UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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 June 30, 2023

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: 001-39856

CULLINAN ONCOLOGY, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	**81-3879991**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Main Street Suite 1350 Cambridge, MA	**02142**
(Address of principal executive offices)	(Zip Code)

(617) 410-4650

(Registrant's telephone number, including area code)

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, par value $0.0001 per share	CGEM	The Nasdaq Global Select 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by 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 the Registrant's common stock outstanding as of July 31, 2023 was 42,734,644.

The number of shares of the Registrant’s non-voting preferred stock outstanding as of July 31, 2023 was 647,500. Each share of the preferred stock will be convertible into 10 shares of common stock at the option of the holder at any time, subject to certain limitations, including that the holder will be prohibited from converting preferred stock into common stock if, as a result of such conversion, the holder, together with its affiliates, would beneficially own a number of shares of common stock more than 9.99% of the total common stock then issued and outstanding immediately following the conversion of such shares of preferred stock. Shares of preferred stock will generally have no voting rights, except as required by law and except that the consent of a majority of the holders of the outstanding preferred stock will be required to amend the terms of the preferred stock. In the event of the Registrant's liquidation, dissolution or winding up, holders of preferred stock will participate pari passu with any distribution of proceeds to holders of common stock. The preferred stock ranks (i) senior to any class or series of capital stock of the Registrant hereafter created specifically ranking by its terms junior to the preferred stock; (ii) on parity with the common stock and any class or series of capital stock of the Registrant created specifically ranking by its terms on parity with the preferred stock; and (iii) junior to any class or series of capital stock of the Registrant created specifically ranking by its terms senior to any preferred stock, in each case, as to distributions of assets upon liquidation, dissolution or winding up of the Registrant, whether voluntarily or involuntarily.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks, uncertainties, and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. 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, future revenue, projected costs, prospects, plans and objectives of management and expected market growth are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “would” and similar expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 10-K") and other filings with the Securities Exchange Commission (the “SEC”), including the following:

- the success, cost and timing of our clinical-stage product candidates;
- the initiation, timing, progress, results, and cost of our research and development programs and our current and future preclinical studies and clinical trials, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available;
- our ability to initiate, recruit, and enroll patients in and conduct our clinical trials at the pace that we project;
- our ability to obtain and maintain regulatory approval of our product candidates, and any related restrictions, limitations, or warnings in the label of any of our product candidates, if approved;
- our ability to compete with companies currently marketing therapies or developing product candidates with targets or indications similar to our product candidates;
- our reliance on third parties to conduct our clinical trials and to manufacture drug substance and drug product for use in our clinical trials;
- the size and growth potential of the markets for oncology therapies and any of our current product candidates or other product candidates we may identify and pursue, and our ability to serve those markets;
- our ability to identify and advance through clinical development any additional product candidates;
- the commercialization of our current product candidates and any other product candidates we may identify and pursue, if approved, including our ability to successfully build a specialty sales force and commercial infrastructure to market our current product candidates and any other product candidates we may identify and pursue;
- our ability to identify research priorities and apply a risk-mitigated strategy to efficiently discover and develop product candidates;
- our ability to retain and recruit key personnel;
- our ability to obtain and maintain adequate intellectual property rights;
- our expectations regarding government and third-party payor coverage and reimbursement;
- our estimates of our expenses, ongoing losses, capital requirements, and our needs for or ability to obtain additional financing;
- the milestone payments that we may receive from Taiho Pharmaceutical Co., Ltd.;
- the anticipated development and commercialization of zipalertinib;
- potential investments in our pipeline and the potential for such product candidates;
- our cash runway;
- the potential benefits of strategic collaboration agreements, our ability to enter into additional strategic collaborations or arrangements, and our ability to attract collaborators with development, regulatory, and commercialization expertise;
- our financial performance; and

- developments and projections relating to our competitors or our industry.

These factors are discussed more fully in our 2022 10-K and elsewhere in this Quarterly Report on Form 10-Q and other reports we file with the SEC. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and investors should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make or collaborations or strategic partnerships we may enter into.

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed or incorporated by reference as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This Quarterly Report on Form 10-Q also contains estimates, projections, and other information concerning our industry, our business, and the markets for our product candidates. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market, and other data from our own internal estimates and research, as well as from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources. While we are not aware of any misstatements regarding any third-party information presented in this Quarterly Report on Form 10-Q, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties and are subject to change based on various factors, including those discussed under the section titled “Risk Factors” in our 2022 10-K and elsewhere in this Quarterly Report on Form 10-Q.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

CULLINAN ONCOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except share amounts)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 141,834	$ 156,152
Short-term investments	349,964	311,140
Prepaid expenses and other current assets	6,437	7,180
Total current assets	498,235	474,472
Property and equipment, net	1,158	1,174
Operating lease right-of-use assets	3,501	4,130
Other assets	459	459
Long-term investments	18,631	80,882
Total assets	$ 521,984	$ 561,117
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,493	$ 2,660
Accrued expenses and other current liabilities	15,531	14,135
Income tax payable	—	4,282
Operating lease liabilities, current	1,652	1,421
Total current liabilities	19,676	22,498
Long-term liabilities:		
Operating lease liabilities, net of current portion	2,734	3,590
Total liabilities	22,410	26,088
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 647,500 and no shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively.	—	—
Common stock, $0.0001 par value, 150,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 42,735,304 and 45,796,449 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	4	5
Additional paid-in capital	639,066	585,320
Accumulated other comprehensive loss	(1,625)	(2,601)
Accumulated deficit	(137,871)	(47,695)
Total Cullinan stockholders' equity	499,574	535,029
Noncontrolling interests	—	—
Total stockholders' equity	499,574	535,029
Total liabilities and stockholders' equity	$ 521,984	$ 561,117

See accompanying notes to the unaudited consolidated financial statements.

CULLINAN ONCOLOGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating expenses:				
Research and development	$ 27,391	$ 26,411	$ 79,487	$ 50,947
General and administrative	10,214	10,695	20,874	18,816
Total operating expenses	37,605	37,106	100,361	69,763
Gain on sale of Cullinan Pearl	—	276,785	—	276,785
Income (loss) from operations	(37,605)	239,679	(100,361)	207,022
Other income (expense):				
Interest income	5,322	697	9,830	894
Other income (expense), net	69	(241)	176	(241)
Net income (loss) before income taxes	(32,214)	240,135	(90,355)	207,675
Income tax expense	—	66,070	—	46,502
Net income (loss)	(32,214)	174,065	(90,355)	161,173
Net loss attributable to noncontrolling interests	—	(833)	(179)	(1,627)
Net income (loss) attributable to common stockholders of Cullinan	$ (32,214)	$ 174,898	$ (90,176)	$ 162,800
Comprehensive income (loss):				
Net income (loss)	$ (32,214)	$ 174,065	$ (90,355)	$ 161,173
Unrealized gain (loss) on investments	(383)	(499)	976	(2,795)
Comprehensive income (loss)	(32,597)	173,566	(89,379)	158,378
Comprehensive loss attributable to noncontrolling interests	—	(833)	(179)	(1,627)
Comprehensive income (loss) attributable to Cullinan	$ (32,597)	$ 174,399	$ (89,200)	$ 160,005
Net income (loss) per share:				
Basic	$ (0.82)	$ 3.90	$ (2.24)	$ 3.65
Diluted	$ (0.82)	$ 3.77	$ (2.24)	$ 3.51
Weighted-average shares used in computing net income (loss) per share:				
Basic	39,952	44,873	40,315	44,654
Diluted	39,952	46,381	40,315	46,389

See accompanying notes to the unaudited consolidated financial statements.

CULLINAN ONCOLOGY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest in Subsidiaries	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balances at December 31, 2022	—	$ —	45,796,449	$ 5	$ 585,320	$ (2,601)	$ (47,695)	$ —	$ 535,029
Contributions from noncontrolling interests	—	—	—	—	—	—	—	179	179
Issuance of preferred stock in exchange for common stock	647,500	—	(6,475,000)	(1)	1	—	—	—	—
Net issuance of common stock under equity-based compensation plans	—	—	22,152	—	(36)	—	—	—	(36)
Equity-based compensation	—	—	—	—	7,259	—	—	—	7,259
Unrealized gain on investments	—	—	—	—	—	1,359	—	—	1,359
Net loss	—	—	—	—	—	—	(57,962)	(179)	(58,141)
Balances at March 31, 2023	647,500	—	39,343,601	4	592,544	(1,242)	(105,657)	—	485,649
Issuance of common stock	—	—	3,310,000	—	38,388	—	—	—	38,388
Net issuance of common stock under equity-based compensation plans	—	—	81,703	—	214	—	—	—	214
Equity-based compensation	—	—	—	—	7,920	—	—	—	7,920
Unrealized loss on investments	—	—	—	—	—	(383)	—	—	(383)
Net loss	—	—	—	—	—	—	(32,214)	—	(32,214)
Balances at June 30, 2023	647,500	$ —	42,735,304	$ 4	$ 639,066	$ (1,625)	$ (137,871)	$ —	$ 499,574

CULLINAN ONCOLOGY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest in Subsidiaries	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balances at December 31, 2021	—	$ —	44,292,102	$ 4	$ 584,714	$ (838)	$ (158,909)	$ 403	$ 425,374
Contributions from noncontrolling interests	—	—	—	—	—	—	—	1,153	1,153
Net issuance of common stock under equity-based compensation plans	—	—	367,924	—	1,566	—	—	—	1,566
Equity-based compensation	—	—	—	—	6,559	—	—	6	6,565
Unrealized loss on investments	—	—	—	—	—	(2,296)	—	—	(2,296)
Net loss	—	—	—	—	—	—	(12,098)	(794)	(12,892)
Balances at March 31, 2022	—	—	44,660,026	4	592,839	(3,134)	(171,007)	768	419,470
Contributions from noncontrolling interests	—	—	—	—	—	—	—	139	139
Net issuance of common stock under equity-based compensation plans	—	—	736,372	1	2,834	—	—	—	2,835
Equity-based compensation	—	—	—	—	8,602	—	—	6	8,608
Unrealized loss on investments	—	—	—	—	—	(499)	—	—	(499)
Net income (loss)	—	—	—	—	—	—	174,898	(833)	174,065
Balances at June 30, 2022	—	$ —	45,396,398	$ 5	$ 604,275	$ (3,633)	$ 3,891	$ 80	$ 604,618

See accompanying notes to the unaudited consolidated financial statements.

