

appreciation. Consequently, holders of our equity securities may need to sell all or part of their holdings after price appreciation, which may never occur, as the only way to realize any future gains.

Further, under French law, the determination of whether we have been sufficiently profitable to pay dividends is made on the basis of our statutory financial statements prepared and presented in accordance with standard applicable in France. Please see the section of this Annual Report titled “Memorandum and Articles of Association” for further details on the limitations on our ability to declare and pay dividends. Therefore, we may be more restricted in our ability to declare dividends than companies not based in France.

Our failure to maintain certain tax benefits applicable to French technology companies may adversely affect our results of operations.

As a French technology company, we have benefited from certain tax advantages, including the French research tax credit (Crédit d’Impôt Recherche), or CIR. The CIR is a French tax credit aimed at stimulating research and development. The CIR can be offset against French corporate income tax due and the portion in excess (if any) may be refunded at the end of a three fiscal-year period (or, sooner, in certain cases). The Research tax credit receivables as of December 31, 2023 include the accrual for a French research tax credit related to 2022 for \$5.6 million and research tax credit related to previous periods for \$15 million. The CIR is calculated based on our claimed amount of eligible research and development expenditures in France. The French tax authority with the assistance of the Research and Technology Ministry may audit each research and development program in respect of which a CIR benefit has been claimed and assess whether such program qualifies in their view for the CIR benefit, in accordance with the French tax code (code général des impôts) and the relevant official guidelines.

During December 2018, the French Tax Authority initiated an audit related to the 2014, 2015, 2016 and 2017 French research tax credits. In January 2022, the administrative court (*tribunal administratif*) of Paris confirmed that Collectis was entitled to receive the amounts related to 2017 and 2018 tax credits. \$0.8 million were collected in February 2022. On March 15, 2022, the French tax authorities appealed this decision to the Paris Administrative Court of Appeal (*Cour administrative d’appel de Paris*) and requested that the decision be reversed. On May 18, 2022, the Company filed its observations in defense. By a decision dated December 13, 2023, the Paris Administrative Court of Appeal overturned the first-instance decision and ordered the reimbursement by the Company of \$0.7 million.

Furthermore, if the French Parliament decides to eliminate, modify, or reduce the scope of the CIR benefit, which it could decide to do at any time, our results of operations could be adversely affected.

We may be exposed to significant foreign exchange risk, which may adversely affect our financial condition, results of operations and cash flows.

We incur portions of our expenses and may in the future derive revenues in currencies other than the euro, including, in particular, the U.S. dollar. As a result, we are exposed to foreign currency exchange risk as our results of operations and cash flows are subject to fluctuations in foreign currency exchange rates. While we are engaged in hedging transactions to minimize the impact of uncertainty in future exchange rates on cash flows, we may not hedge all of our foreign currency exchange rate risk. In addition, hedging transactions carry their own risks and costs, including the possibility of a default by the counterpart to the hedge transaction. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows.

Although not free from doubt, we do not believe we were a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes for the taxable year ended December 31, 2023. However, we cannot assure you that we will not be classified as a PFIC for the taxable year ended December 31, 2023 or any future taxable year, which may result in adverse U.S. federal income tax consequences to U.S. holders (as defined in the section titled “Taxation—Material U.S. Federal Income Tax Considerations” in this Annual Report).

A non-U.S. corporation will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during such year) is attributable to assets that produce or are held for the production of passive income. Although the matter is not free from doubt, we do not believe that we were a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2023. Because certain aspects of the PFIC rules are not entirely certain and because this determination is dependent upon a number of factors, there can be no assurance that we were not a PFIC for such taxable year or that the IRS will agree with any position we take regarding our PFIC status.

Further, no assurances may be given at this time as to our PFIC status for the current or future taxable years. The determination of PFIC status is fact-specific, and a separate determination must be made each taxable year as to whether we are a PFIC (after the close of each such taxable year). It is possible that we could be classified as a PFIC for taxable year ended December 31, 2023 or future taxable years due to changes in the composition of our assets or income, as well as changes to the market value of our assets. The market value of our assets may be determined in large part by reference to our market capitalization (and, therefore, the market price of the ADSs and our ordinary shares, which has fluctuated and is likely to continue to fluctuate, substantially).

