document contractuel et notamment au contrat de travail signé initialement entre la Société et le Salarié ainsi qu'à tout contrat ou document contractuel signé entre le Salarié et la société F-Star Therapeutics

Star Therapeutics LLC, his previous employer, with the exception of the provisions of the F-Star Therapeutics Limited 2019 Equity Incentive Plan and the F-star 2015 Equity Incentive plan which shall remain applicable if these provisions do not contradict the mandatory provisions of French law which is applicable to this addendum.	LLC, son précédent employeur, à l'exception des dispositions du F-Star Thérapeutics Limited 2019 Equity Incentive Plan et du F-star 2015 Equity Incentive plan qui resteront en vigueur si ces dispositions ne contreviennent pas aux dispositions impératives du droit français qui est applicable au présent avenant.
Signed on in two original copies.	Signé le en deux exemplaires.
Each party acknowledges having received a signed original.	Chaque partie reconnaît avoir reçu un original signé.
/s/ Eliot R. Forster **Eliot Forster** **CEO, F-star Therapeutics Inc.** The Employer	/s/ Eliot R. Forster **Eliot Forster** **CEO, F-star Therapeutics Inc.** L'Employeur
/s/ Louis Kayitalire kayitalire	/s/ Louis Kayitalire kayitalire
Mr Louis Kayitalire The Employee	Monsieur Louis Kayitalire Le Salarié
(Signature must be preceded by the words "read and approved"and all pages must be initialed)	*(Signature devant être précédée de la formule « lu et approuvé » et toutes les pages devant être paraphées*)

Exhibit 10.5

F-star Therapeutics Inc
245 First Street
Riverview II
Floor 18
Cambridge, MA
02142
USA
www.f-star.com

STRICTLY PRIVATE & CONFIDENTIAL
Louis Kayitalire
Addresses

1 April 2022

Dear Louis

Amendment to the Indefinite Term Employment Contract / Amendement au contrat de travail à durée indéterminée

I am writing to confirm an Amendment to your Service Agreement with effect from 31 March 2022. / Je vous écris pour confirmer une modification de votre contrat de service avec effet au 31 mars 2022.

The parties hereby agree as follows / Les parties conviennent par la présente de ce qui suit:

1. Article 17 of the Employment Contract is amended by deleting the reference to, “to the extent not assumed by an acquirer”. / L’article 18.6 du Contrat de travail est modifié en supprimant la référence à “dans la mesure où elle n’est pas assumée par un acquéreur”.

2. Except as specifically modified herein, any of the other terms of the Agreement shall remain in full force and effect. / Sauf modification expresse dans les présentes, toutes les autres conditions de l’Accord resteront pleinement en vigueur.

In witness whereof, the parties hereto have executed the Amendment as of the date first written above. / En foi de quoi, les parties aux présentes ont exécuté l’amendement à la date indiquée pour la première fois ci-dessus.

For F-star Therapeutics Ltd		**For Employee**	
Signature:	/s/ Eliot R. Forster	Signature:	/s/ Louis Kayitalire
Name:	Eliot Forster	Name:	Louis Kayitalire
Title:	CEO	Title:	Chief Medical Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eliot R. Forster, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of F-star Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2022

By: */s/ Eliot R. Forster*
Eliot R. Forster, Ph.D.
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Darlene Deptula-Hicks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of F-star Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2022

By: *  *

Darlene Deptula-Hicks
Chief Financial Officer, Treasurer & Secretary

Exhibit 32.1

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

In connection with the Quarterly Report of F-star Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 10, 2022

By: */s/ Eliot R. Forster*
Eliot R. Forster, Ph.D.
President and Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of F-star Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 10, 2022

By: */s/ Darlene Deptula-Hicks*
Darlene Deptula-Hicks
Chief Financial Officer, Treasurer & Secretary