CULLINAN ONCOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2023	2022
Operating activities:		
Net income (loss)	$ (90,355)	$ 161,173
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Equity-based compensation expense	15,179	15,173
Amortization (accretion) on marketable securities	(3,516)	1,737
Depreciation and amortization	153	25
Non-cash contributions from noncontrolling interests	4	139
Gain on sale of Cullinan Pearl	—	(276,785)
Realized loss on marketable securities	—	109
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,161	(1,050)
Accounts payable	(169)	(70)
Accrued expenses and other current liabilities	(178)	5,719
Income tax payable	(4,282)	46,502
Net cash used in operating activities	(82,003)	(47,328)
Investing activities:		
Proceeds from sales and maturities of marketable securities	198,094	158,933
Purchase of marketable securities	(170,592)	(93,370)
Purchase of property and equipment	(208)	—
Proceeds from sale of Cullinan Pearl, net of escrow of $5,000 and cash transferred with sale of $2,898	—	270,000
Net cash provided by investing activities	27,294	335,563
Financing activities:		
Proceeds from issuance of common stock	38,388	—
Proceeds from issuance of convertible notes	1,825	2,200
Proceeds from net issuance of common stock under equity-based compensation plans	178	4,401
Repayment of convertible note	—	(2,200)
Contributions from noncontrolling interests	—	1,153
Net cash provided by financing activities	40,391	5,554
Net increase (decrease) in cash and cash equivalents	(14,318)	293,789
Cash and cash equivalents at beginning of period	156,152	59,774
Cash and cash equivalents at end of period	$ 141,834	$ 353,563
SUPPLEMENTAL NONCASH DISCLOSURE		
Non-cash investing and financing activities and supplemental cash flow information		
Conversion of convertible note into noncontrolling interest	$ 175	$ —
Cash paid for income taxes	$ 4,708	$ —

See accompanying notes to the unaudited consolidated financial statements.

(1) Nature of Business and Basis of Presentation

Organization

Cullinan Oncology, Inc., together with its consolidated subsidiaries ("Cullinan" or the "Company"), is a clinical-stage biopharmaceutical company focused on modality-agnostic targeted oncology that was incorporated in September 2016 and has a principal place of business in Cambridge, Massachusetts.

Liquidity

The Company has incurred significant operating losses, with the exception of 2022, and negative cash flows from operations since its inception and expects to continue to generate operating losses for the foreseeable future. Cullinan's ultimate success depends on the outcome of its research and development activities as well as the ability to commercialize the Company's product candidates. Cullinan is subject to a number of risks including, but not limited to, the need to obtain adequate additional funding for the ongoing and planned clinical development of its product candidates. Due to the numerous risks and uncertainties associated with pharmaceutical products and development, the Company is unable to accurately predict the timing or amount of funds required to complete development of its product candidates, and costs could exceed Cullinan's expectations for a number of reasons, including reasons beyond the Company's control.

Since inception, Cullinan has funded its operations primarily through the sale of equity securities and from licensing or selling the rights to its product candidates. The Company expects that its cash, cash equivalents and short-term investments of $491.8 million and long-term investments and interest receivable of $20.3 million as of June 30, 2023, will be sufficient to fund its operating expenses and capital expenditure requirements through at least twelve months from the date of issuance of these unaudited consolidated financial statements. Interest receivable is included in prepaid expenses and other current assets on the consolidated balance sheets and represents accrued and unpaid interest on Cullinan's marketable securities.

(2) Summary of Significant Accounting Policies

Cullinan's significant accounting policies have not changed materially from those disclosed in its annual audited consolidated financial statements and accompanying notes in its Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "2022 10-K"), except for its accounting policy for equity-based compensation.

Basis of Presentation

The unaudited consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") and in accordance with applicable rules and regulations of the Securities Exchange Commission (the "SEC") for interim financial reporting and include the accounts of the Company and its consolidated subsidiaries. Cullinan considers consolidation of entities over which control is achieved by means other than voting rights. Intercompany balances and transactions have been eliminated in consolidation. The Company operates as one segment, which is developing early-stage cancer therapeutics. In the opinion of Cullinan's management, the unaudited consolidated financial statements reflect all adjustments, which are normal and recurring in nature, and necessary for fair financial statement presentation. The preparation of these unaudited consolidated financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ materially from those estimates. These unaudited consolidated financial statements and accompanying notes should be read in conjunction with the Company's annual audited consolidated financial statements and accompanying notes included in the 2022 10-K.

Equity-Based Compensation

The fair value of equity-based awards is measured at the grant date and is recognized as expense over the requisite service period, which is generally the vesting period. Forfeitures are recognized as they occur. Cullinan classifies equity-based compensation in its consolidated statements of operations and comprehensive income (loss) in the same manner in which the award recipient's payroll costs or service payments are classified.

The fair value of service-based restricted stock units ("RSUs") is the closing market price of the Company's common stock on the grant date. Cullinan measures the fair value of market-based RSUs on the grant date using a Monte Carlo simulation model. The Company estimates the fair value of stock options using the Black-Scholes option pricing model. Both the Monte Carlo simulation model and the Black-Scholes option pricing model require the input of objective and subjective assumptions. Certain assumptions used, including Cullinan's expected stock price volatility, involve inherent uncertainties and the application of management's judgment. As a result, if factors change and management uses different assumptions, equity-based compensation expense could be materially different for future awards.

Prior to 2023, the expected volatility used in the Black-Scholes option pricing model for new options was based on historical volatilities of the stock prices of similar entities within the Company's industry over a period of time commensurate with the expected term assumption. In 2023, Cullinan determined that a sufficient amount of historical information was available regarding the volatility of its stock price to begin using a blended rate that combines the Company's historical volatility with the historical volatilities of the stock prices of similar entities within the Company's industry over a period of time commensurate with the expected term assumption.

Recently Issued Accounting Pronouncements

There are no recently issued accounting pronouncements that will have a material impact on Cullinan's consolidated financial statements.

(3) Sale of Cullinan Pearl

In June 2022, the Company sold its equity interest in its partially owned-subsidiary, Cullinan Pearl Corp. ("Cullinan Pearl"), which had worldwide rights to zipalertinib, excluding Japan, mainland China, Hong Kong, Macau, and Taiwan, to Taiho Pharmaceutical Co., Ltd ("Taiho") for an upfront payment of $275.0 million, with an increase to the purchase price in the amount of $2.9 million for cash held by Cullinan Pearl that was transferred with the sale. As of June 30, 2022, $5.0 million of the upfront payment was held in escrow. The escrow amount was released to Cullinan in the third quarter of 2022 once the Company and Taiho determined that no post-sale net working capital adjustment was necessary. Pursuant to the share purchase agreement with Taiho, Cullinan is also eligible to receive an additional $130.0 million tied to epidermal growth factor receptor exon20 non-small-cell lung cancer regulatory milestones.

The Company concluded the transaction was a sale of non-financial assets, which were comprised mainly of intellectual property rights and related intangible assets, and that it transferred control of the non-financial assets at the closing of the sale. Cullinan recognized a gain on sale of Cullinan Pearl of $276.8 million within income from operations in its consolidated statement of operations and other comprehensive income (loss) for the three and six months ended June 30, 2022. The table below sets forth the book value of the Cullinan Pearl assets and liabilities sold along with the calculation of the gain on sale based on the cash consideration received.

	(in thousands)
Book value of assets sold	
Cash	$ 2,898
Prepaid expenses and other current assets	619
Amounts attributable to assets sold	3,517
Book value of liabilities sold	
Accrued expenses and other current liabilities	2,404
Amounts attributable to liabilities sold	2,404
Total identifiable net assets sold	1,113
Upfront consideration, inclusive of escrow of $5,000 and cash transferred of $2,898	277,898
Gain on sale of Cullinan Pearl	$ 276,785

During the six months ended June 30, 2022, Cullinan Pearl issued $2.2 million of convertible notes to an affiliate of Taiho. The Company repaid these convertible notes at the closing of the Cullinan Pearl sale.