If we are a PFIC for any taxable year during which a U.S. holder holds ADSs, the U.S. holder may be subject to adverse tax consequences, including (1) the treatment of all or a portion of any gain on disposition of the ADSs as ordinary income, (2) the application of an interest charge with respect to such gain and certain dividends and (3) compliance with certain reporting requirements. Each U.S. holder is strongly urged to consult its tax advisor regarding these issues and any available elections to mitigate such tax consequences. See the section titled “Taxation—Material U.S. Federal Income Tax Considerations” in this Annual Report.

We may have to take undesirable actions to avoid being deemed an investment company under the US Investment Company Act of 1940.

We are engaged in the development of therapeutic products based on gene-editing, with a portfolio of allogeneic Chimeric Antigen Receptor T-cell product candidates in the field of immune-oncology and gene-edited hematopoietic stem and progenitor cells product candidates in other therapeutic indications. Although we do not make speculative investments in third-party companies’ securities, from time to time, we have entered into licensing or other commercial agreements for which we have agreed to accept company securities as

consideration. Currently, we have entered into such arrangements with Primera Therapeutics, Inc. We believe we are not an investment company within the meaning of Section 3(a)(1)(C) of the Investment Company Act of 1940, or the US Investment Company Act. However, as a result of these and other investments, volatility in the value of our investments could result in us being deemed an investment company within the meaning of Section 3(a)(1)(C). We will monitor our assets regularly and take all necessary steps in order to seek to ensure that we are not deemed an investment company within the meaning of Section 3(a)(1)(C) or otherwise are required to register as an investment company under the US Investment Company Act in the future. The steps we may need to take could include selling all or part of our investments in those companies or investing in a greater proportion of tangible assets relative to our total assets. Depending on timing and other factors, taking one or more of these steps may serve as a distraction of management's attention from our primary business or may require us to transact at undesirable market prices. If we are unable to take the necessary steps to avoid being inadvertently deemed an investment company or otherwise being required to register under the US Investment Company Act, we would not be able to offer our securities in the United States until we were no longer deemed an investment company under the US Investment Company Act. We could also be subject to other adverse consequences as a result thereof.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of ADSs.

We are a "foreign private issuer," as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and quarterly filings with the SEC, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. domestic public companies and are not required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. Accordingly, there may be less publicly available information concerning our company than there would be if we were a U.S. domestic issuer.

As a foreign private issuer, we follow certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq's corporate governance standards.

As a foreign private issuer listed on the Nasdaq Global Market, we are subject to Nasdaq's corporate governance standards. However, as a foreign private issuer, Nasdaq's rules permit us to follow the corporate governance practices of France, which differ significantly from certain corporate governance standards of the Nasdaq. For example, neither the corporate laws of France nor our By-laws require a majority of our directors to be independent and our independent directors are not required to hold regularly scheduled meetings at which only independent directors are present. In addition, French governance practice does not require us to maintain a nominating and corporate governance committee or to maintain a compensation committee composed entirely of independent directors. Currently, we follow home country practice in certain key respects. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. A discussion of our corporate governance practices is set forth in the section titled "Management—Corporate Governance Practices."

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

Based on our determination made on June 30, 2023 (the last business day of our most recently completed second fiscal quarter), we currently qualify as a foreign private issuer. The next determination will be made with respect to us on June 30, 2024.

We will lose our foreign private issuer status if, as of the relevant determination date, more than 50% of our securities are held by U.S. residents and (i) more than 50% of our executive officers or more than 50% of the members of our board of directors are residents or citizens of the United States, (ii) more than 50% of our assets are located in the United States, or (iii) our business is principally administered within the United States we could lose our foreign private issuer status.

As of June 30, 2023, approximately 22.4% of our securities were held by persons who were U.S. residents.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic public company would be significantly more than the costs we currently incur as a foreign private issuer.

It may be difficult to enforce civil liabilities against our company and directors and senior management and the experts named in this Annual Report.

Certain members of our board of directors and senior management are not residents of the United States, and all or a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or us in the United States, to obtain jurisdiction over us or our non-U.S. resident senior management and directors in U.S. courts or obtain evidence in France or from French citizen or any individual being resident in France or any officer, representative, agent or employee of a legal person having its registered office or an establishment in a territory of France, in connection with those actions in actions predicated on the civil liability provisions of the US federal securities laws. In addition, it may also not be possible to enforce judgments obtained in U.S. courts against our non-U.S. resident senior management and directors or us based on civil liability provisions of the securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides. In particular, there is some doubt as to whether French courts would recognize and enforce certain civil liabilities under U.S. securities laws in original actions or judgments of U.S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France. An award for monetary damages under the U.S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered but is intended to punish the defendant. French law provides that a shareholder, or a group of shareholders, may initiate a legal action to seek

indemnification from the directors of a company in the company's interest if it fails to bring such legal action itself. If so, any damages awarded by the court are paid to the company and any legal fees relating to such action are borne by the relevant shareholder or the group of shareholders.