(4) Financial Instruments

Investments

Cullinan recognized its short-term and long-term investments by security type at June 30, 2023 as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(in thousands)		
Short-term investments				
Corporate notes	$ 202,320	$ —	$ (1,113)	$ 201,207
U.S. government notes	74,708	3	(86)	74,625
Asset-backed securities	74,434	—	(302)	74,132
Total short-term investments	351,462	3	(1,501)	349,964
Long-term investments				
Corporate notes	18,758	—	(127)	18,631
Total long-term investments	18,758	—	(127)	18,631
Total investments	$ 370,220	$ 3	$ (1,628)	$ 368,595

The Company recognized its short-term and long-term investments by security type at December 31, 2022 as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(in thousands)			
Short-term investments				
Corporate notes	$ 244,498	$ 11	$ (1,743)	$ 242,766
U.S. government notes	34,029	—	(290)	33,739
Commercial paper	18,035	3	(13)	18,025
Asset-backed securities	16,625	—	(15)	16,610
Total short-term investments	313,187	14	(2,061)	311,140
Long-term investments				
Corporate notes	81,436	18	(572)	80,882
Total long-term investments	81,436	18	(572)	80,882
Total investments	$ 394,623	$ 32	$ (2,633)	$ 392,022

Fair Value of Financial Instruments

The following table sets forth the fair value of Cullinan's financial assets that were measured at fair value on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
	(in thousands)			
Short-term investments				
Corporate notes	$ —	$ 201,207	$ —	$ 201,207
U.S. government notes	—	74,625	—	74,625
Asset-backed securities	—	74,132	—	74,132
Total short-term investments	—	349,964	—	349,964
Long-term investments				
Corporate notes	—	18,631	—	18,631
Total long-term investments	—	18,631	—	18,631
Total investments	$ —	$ 368,595	$ —	$ 368,595

The following table sets forth the fair value of the Company's financial assets that were measured at fair value on a recurring basis as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
	(in thousands)			
Short-term investments				
Corporate notes	$ —	$ 242,766	$ —	$ 242,766
U.S. government notes	—	33,739	—	33,739
Commercial paper	—	18,025	—	18,025
Asset-backed securities	—	16,610	—	16,610
Total short-term investments	—	311,140	—	311,140
Long-term investments				
Corporate notes	—	80,882	—	80,882
Total long-term investments	—	80,882	—	80,882
Total investments	$ —	$ 392,022	$ —	$ 392,022

As of June 30, 2023 and December 31, 2022, the fair values of Cullinan's cash and cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities approximated their carrying values due to the short-term nature of these instruments.

(5) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
	(in thousands)	
Accrued research and development expenses	$ 6,130	$ 7,486
Due to Taiho under collaboration agreement, net	3,378	—
Accrued bonus	3,108	4,516
Convertible note and accrued interest	1,885	178
Other current liabilities	1,030	1,955
Total accrued expenses and other current liabilities	$ 15,531	$ 14,135

(6) License and Collaboration Agreements

Harbour License Agreement

In February 2023, the Company and Harbour BioMed US Inc. (“Harbour”) entered into a license and collaboration agreement (the “Harbour License Agreement”), pursuant to which Harbour granted to Cullinan an exclusive license for the development, manufacturing and commercialization of HBM7008 (CLN-418) in the U.S.

Under the terms of the Harbour License Agreement, the Company paid Harbour an upfront license fee of $25.0 million at signing. Harbour will be eligible to receive up to $148.0 million in milestone payments based on the achievement of pre-specified development and regulatory milestones. Harbour is also eligible to receive up to an additional $415.0 million in sales-based milestones as well as tiered royalties up to the high teens on a licensed product-by-licensed product basis, as a percentage of U.S. commercial sales. In addition, under the Harbour License Agreement, Harbour granted Cullinan certain intellectual property rights to enable the Company to perform its obligations and exercise its rights under the Harbour License Agreement.

Unless earlier terminated, the Harbour License Agreement will continue in effect until the expiration of Cullinan’s royalty obligations. The Harbour License Agreement may be terminated by either party for a material breach by the other party, subject to notice and cure provisions, or in the event of the other party’s insolvency. The Company may terminate the Harbour License Agreement for convenience by providing 90 days written notice to Harbour. In the Harbour License Agreement, each party made customary representations and warranties and agreed to customary covenants, including, without limitation, with respect to indemnification, for transactions of this type.

Cullinan evaluated the Harbour License Agreement and determined that the exclusive license for the development, manufacturing and commercialization of HBM7008 (CLN-418) in the U.S represented an asset acquisition of in-process research and development. The Company also determined that the asset had no alternative future use at the time of acquisition, and therefore the upfront license fee of $25.0 million was recorded within research and development expenses during the six months ended June 30, 2023.

Co-Development Agreement with Taiho

In June 2022, Cullinan and an affiliate of Taiho entered into a co-development agreement, pursuant to which the Company will collaborate to develop zipalertinib and will retain the option to co-commercialize zipalertinib in the U.S. Under the co-development agreement, development costs for zipalertinib shall be shared equally between Taiho and Cullinan with each party receiving 50% of any future pre-tax profits from potential U.S. sales of zipalertinib.

The Company concluded that the co-development agreement with Taiho is a collaborative arrangement because Cullinan is an active participant in the development of zipalertinib. Payments made to or received from Taiho for zipalertinib development activities after the execution of the co-development agreement are recorded within research and development expenses. For the three and six months ended June 30, 2023, the Company recorded research and development expense of $5.5 million and $10.2 million, respectively, related to its share of costs incurred by Taiho. Cullinan incurred $2.1 million and $3.1 million of costs that were reimbursable by Taiho during the three and six months ended June 30, 2023, respectively, which were recorded as a reduction to research and development expenses. The net amount of $3.4 million due to Taiho was recorded within accrued expenses and other current liabilities as of June 30, 2023.

Other License and Collaboration Expenses

During the six months ended June 30, 2023, Cullinan recorded $0.2 million in research and development expenses relating to the license agreement with the Massachusetts Institute of Technology (the "MIT License Agreement") for CLN-617. During the three and six months ended June 30, 2022, the Company recorded $0.2 million in research and development expenses relating to the MIT License Agreement.

During the six months ended June 30, 2022, Cullinan recorded $0.5 million in research and development expenses relating to a collaboration agreement with Adimab, LLC.

(7) Stockholders' Equity

Common Stock

Each share of common stock entitles the holder to one vote and to receive dividends when and if declared by the board of directors of the Company. No dividends have been declared through June 30, 2023.

At-the-Market Equity Offering Program

In May 2023, Cullinan entered into an agreement with Cowen and Company, LLC (“Cowen”) to establish an at-the-market equity offering program (the “ATM") pursuant to which the Company may offer and sell up to $125.0 million of its common stock from time to time through Cowen, acting as its sales agent. In the three months ended June 30, 2023, the Company sold approximately 3.3 million shares under the ATM and received net proceeds of $38.4 million after deducting commissions. As of June 30, 2023, Cullinan had $85.6 million in shares of its common stock remaining under the ATM.

Preferred Stock

In January 2023, the Company entered into an exchange agreement with Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., Biotechnology Value Trading Fund OS LP and MSI BVF SPV, LLC (the “Stockholders”), pursuant to which the Stockholders exchanged 6.5 million shares of Cullinan’s common stock for 0.6 million shares of newly designated Series A convertible preferred stock, a “toothless” preferred stock, par value $0.0001 per share.

Each share of the preferred stock will be convertible into ten shares of common stock at the option of the holder at any time, subject to certain limitations, including that the holder will be prohibited from converting preferred stock into common stock if, as a result of such conversion, the holder, together with its affiliates, would beneficially own a number of shares of common stock more than 9.99% of the total common stock then issued and outstanding immediately following the conversion of such shares of preferred stock. Holders of the preferred stock are permitted to increase this percentage to an amount not to exceed 19.99% upon 60 days notice.

Shares of preferred stock will generally have no voting rights, except as required by law and except that the consent of a majority of the holders of the outstanding preferred stock will be required to amend the terms of the preferred stock. In the event of the Company’s liquidation, dissolution or winding up, holders of preferred stock will participate pari passu with any distribution of proceeds to holders of common stock. Holders of preferred stock are entitled to receive when, as, and if dividends are declared and paid on the common stock, an equivalent dividend, calculated on an as-converted basis. Shares of preferred stock are otherwise not entitled to dividends.

The preferred stock ranks (i) senior to any class or series of capital stock of Cullinan hereafter created specifically ranking by its terms junior to the preferred stock; (ii) on parity with the common stock and any class or series of capital stock of the Company created specifically ranking by its terms on parity with the preferred stock; and (iii) junior to any class or series of capital stock of Cullinan created specifically ranking by its terms senior to any preferred stock, in each case, as to distributions of assets upon liquidation, dissolution or winding up of the Company, whether voluntarily or involuntarily.

The Company evaluated the preferred stock for liability or equity classification. Cullinan determined that the preferred stock should be classified as permanent equity as it is not redeemable for cash or other assets (i) on a fixed or determinable date, (ii) at the option of the holder, or (iii) upon the occurrence of an event that is not solely within control of the Company.

Noncontrolling Interests in Subsidiaries

Certain subsidiaries issue common stock in connection with licensing agreements and to employees, directors and consultants pursuant to subsidiary equity incentive plans. The holders of subsidiary common stock are entitled to one vote per share. The holders of subsidiary common stock are entitled to receive dividends when and if declared by the subsidiaries’ board of directors and distributions in either case only after the payment of all preferential amounts required to be paid to the holders of shares of preferred stock of the respective subsidiary.

Cullinan Amber

As of June 30, 2023, the Company held common stock and Series A preferred stock that represented 94% of Cullinan Amber Corp.’s ("Cullinan Amber") outstanding equity. As of June 30, 2023, noncontrolling interests collectively held common stock that represented 6% of Cullinan Amber's outstanding equity.

In each of the three and six months ended June 30, 2023, no losses were attributed to the noncontrolling interests of Cullinan Amber. In each of the three and six months ended June 30, 2022, $0.1 million of losses were attributed to the noncontrolling interests of Cullinan Amber.

Cullinan Florentine

As of June 30, 2023, Cullinan held common stock, Series A preferred stock and Series B preferred stock that represented 96% of Cullinan Florentine Corp.'s ("Cullinan Florentine") outstanding equity. As of June 30, 2023, noncontrolling interests collectively held common stock that represented 4% of Cullinan Florentine's outstanding equity.

In each of the three and six months ended June 30, 2023 and 2022, no losses were attributed to the noncontrolling interests of Cullinan Florentine.

Cullinan MICA

As of June 30, 2023, Cullinan held common stock and Series A preferred stock that represented 96% of Cullinan MICA Corp.'s ("Cullinan MICA") outstanding equity. As of June 30, 2023, noncontrolling interests collectively held common stock and Series A preferred stock that represented 4% of Cullinan MICA's outstanding equity.

In the three and six months ended June 30, 2023, no losses and $0.2 million of losses, respectively, were attributed to the noncontrolling interests of Cullinan MICA. In the three and six months ended June 30, 2022, $0.7 million and $1.1 million of losses, respectively, were attributed to the noncontrolling interests of Cullinan MICA.

Cullinan Pearl

In June 2022, the Company sold its equity interest in its partially-owned subsidiary, Cullinan Pearl, to Taiho. Refer to Note 3 for additional details relating to the transaction.

In the three and six months ended June 30, 2022, no losses and $0.3 million of losses, respectively, were attributed to the noncontrolling interests of Cullinan Pearl.

(8) Equity-Based Compensation

Cullinan recorded equity-based compensation in the following expense categories in the consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)			
Research and development	$ 3,249	$ 4,379	$ 6,303	$ 7,039
General and administrative	4,671	4,229	8,876	8,134
Total equity-based compensation	$ 7,920	$ 8,608	$ 15,179	$ 15,173

Determining Fair Value of Options

The fair value of options is estimated using the Black-Scholes option pricing model, which takes into account inputs such as the exercise price, the value of the underlying common stock at the grant date, expected term, expected volatility, risk-free interest rate and dividend yield. The fair value of each grant of options during the six months ended June 30, 2023 and 2022 were determined using the methods and assumptions discussed below:

- The expected term of options is determined using the “simplified” method, as prescribed in the SEC Staff Accounting Bulletin No. 107, whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option due to the Company’s lack of sufficient historical data.
- The risk-free interest rate is based on implied yields available from U.S. Treasury securities with a remaining term equal to the expected term assumed at the grant date.
- Prior to 2023, the expected volatility used in the Black-Scholes option pricing model for new options was based on historical volatilities of the stock prices of similar entities within Cullinan’s industry over a period of time commensurate with the expected term assumption. In 2023, the Company determined that a sufficient amount of historical information was available regarding the volatility of its stock price to begin using a blended rate that combines its historical volatility with the historical volatilities of the stock prices of similar entities within Cullinan’s industry over a period of time commensurate with the expected term assumption.
- The estimated annual dividend yield was based on the Company’s expectation of not paying dividends on its common stock in the foreseeable future.

The grant date fair value was estimated at the time of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions in the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
Risk-free interest rate	3.9%	2.2%
Expected term (in years)	6.0	6.0
Expected volatility	79.1%	78.8%
Expected dividend yield	0.0%	0.0%

(9) Related Party Transactions

Royalty Transfer Agreements

Cullinan Amber, Cullinan Florentine and Cullinan MICA are each party to royalty transfer agreements with MPM Oncology Charitable Foundation, Inc. and UBS Optimus Foundation (together, the "Foundations"). Under each of these respective agreements, the Foundations are collectively entitled to receive a low single digit royalty percentage of all global net sales of any products developed by the applicable subsidiary, subject to limitations after patent expirations and on intellectual property developed after a change of control. Cullinan has deemed these royalty transfer agreements to be freestanding financial instruments that should be accounted for at fair value. The Company concluded that these instruments had no value at the inception of the agreements.

Cullinan has not had any applicable net sales from its products and as a result, has not paid or incurred any royalties under these agreements as of June 30, 2023. Given the early-stage nature of the underlying technologies and inherent technical, regulatory and competitive risks associated with achieving approval and commercialization, the Company ascribed no value to the royalty transfer agreements as of June 30, 2023 and December 31, 2022.

(10) Income Taxes

During each of the three and six months ended June 30, 2023, Cullinan did not record an income tax expense or benefit.

During the three and six months ended June 30, 2022, the Company recorded an income tax provision of $66.1 million and $46.5 million, respectively. The tax provision recorded for the period ended June 30, 2022 was driven by the expected tax from the gain on sale of Cullinan Pearl, partially offset by the release of valuation allowance for the expected utilization of certain historical tax attributes against the gain from the sale. Refer to Note 3 for additional details on the sale of Cullinan's equity interest in Cullinan Pearl.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize its deferred tax assets, which primarily consist of capitalized research and development costs, temporary differences on equity-based compensation, and net operating loss carryforwards. Cullinan has considered its history of cumulative net losses and its estimated future taxable income and has concluded that it is more likely than not that the Company will not realize the benefits of its deferred tax assets. As a result, Cullinan has maintained a full valuation allowance against its remaining net deferred tax assets as of June 30, 2023.

(11) Commitments and Contingencies

The Company enters into contracts in the normal course of business with contract research organizations, contract manufacturing organizations, and other third parties for preclinical research studies, clinical trials and testing and manufacturing services. These agreements generally include cancellation clauses.

Indemnification Agreements

In the ordinary course of business, Cullinan may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and executive officers that will require Cullinan, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in certain cases, unlimited. To date, Cullinan has not incurred any material costs as a result of such indemnifications. The Company is not aware of any indemnification arrangements that could have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its consolidated financial statements as of June 30, 2023 and December 31, 2022.

Legal Proceedings

Cullinan is not currently party to or aware of any material legal proceedings. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. Cullinan expenses as incurred the costs related to such legal proceedings.

(12) Leases

The Company has an operating lease for approximately 8,000 square feet of office space in a multi-tenant building in Cambridge, Massachusetts, which commenced in February 2018 and goes through June 2024 (the "Suite 520 Lease"). In August 2022, Cullinan entered into an additional operating lease for approximately 14,000 square feet of office space in a multi-tenant building in Cambridge, Massachusetts through July 2026. Lease expense consisted of operating lease costs of $0.4 million and $0.9 million for the three and six months ended June 30, 2023, respectively. Lease expense consisted of operating lease costs of $0.1 million and $0.3 million for the three and six months ended June 30, 2022, respectively.

The following table summarizes supplemental cash flow information for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
	(in thousands)	
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	$ 875	$ 303
Right-of-use asset obtained in exchange for an operating lease liability	$ —	$ 1,311

The following table summarizes the Company's future minimum lease payments and reconciliation of lease liabilities as of June 30, 2023:

	June 30, 2023
	(in thousands)
Remainder of 2023	$ 1,006
2024	1,738
2025	1,461
2026	872
Total future minimum lease payments	5,077
Less: imputed interest	(691)
Total lease liabilities at present value	$ 4,386

The following table summarizes the weighted-average remaining lease term and discount rate as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Weighted-average remaining lease term (in years)	2.8	3.2
Weighted-average discount rate	10.8%	10.8%

As Cullinan's operating leases did not provide an implicit rate, the Company used its incremental borrowing rate based on the information available in determining the present value of lease payments. Cullinan's incremental borrowing rate was based on the term of the lease, the economic environment and reflects the rate the Company would have had to pay to borrow on a secured basis.

Sublease Agreement

In September 2022, Cullinan entered into a sublease agreement through May 2024 for the Suite 520 Lease. For the three and six months ended June 30, 2023, the Company recorded sublease income of $0.1 million and $0.3 million, respectively, within other income (expense), net.

(13) Net Income (Loss) per Share

The following table sets forth the calculation of basic and diluted net income (loss) per share for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands, except per share data)			
Numerator:				
Net income (loss) attributable to common stockholders of Cullinan	$ (32,214)	$ 174,898	$ (90,176)	$ 162,800
Denominator:				
Weighted-average common stock outstanding - basic	39,952	44,873	40,315	44,654
Dilutive effect of common stock issuable from assumed exercise of equity awards	—	1,508	—	1,735
Weighted-average common stock outstanding - diluted	39,952	46,381	40,315	46,389
Net income (loss) per share:				
Basic	$ (0.82)	$ 3.90	$ (2.24)	$ 3.65
Diluted	$ (0.82)	$ 3.77	$ (2.24)	$ 3.51

Cullinan used the treasury stock and if-converted methods to determine the number of dilutive shares. The following table sets forth potential common shares that were excluded from the computation of diluted net income (loss) per share for the six months ended June 30, 2023 and 2022 because their effect would have been anti-dilutive:

	Six Months Ended June 30,	
	2023	2022
	(in thousands)	
Stock options	9,185	6,250
Preferred stock	5,795	—
Restricted stock awards and RSUs	156	—
Total	15,136	6,250

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 10-K"), filed with the Securities and Exchange Commission (the "SEC") on March 9, 2023. This discussion and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results could differ materially from those discussed in these forward-looking statements. Please also refer to those factors described in "Part I, Item 1A. Risk Factors" of our 2022 10-K for important factors that we believe could cause actual results to differ materially from those in our forward-looking statements.