The enforceability of any judgment in France will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and France do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters.

Risks Related to Ownership of Our ADSs

Holders of our ADSs do not directly hold our ordinary shares.

Holders of ADSs are not treated as one of our shareholders and do not have ordinary shareholder rights. French law governs shareholder rights. The depositary, through the custodian or the custodian's nominee, is the holder of the ordinary shares underlying all ADSs. Holders of ADSs have only ADS holder rights. Among other things, ADS holder rights do not provide for double voting rights, which otherwise would be available to holders of ordinary shares held in a shareholders' name for a period of at least two years. A double voting right is attached to each registered share which is held in the name of the same shareholder for at least two years. The deposit agreement among us, the depositary and purchasers of ADSs in the U.S. offering, as an ADS holder, and all other persons directly and indirectly holding ADSs, sets out ADS holder rights, as well as the rights and obligations of us and the depositary.

Holders of our ADSs may not be able to exercise their right to vote the ordinary shares underlying such ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement and not as a direct shareholder. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depositary shall distribute to the holders as of the record date (1) the notice of the meeting or solicitation of consent or proxy sent by us and (2) a statement as to the manner in which instructions may be given by the holders.

Holders of ADSs may instruct the depositary of the ADSs to vote the ordinary shares underlying such ADSs. Otherwise, holders of our ADSs will not be able to exercise their right to vote, unless they withdraw the ordinary shares underlying such ADSs. However, holders of our ADSs may not know about the meeting far enough in advance to withdraw those ordinary shares. If we ask for instructions, the depositary, upon timely notice from us, will notify holders of our ADSs of the upcoming vote and arrange to deliver our voting materials to such holders. We cannot guarantee that holders of our ADSs will receive the voting materials in time to ensure that they can instruct the depositary to vote such ordinary shares or to withdraw such ordinary shares so as to vote them directly. If the depositary does not receive timely voting instructions from holders of our ADSs, it may give a proxy to a person designated by us to vote the ordinary shares underlying such ADSs in accordance with the recommendation of our board of directors. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that holders of our ADSs may not be able to exercise their right to vote, and there may be nothing such holders can do if the ordinary shares underlying such ADSs are not voted as requested.

The rights of shareholders in companies subject to French corporate law differ in material respects from the rights of shareholders of corporations incorporated in the United States.

We are French *société anonyme* with our registered office in France. Our corporate affairs are governed by our By-laws and by the laws governing companies incorporated in France. The rights of shareholders and the responsibilities of members of our board of directors are in many ways different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. For example, in accordance with French law, while a double voting right is attached to each ordinary share which is held in registered form in the name of the same shareholder for at least two years, ordinary shares deposited with the depositary will not be entitled to double voting rights. Therefore, holders of ADSs who wish to obtain double voting rights will need to surrender their ADSs, withdraw the deposited shares, and take the necessary steps to hold such ordinary shares in registered form in the holder's name for at least two years. See "Item 16G—Corporate Governance".

The right of holders of our ADSs to participate in any future preferential subscription rights or to elect to receive dividends in shares may be limited, which may cause dilution to holders of ADSs; Our preferred shares may cause further dilution.

According to French law, if we issue additional shares or securities for cash, current shareholders will have preferential subscription rights for these securities proportionally to their shareholding unless they waive those rights at an extraordinary meeting of our shareholders (by a two-thirds majority vote) or individually by each shareholder. However, our ADS holders in the United States will not be entitled to exercise or sell such rights unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. In addition, the deposit agreement for our ADSs provides that the depositary will not make rights available to holders of our ADSs unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. Further, if we offer holders of our ordinary shares the option to receive dividends in either cash or shares, the depositary may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings and may receive no value for these rights.

Our "class A" preferred shares and our "class B" preferred shares once issued pursuant to the Subsequent Investment Agreement would benefit from a preferential distribution right in the event of a liquidation of the Company, which could cause substantial dilution and have an adverse effect on the value of our ordinary shares. In addition, our "class A" preferred shares and our "class B" preferred shares would be convertible, in whole or in part, at their holder's option, into ordinary shares of the Company. Such conversion of our "class A" preferred shares and our "class B" preferred shares could result in significant dilution to our shareholders. For more information