Overview

We are a clinical-stage biopharmaceutical company focused on modality-agnostic targeted oncology therapies. Our strategy is to identify high-impact cancer targets and then select what we believe is the optimal therapeutic modality for those targets. We source innovation both internally and externally, focusing on product candidates with novel technology platforms or differentiated mechanisms. Before we advance a product candidate into clinical development, we evaluate its potential for anti-tumor activity as a single agent as well as its ability to generate an immune response or to inhibit oncogenic processes. Using this strategy, we have built a broad and deep pipeline of targeted oncology programs that includes six distinct product candidates, all of which are clinical-stage, as well as multiple research and discovery programs.

Zipalertinib (CLN-081/TAS6417), which we are co-developing with an affiliate of Taiho Pharmaceutical Co., Ltd ("Taiho"), is an orally-available small-molecule, irreversible epidermal growth factor receptor ("EGFR") inhibitor that is designed to selectively target cells expressing EGFR exon 20 ("EGFRex20") insertion mutations with relative sparing of cells expressing wild-type EGFR. The United States ("U.S.") Food and Drug Administration (the "FDA") has granted Breakthrough Therapy designation to zipalertinib. In collaboration with our partners at Taiho, we are evaluating zipalertinib in a pivotal Phase 2b trial in patients with EGFRex20 non-small-cell lung cancer ("NSCLC") who progressed after prior systemic therapy, and in a global Phase 3 trial in combination with chemotherapy as a potential first-line treatment for EGFRex20 NSCLC adult patients.

In addition to zipalertinib, our portfolio includes five other clinical-stage product candidates:

- CLN-619 is a monoclonal antibody that stabilizes expression of MICA/B on the tumor cell surface to promote tumor cell lysis mediated by both cytotoxic innate and adaptive immune cells. CLN-619 has broad therapeutic potential and is being investigated as both monotherapy and in combination with checkpoint inhibitor therapy in an ongoing Phase 1 trial in patients with advanced solid tumors. We presented initial clinical data for CLN-619 monotherapy in patients with advanced solid tumors at the 2023 American Society of Clinical Oncology Annual Meeting in June 2023. Data demonstrated monotherapy anti-tumor activity of CLN-619 in heavily pre-treated patients with multiple tumor types with no dose limiting toxicities up to the highest dose tested. Best responses among 22 evaluable patients receiving doses greater than one milligram per kilogram included one confirmed complete response (parotid cancer), two confirmed partial responses (endometrial cancer), and seven patients with stable disease (cervical, ovarian, breast, and salivary gland cancers).
    - Based on these initial clinical observations, we have initiated monotherapy expansion cohorts in endometrial and cervical cancers and are evaluating potential additional future expansion cohorts.
    - We intend to present initial data from the combination dose escalation arm of the study at a medical meeting in the future.
- CLN-049 is a FLT3xCD3 T cell engaging bispecific antibody being investigated in patients with relapsed/refractory acute myeloid leukemia or myelodysplastic syndrome.
    - Preliminary safety data from an ongoing first-in-human study were published in abstract form as part of the 2023 European Hematology Association Congress.
    - Enrollment continues in the ongoing Phase 1 multi-ascending dose study using subcutaneous administration.
- CLN-418 is a B7H4x4-1BB fully human bispecific immune activator designed to achieve conditional activation of 4-1BB by targeting B7H4, a tumor-associated antigen that is highly expressed across multiple cancers with minimal expression on normal tissues, and is being investigated in an ongoing Phase 1 trial in patients with advanced solid tumors with initial clinical data expected in 2024.
- CLN-978 is a CD19xCD3 T cell engager with extended serum half-life and robust potency against target cells expressing low levels of CD19. In January 2023, the FDA cleared our investigational new drug application ("IND") for CLN-978, which we are initially evaluating in a Phase 1 trial for the treatment of relapsed/refractory B-cell non-Hodgkin lymphoma ("r/r B-NHL"). In August 2023, we dosed the first patient in our Phase 1 trial of CLN-978 in patients with r/r B-NHL.

- CLN-617 is a fusion protein combining two potent antitumor cytokines, interleukin-2 ("IL-2") and interleukin-12 ("IL-12"), with tumor retention domains for the treatment of solid tumors. In March 2023, the FDA cleared our IND for CLN-617. We anticipate initiating a Phase 1 clinical study in the second half of 2023 evaluating CLN-617 for the treatment of advanced solid tumors.

In addition to the product candidates described above, we are actively developing several preclinical oncology programs, all in the discovery stage, including our collaboration with Icahn School of Medicine at Mount Sinai for the development of novel hematopoietic progenitor kinase 1 degraders.

We have the option to co-commercialize zipalertinib with Taiho in the United States. We hold worldwide development and commercialization rights to CLN-619, CLN-049, CLN-978 and CLN-617, and we hold U.S. development and commercialization rights to CLN-418. We hold intellectual property rights and exclusive options for worldwide intellectual property for our earlier-stage programs.

Since our inception in 2016, we have focused all of our efforts and financial resources on raising capital, organizing and staffing our company, identifying, acquiring or in-licensing and developing product and technology rights, establishing and protecting our intellectual property portfolio and developing and advancing our programs. We do not have any products approved for sale and have not generated any revenue from product sales.

We have funded our operations primarily through the sale of equity securities and from licensing or selling the rights to our product candidates. As of June 30, 2023, we have received net proceeds of $579.6 million from equity financings, $18.9 million in revenue from a previous license agreement, and cash proceeds of $275.0 million from the sale of our equity interest in Cullinan Pearl to Taiho in June 2022.

As of June 30, 2023, we had cash, cash equivalents and short-term investments of $491.8 million and long-term investments and interest receivable of $20.3 million. Interest receivable is included in prepaid expenses and other current assets on the consolidated balance sheets and represents accrued and unpaid interest on our marketable securities. We have incurred significant operating losses, with the exception of 2022, and have had negative cash flows from operations since our inception. As of June 30, 2023, we had an accumulated deficit of $137.9 million. We expect to continue to generate operating losses for the foreseeable future. Our future viability is dependent on the success of our research and development and our ability to access additional capital to fund our operations. There can be no assurance that our current operating plan will be achieved or that additional funding will be available on terms acceptable to us, or at all.

We are subject to risks and uncertainties common to early-stage companies in the biotechnology industry including, but not limited to, new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the ability to obtain additional capital to fund operations. Our therapeutic programs will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require additional capital, adequate personnel and extensive compliance-reporting capabilities. There can be no assurance that our research and development will be successfully completed, that adequate protection for our intellectual property will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable.

Basis of Presentation and Consolidation

When we were a private company, we established or acquired partially-owned development subsidiaries to hold the intellectual property rights for several of our product candidates. As a publicly held company, we do not intend to create new development subsidiaries in the future. Losses attributed to noncontrolling interests are reported separately in our consolidated statements of operations and comprehensive income (loss). The following table shows our ownership interest as of June 30, 2023 in our partially-owned subsidiaries:

Name	Ownership as of June 30, 2023
Cullinan MICA Corp.	96%
Cullinan Florentine Corp.	96%
Cullinan Amber Corp.	94%
Cullinan Pearl Corp.	—

Cullinan MICA

Cullinan MICA Corp. is our partially-owned operating subsidiary that owns intellectual property related to CLN-619, our MICA/B-targeted humanized IgG1 monoclonal antibody.

Cullinan Florentine

Cullinan Florentine Corp. is our partially-owned operating subsidiary that has exclusive worldwide rights to CLN-049, our bispecific antibody targeting FLT3 and CD3, pursuant to an exclusive license agreement with Deutsches Krebsforschungszentrum, Eberhard Karls University of Tübingen, Faculty of Medicine, and Universitätsmedizin Gesellschaft für Forschung und Entwicklung mbH, Tübingen.

Cullinan Amber

Cullinan Amber Corp. is our partially-owned operating subsidiary that has exclusive worldwide rights to CLN-617, our fusion protein combining two potent antitumor cytokines, IL-2 and IL-12, with tumor retention domains for the treatment of solid tumors, pursuant to a license agreement with the Massachusetts Institute of Technology ("MIT"). The license agreement with MIT provides exclusive worldwide rights to the patents related to technology that originated in the laboratory of Dr. Karl Dane Wittrup to develop novel multifunctional constructs for delivery of immunostimulatory agents such as cytokines that are retained in the tumor microenvironment.

Cullinan Pearl

We sold our equity interest in our partially-owned subsidiary, Cullinan Pearl Corp., to Taiho in June 2022, which provided Taiho with worldwide rights to zipalertinib outside of Japan, mainland China, Hong Kong, Macau, and Taiwan.

Components of Our Results of Operations

Revenue

We have not generated any revenue from the sale of products since our inception and do not expect to generate any revenue from the sale of products in the near future, if at all.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the research and development of our wholly-owned and jointly-developed product candidates and programs. These expenses include:

- compensation costs for employees engaged in research and development functions;
- expenses incurred under agreements with organizations that support our drug discovery and development activities;
- expenses incurred in connection with the preclinical and clinical development of our product candidates and programs, including under agreements with contract research organizations ("CROs");
- costs related to contract manufacturing organizations, that are primarily engaged to provide drug substance, raw material and drug product for our clinical trials, research and development programs, as well as investigative sites and consultants that conduct our clinical trials, nonclinical studies and other scientific development services;
- the costs of acquiring and manufacturing nonclinical and clinical trial materials, including manufacturing registration and validation batches;
- costs related to compliance with quality and regulatory requirements;
- payments made under third-party licensing agreements; and
- direct and allocated costs related to facilities, information technology, personnel and other overhead.

Following the sale of our equity interest in Cullinan Pearl in the second quarter of 2022, development costs and any future potential pre-tax profits from U.S. sales of zipalertinib are shared equally between us and Taiho.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation costs for personnel in executive management, finance, legal, corporate and business development, and other administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters; professional fees for accounting, auditing, tax, and administrative consulting services; insurance costs; administrative travel expenses; marketing expenses; and other operating costs.

Gain on Sale of Cullinan Pearl

Gain on sale of Cullinan Pearl represents the excess of the consideration received over the carrying value of the non-financial assets sold. Refer to Note 3 of our notes to the consolidated financial statements in this Quarterly Report on Form 10-Q for additional details relating to the transaction.

Other Income

Other income consists primarily of interest income earned on our cash, cash equivalents, short-term investments and long-term investments.

Income Taxes

Income taxes consist primarily of federal and state income taxes.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2023 and 2022

The following table presents our results of operations for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)			
Operating expenses:				
Research and development	$ 27,391	$ 26,411	$ 79,487	$ 50,947
General and administrative	10,214	10,695	20,874	18,816
Total operating expenses	37,605	37,106	100,361	69,763
Gain on sale of Cullinan Pearl	—	276,785	—	276,785
Income (loss) from operations	(37,605)	239,679	(100,361)	207,022
Other income (expense):				
Interest income	5,322	697	9,830	894
Other income (expense), net	69	(241)	176	(241)
Net income (loss) before income taxes	(32,214)	240,135	(90,355)	207,675
Income tax expense	—	66,070	—	46,502
Net income (loss)	(32,214)	174,065	(90,355)	161,173
Net loss attributable to noncontrolling interests	—	(833)	(179)	(1,627)
Net income (loss) attributable to common stockholders of Cullinan	$ (32,214)	$ 174,898	$ (90,176)	$ 162,800

Research and Development Expenses

The following table summarizes our research and development expenses for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)			
Zipalertinib	$ 7,760	$ 4,245	$ 13,412	$ 12,143
CLN-619	5,991	5,606	10,503	9,167
CLN-049	2,650	1,226	4,793	2,350
CLN-418	1,091	—	27,970	—
CLN-978	(182)	3,064	1,643	6,857
CLN-617	1,753	2,738	4,045	4,518
Clinical-stage product candidates	19,063	16,879	62,366	35,035
Early-stage research	1,024	2,247	2,551	4,108
Other personnel and unallocated	4,055	2,906	8,267	4,764
Equity-based compensation	3,249	4,379	6,303	7,040
Total research and development expenses	$ 27,391	$ 26,411	$ 79,487	$ 50,947

The $1.0 million increase in research and development expenses in the three months ended June 30, 2023 compared to the same period in 2022 was primarily related to increased clinical costs ($7.6 million) and higher personnel costs due to increased headcount and expansion of operations to support our research and development activities ($2.4 million), partially offset by a decrease in chemistry, manufacturing and controls ("CMC") costs ($4.8 million), lower preclinical costs ($2.8 million) and lower equity-based compensation costs ($1.1 million).

The $28.5 million increase in research and development expenses in the six months ended June 30, 2023 compared to the same period in 2022 was primarily related to the upfront fee due upon in-licensing CLN-418 ($25.0 million), increased clinical costs ($11.8 million) and higher personnel costs due to increased headcount and expansion of operations to support our research and development activities ($4.9 million), partially offset by lower preclinical costs ($6.9 million), a decrease in chemistry, manufacturing and controls ("CMC") costs ($5.7 million), and lower equity-based compensation costs ($0.7 million).

General and Administrative Expenses

The decrease of $0.5 million in general and administrative expenses in the three months ended June 30, 2023 compared to the same period in 2022 was primarily due to one-time expenses related to the sale of Cullinan Pearl in 2022 that did not recur in 2023 ($1.7 million), partially offset by increases in equity-based compensation ($0.4 million) and other personnel costs ($0.3 million) relating to increased headcount.

The increase of $2.1 million in general and administrative expenses in the six months ended June 30, 2023 compared to the same period in 2022 was primarily due to increases in personnel costs ($1.4 million), legal and other professional fees ($1.3 million), equity-based compensation ($0.7 million), and occupancy and insurance costs to support our expanded operations ($0.6 million), partially offset by one-time expenses related to the sale of Cullinan Pearl in 2022 that did not recur in 2023 ($2.0 million).

Gain on Sale of Cullinan Pearl

Gain on sale of Cullinan Pearl represents the excess of the consideration received over the carrying value of the non-financial assets sold. Refer to Note 3 of our notes to the consolidated financial statements in this Quarterly Report on Form 10-Q for additional details relating to the transaction.

Other Income

The $4.9 million increase in other income in the three months ended June 30, 2023 compared to the same period in 2022 was primarily related to higher investment income.

The $9.4 million increase in other income in the six months ended June 30, 2023 compared to the same period in 2022 was primarily related to higher investment income.

Income Tax Expense (Benefit)

We did not record income tax expense or benefit for the three or six months ended June 30, 2023.

The income tax expense was $66.1 million and $46.5 million for the three and six months ended June 30, 2022, respectively. The net income tax expense of $46.5 million recognized for the six months ended June 30, 2022 represented the expected tax from the gain on sale of Cullinan Pearl, including the expected utilization of certain historical tax attributes.

Net Loss Attributable to Noncontrolling Interests

There was no net loss attributable to noncontrolling interests during the three months ended June 30, 2023. Net loss attributable to noncontrolling interests was $0.8 million during the three months ended June 30, 2022. Net loss attributable to noncontrolling interests was $0.2 million and $1.6 million during the six months ended June 30, 2023 and 2022, respectively.

Net loss attributable to noncontrolling interests is determined as the difference in the noncontrolling interest in the consolidated balance sheets between the start and end of each reporting period, after taking into account any capital transactions between our partially-owned subsidiaries and third parties. Refer to Note 7 of our notes to the consolidated financial statements included in this Quarterly Report on Form 10-Q for additional details of capital transactions between our partially-owned subsidiaries and third parties.

Liquidity and Capital Resources

Overview

We have a history of significant operating losses, with the exception of 2022, and have had negative cash flows from operations since our inception and expect to continue to generate operating losses for the foreseeable future. We have not yet commercialized any products, and we do not expect to generate revenue from sales of products for several years, if at all. To date, we have funded our operations primarily with proceeds from the sale of equity securities and from licensing or selling the rights to our product candidates. As of June 30, 2023, we had cash, cash equivalents and short-term investments of $491.8 million and long-term investments and interest receivable of $20.3 million.

Based on our current operational plans and assumptions, we expect that our current cash, cash equivalents, short-term investments, and long-term investments will be sufficient to fund operations through at least twelve months from the date of issuance of our consolidated financial statements. We have based these estimates on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We cannot guarantee that we will be able to raise additional capital on reasonable terms or at all.

In February 2023, we entered into a license and collaboration agreement (the “Harbour License Agreement”) with Harbour BioMed US Inc. ("Harbour"), pursuant to which Harbour granted us an exclusive license for the development, manufacturing and commercialization of CLN-418 in the U.S. Under the terms of the Harbour License Agreement, we paid Harbour an upfront license fee of $25.0 million in February 2023.

In May 2023, we entered into an agreement with Cowen and Company, LLC (“Cowen”) to establish an at-the-market equity offering program (the "ATM"), pursuant to which we may offer and sell up to $125.0 million of our common stock from time to time through Cowen, acting as our sales agent. In the three months ended June 30, 2023, we sold approximately 3.3 million shares under the ATM and received net proceeds of $38.4 million, after deducting commissions. As of June 30, 2023, we had $85.6 million in shares of our common stock remaining under the ATM.

Comparison of the Six Months Ended June 30, 2023 and 2022

The following table summarizes our sources and uses of cash for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
	(in thousands)	
Net cash used in operating activities	$ (82,003)	$ (47,328)
Net cash provided by investing activities	27,294	335,563
Net cash provided by financing activities	40,391	5,554
Net increase (decrease) in cash and cash equivalents	$ (14,318)	$ 293,789

Cash Flow from Operating Activities

For the six months ended June 30, 2023, operating activities used $82.0 million of cash, which primarily consisted of our operating expenses of $100.4 million and a $3.5 million net change in our operating assets and liabilities, partially offset by net non-cash charges of $11.8 million and interest income of $9.8 million. The net non-cash charges primarily consisted of $15.2 million of equity-based compensation expense, partially offset by $3.5 million in accretion on our marketable securities. The net change in our operating assets and liabilities included $4.7 million for income taxes paid during the period.

For the six months ended June 30, 2022, operating activities used $47.3 million of cash, which primarily consisted of our operating expenses of $69.8 million and income tax expense of $46.5 million, partially offset by a benefit of $51.1 million from the net change in our operating assets and liabilities, non-cash charges of $17.2 million and interest income of $0.9 million. The non-cash charges primarily consisted of $15.2 million of equity-based compensation expense and $1.7 million in amortization on our marketable securities.

Cash Flow from Investing Activities

For the six months ended June 30, 2023, net cash provided by investing activities was $27.3 million, which primarily consisted of proceeds of $198.1 million from the sales and maturities of marketable securities, partially offset by $170.6 million used for the purchase of marketable securities.

For the six months ended June 30, 2022, net cash provided by investing activities was $335.6 million, which consisted of $270.0 million of proceeds from the sale of Cullinan Pearl, net of $5.0 million in escrow, and $158.9 million from the sales and maturities of investments, partially offset by the purchase of $93.4 million of investments.

Cash Flow from Financing Activities

For the six months ended June 30, 2023, net cash provided by financing activities was $40.4 million, which primarily consisted of $38.4 million of net proceeds from the issuance of common stock under our ATM, and $1.8 million from the issuance of a convertible note by Cullinan MICA to a noncontrolling interest.

For the six months ended June 30, 2022, net cash provided by financing activities was $5.6 million, which primarily consisted of $4.4 million from stock option exercises and $1.2 million from the issuance of noncontrolling interests.

Future Funding Requirements

We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we advance the preclinical activities, manufacturing and clinical trials of our product candidates. In addition, we have and will continue to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company. Our expenses will also increase as we:

- continue our research and development efforts and submit INDs for our product candidates and programs;
- conduct preclinical studies and clinical trials for our current and future product candidates;
- experience any delays or encounter any issues with any of the above, including but not limited to failed studies or trials, complex results, safety issues, or other regulatory challenges;
- develop the necessary processes, controls, and manufacturing capabilities to obtain marketing approval for our product candidates and to support manufacturing on a commercial scale;

- develop and implement plans to establish and operate in-house manufacturing operations and facilities, if deemed appropriate;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- hire and retain additional personnel, such as non-clinical, clinical, pharmacovigilance, quality assurance, regulatory affairs, manufacturing, distribution, legal, compliance, medical affairs, finance, general and administrative, commercial, and scientific personnel; and
- develop, maintain, expand, and protect our intellectual property portfolio.

Based on our current operational plans and assumptions, we expect that our current cash, cash equivalents, and short-term and long-term investments will be sufficient to fund operations through at least twelve months from the date of issuance of our consolidated financial statements. We have based these estimates on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. As we progress with our development programs and the regulatory review process, we expect to incur significant expenses related to product manufacturing, pre-commercial activities and commercialization. We may also require additional capital to pursue in-licenses or acquisitions of other programs to further expand our pipeline.

Because of the numerous risks and uncertainties associated with research, development and commercialization of our product candidates and programs, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on and could increase significantly as a result of many factors, including:

- the scope, progress, results, and costs of drug discovery, laboratory testing and preclinical and clinical development for our current and future product candidates;
- timely completion of our preclinical studies and clinical trials, which may be significantly slower or cost more than we currently anticipate and will depend substantially upon the performance of third-party contractors;
- the prevalence, duration and severity of potential side effects or other safety issues experienced by patients receiving our product candidates or future product candidates;
- our ability to establish and maintain collaborations and license agreements on favorable terms, if at all, and the extent to which we acquire or in-license technologies or programs, if at all;
- our ability to enroll clinical trials in a timely manner and to quickly resolve any delays or clinical holds that may be imposed on our development programs;
- the costs of expanding our facilities to accommodate our expected growth in personnel;
- our ability and the ability of third parties with whom we contract to manufacture adequate clinical and commercial supplies of our product candidates or any future product candidates, remain in good standing with regulatory authorities and develop, validate, and maintain commercially viable manufacturing processes that are compliant with current good manufacturing practices;
- the costs of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights, and defending intellectual property-related claims;
- the extent to which we acquire or in-license technologies or programs;
- the sales price and availability of adequate third-party coverage and reimbursement for our product candidates, if and when approved; and
- the ongoing costs of operating as a public company.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through equity offerings, debt financings, government or other third-party funding, marketing and distribution arrangements, and other collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity, current ownership interests will be diluted. If we raise additional funds through government or third-party funding, collaboration agreements, strategic alliances, licensing arrangements, or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Other Commitments

We have certain payment obligations under various license and collaboration agreements. Under these agreements, we are required to make milestone payments upon successful completion and achievement of certain intellectual property, clinical, regulatory, and sales milestones. The payment obligations under the license and collaboration agreements are contingent upon future events, such as our achievement of specified development, clinical, regulatory, and commercial milestones, and we will be required to make milestone and royalty payments in connection with the sale of products developed under these agreements. As the achievement and timing of these future milestone payments are not probable or estimable, such amounts have not been included in our consolidated balance sheets as of June 30, 2023 and December 31, 2022.

As of June 30, 2023, total future minimum lease payments were $5.1 million with $2.0 million payable within twelve months. See Note 12 to our consolidated financial statements included in this Quarterly Report on Form 10-Q for further detail on our lease obligations and the timing of expected future payments.

In addition, we enter into agreements in the normal course of business with CROs for clinical trials and with other vendors for preclinical studies, manufacturing services, and other services and products for operating purposes, which are generally cancelable upon written notice.

Critical Accounting Policies and Estimates

Our critical accounting policies have not materially changed from those described in the 2022 10-K, except for our accounting policy for equity-based compensation.

Equity-Based Compensation

We measure the fair value of market-based RSUs on the grant date using a Monte Carlo simulation model. We estimate the fair value of stock options using the Black-Scholes option pricing model. Both the Monte Carlo simulation model and the Black-Scholes option pricing model require the input of objective and subjective assumptions. Certain assumptions used, including our expected stock price volatility, involve inherent uncertainties and the application of management's judgment. As a result, if factors change and management uses different assumptions, equity-based compensation expense could be materially different for future awards.

Prior to 2023, the expected volatility used in the Black-Scholes option pricing model for new options was based on historical volatilities of the stock prices of similar entities within our industry over a period of time commensurate with the expected term assumption. In 2023, we determined that a sufficient amount of historical information was available regarding the volatility of our stock price to begin using a blended rate that combines our historical volatility with the historical volatilities of the stock prices of similar entities within our industry over a period of time commensurate with the expected term assumption.

Emerging Growth Company Status

In April 2012, the Jumpstart Our Business Startups Act (the "JOBS Act") was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" ("EGC") can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period for new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early.

We will remain an emerging growth company until the earliest to occur of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of our initial public offering, (b) in which we have total annual gross revenue of at least $1.235 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Recently Issued and Adopted Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 of our consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Information required by this Item is not applicable as we are electing scaled disclosure requirements available to smaller reporting companies with respect to this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (as amended, the "Exchange Act"), designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the principal executive officer (our Chief Executive Officer) and principal financial officer (our Chief Financial Officer), to allow timely decisions regarding required disclosure. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of June 30, 2023, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies our judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective at the reasonable assurance level as of June 30, 2023.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, that occurred during the fiscal quarter ended June 30, 2023 that has materially affected, or is 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 litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are probable to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 10-K"), which could materially affect our business, financial condition or future results. The risk factors disclosure in our 2022 10-K is qualified by the information that is described in this Quarterly Report on Form 10-Q. The risks described in our 2022 10-K are not our only risks. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may materially adversely affect our business, financial condition or future results.

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

Use of Proceeds from IPO of Common Stock

On January 7, 2021, our Registration Statement on Form S-1, as amended (Registration No. 333-251512), was declared effective by the Securities Exchange Commission (the "SEC") for our initial public offering ("IPO"). The aggregate net proceeds to us from our IPO, after underwriting discounts and offering expenses, were $264.5 million. As of June 30, 2023, we have used $114.1 million of the net proceeds from the IPO. We have invested the unused net proceeds from the IPO into money market funds and marketable securities. Information related to use of proceeds from registered securities is incorporated herein by reference to the “Use of Proceeds” section of our IPO as described in our final prospectus dated January 7, 2021 and filed with the SEC on January 11, 2021 pursuant to Rule 424(b)(4) of the Securities Act of 1933, as amended. There has been no material change in the planned use of proceeds as described in our final prospectus.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Registrant, as amended by the Certificate of Amendment, effective as of February 25, 2021 (incorporated by reference to Exhibit 3.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 30, 2021).
3.2	Second Amended and Restated Bylaws of the Registrant, effective as of February 25, 2021 (incorporated by reference to Exhibit 3.2 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 30, 2021).
3.3	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the SEC on January 19, 2023).
10.1*	Consulting Agreement, dated June 8, 2023, by and between the Registrant and Patrick Baeuerle
10.2*	Non-Employee Director Compensation Policy
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 and 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 - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 June 30, 2023, has been formatted in Inline XBRL and contained in Exhibit 101.

* Filed herewith.

** The certifications furnished in Exhibit 32.1 hereto are deemed to be furnished with this Quarterly Report on Form 10-Q and will not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Cullinan Oncology, Inc.

Date: August 10, 2023

By: /s/ Nadim Ahmed
Name: Nadim Ahmed
Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: August 10, 2023

By: /s/ Jeffrey Trigilio
Name: Jeffrey Trigilio
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

CONSULTING AGREEMENT

This **Consulting Agreement** (the "**Agreement**") is made as of June 8, 2023 (the **"Effective Date"**) by and between **Cullinan Oncology, Inc.**, a Delaware corporation with principal offices at One Main Street, Suite 1350, Cambridge, MA 02141 and on behalf of its affiliates and subsidiaries (collectively "**Cullinan**") and **Patrick Baeuerle, PhD**, ("**Consultant**"). Cullinan and Consultant may be referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, the Parties entered into a Service Agreement effective as of the closing of the Cullinan's first underwritten public offering of its equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended ("**Service Agreement**"); and

WHEREAS, the Parties have mutually agreed to terminate the Service Agreement for purposes beneficial to both Parties and desire to replace the Service Agreement with this Agreement upon the Effective Date.

1. Engagement of Services. Consultant agrees to provide temporary consulting services to Cullinan as described in Exhibit A hereto (collectively, the "**Services**") during the Term (as defined herein) of this Agreement. Consultant may not subcontract or otherwise delegate his obligations under this Agreement without Cullinan's prior written consent. Consultant agrees and affirms that he shall comply fully with all applicable laws, rules and regulations governing such Services, as well as with any applicable policies of Cullinan.

1.1 Title. Consultant shall be referred to in Cullinan's publicly facing documents and presentations as Co-Founder, Chief Scientific Advisor.

1.2 Third Party Board Participation. The Consultant may serve on boards of directors other than Cullinan's, provided Consultant obtains prior written consent from an officer of Cullinan before committing to serve in such capacity.

2. Compensation. As sole compensation for the performance of the Services, Cullinan will pay to Consultant the amount(s) specified in Exhibit A hereto (the "**Compensation**"). Consultant shall be entitled to receive reimbursement for all reasonable expenses incurred by the Consultant during the Term in performing Services hereunder, (i) subject to Cullinan's approval and (ii) in accordance with Cullinan's travel and expense policies and procedures.

2.1 Tax Compliance. Consultant understands that as a non-US resident, he is subject to potential withholding tax under US law. Consultant agrees to furnish Forms W-8 as requested by Cullinan from time to time and to be bound by withholding requirements as determined under Form W-8. Consultant agrees to cooperate with Cullinan with respect to furnishing any requested tax information related to Cullinan's tax obligations under law and to indemnify Cullinan to the extent it incurs any tax liability as a result of this Agreement.

2.2 No Additional Consulting Benefits. Consultant agrees that he shall provide the Services in exchange for the Compensation described in this Section 2 and that he is not entitled to any benefits, coverages or privileges, including, without limitation, social security, unemployment, medical or pension payments, made available to employees of the Company or any other consideration or benefits from the Company for the performance of the Services.

3. Equipment. During the Term, Cullinan may provide to Consultant on a loaned basis and without charge: (i) use of certain computer equipment along with certain Cullinan software (the "**IT Equipment**") as deemed necessary by Cullinan to facilitate the consulting relationship hereunder, and (ii) access, and technical support in connection with such access, to Cullinan's data, files, database(s), e-mail system, and other electronic systems (the "**IT Infrastructure**") as deemed necessary by Cullinan to facilitate the contracting relationship hereunder. Consultant acknowledges that the IT Equipment and the IT Infrastructure are made available to Consultant by Cullinan solely for purposes related to the provision of the Services described herein and that his use of the IT Equipment and IT Infrastructure is subject to the provisions of this Agreement, including Section 4 hereof, and to any other applicable policy of Cullinan.

4. Independent Contractor/No Employment Relationship. Consultant's relationship with Cullinan will be that of an independent contractor. No relationship of employer and employee, or partners, or joint venturers, or agent and principal shall be created by this Agreement.

4.1 Scope of Authority. Consultant shall not be authorized to transact business, incur obligations, sell goods, receive payments solicit orders or assign or create any obligation of any kind, express or implied, or make any other representation or enter into any contract or commitment on behalf of Cullinan, unless expressly authorized to do so in writing by Cullinan.

4.2 Performance of Services. Consultant shall have the right to control and determine the methods, manner and means of performing the Services. In performing the Services, the amount of time devoted by Consultant on any given day will be entirely within Consultant's control, and Cullinan will rely on Consultant to put in the amount of time as is necessary to fulfill the requirements of this Agreement, provided Cullinan has a general right of inspection and supervision to secure their satisfactory completion.

4.2 Compliance with Applicable Laws. Consultant's relationship with Cullinan being that of an independent contractor, Consultant shall be barred from making any claim against Cullinan for disability coverage, health and dental coverage, minimum wage, insurance coverage, unemployment insurance benefits, vacation pay, sick leave, or any other employee benefit of any kind and Consultant shall not be entitled to any of the benefits that Cullinan may make available to its employees. Cullinan will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker's compensation insurance on Consultant's behalf. Consultant accepts exclusive liability for complying with all applicable state and federal laws governing self-employed individuals and for making payments corresponding thereto and Consultant acknowledges and agrees that the Consultant is fully responsible for all such matters and shall indemnify Cullinan as well as its successor companies, affiliates and subsidiaries ("**Cullinan Indemnitees**") for any costs incurred by Cullinan Indemnitees or arising as a result of Consultant's failure to make such payments, remittances or withholdings, including without limitation penalties and interest.

4.3 Non-Exclusivity. Consultant retains the right to contract with other companies or entities for full or part time employment or consulting services, without restriction, provided, however, that Consultant remains in compliance with the terms of the Confidentiality, Assignment and Non-solicitation Agreement that Consultant previously executed for the benefit of the Company and which remains in full force and effect. Likewise, the Company retains a reciprocal right to contract with other companies and/or individuals for consulting services without restriction.

5. Confidential Information Protections.

5.1 Nondisclosure; Recognition of Cullinan's Rights. Consultant acknowledges that his relationship with Cullinan is one of high trust and confidence and that in the course of his services to Cullinan he has had and will continue to have access to Confidential Information (defined below). At all times during and after Consultant's performance of Services for Cullinan and after expiration or termination of this Agreement, Consultant will hold in confidence and will not disclose, use, lecture upon, or publish any Cullinan Confidential Information, except as may be required in connection with its work for Cullinan, or as expressly authorized by Cullinan. Consultant will obtain written approval by an officer of Cullinan before publishing or submitting for publication any material (written, oral, or otherwise) that relates to his work at Cullinan and/or incorporates any Cullinan Confidential Information. Consultant hereby assigns to Cullinan any and all rights Consultant may have or acquire in any and all Confidential Information and recognizes that all Confidential Information shall be the sole and exclusive property of Cullinan and its assigns.

5.2 Confidential Information. The term "**Confidential Information**" shall mean any and all confidential knowledge, data or information related to Cullinan's business or its or their actual or demonstrably anticipated research or development, including without limitation (a) trade secrets, inventions, ideas, processes, computer source and object code, data, formulae, programs, other works of authorship, know-how, improvements, discoveries, developments, designs, and techniques; (b) tangible and intangible information relating to gene sequences, biological materials such as cell lines, antibodies, tissue samples, proteins, nucleic acids and the like, assays and assay components, chemical structures and analysis, and media, procedures and formulations for producing any such assays or assay components, and pre-clinical and clinical data, results, developments or experiments; (c) patents or patent applications, information regarding products, services, plans for research and development, marketing and business plans, budgets, financial statements, contracts, prices, suppliers, and customers; (d) information regarding the skills and compensation of Cullinan employees, contractors, and any other service providers of Cullinan; (e) the existence of any business discussions, negotiations, or agreements between Cullinan and any third party; and (f) information or data stored in or accessed from Cullinan's software applications, or third party hosted software applications, and systems to which Consultant has access.

Consultant agrees that all files, documents, letters, memoranda, reports, records, data sketches, drawings, models, laboratory notebooks, program listings, computer equipment or devices, computer programs or other written, photographic, or other tangible material containing Confidential Information, whether created by Consultant or others, which shall come into Consultant's custody or possession, shall be and are the exclusive property of Cullinan to be used by Consultant only in the performance of his duties for Cullinan and shall not be copied or removed from Cullinan premises except in the pursuit of the business of the Company. All such materials or copies thereof and all tangible property of the Company in the custody or possession of Consultant shall be delivered to the Cullinan, upon the earlier of (i) a request by the Company or (ii) the termination of this Agreement. After such delivery, Consultant shall not retain any such materials or copies thereof or any such tangible property.

5.3 **Third Party Information.** Consultant understands that Cullinan has received and will receive from third parties confidential or proprietary information (**"Third Party Information"**) subject to a duty on Cullinan's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During and after the Term, Consultant will hold Third Party Information in strict confidence and will not disclose to anyone (other than personnel of Cullinan who need to know such information in connection with their work for Cullinan) or use, Third Party Information, except in connection with the provision of Services for Cullinan or unless expressly authorized by an officer of Cullinan in writing.

5.4 **No Improper Use of Information of Prior Employers and Others.** Consultant represents that his performance of Services for Cullinan does not and will not breach any agreement with his current or former employer, including any non-compete agreement or any agreement to keep in confidence or refrain from using information acquired by him prior to his performance of the Services for Cullinan. Consultant further represents that Consultant has not entered into, and will not enter into, any agreement, either written or oral, that conflicts with the obligations under this Agreement. During his performance of Services for Cullinan, Consultant will not improperly make use of, or disclose, any information or trade secrets of any former employer or other third party, nor will Consultant bring onto the premises of Cullinan or use any unpublished documents or any property belonging to any current or former employer or other third party, in violation of any lawful agreements with any current or former employer or third party. Consultant will use in the performance of his duties only information that is generally known and used by persons with training and experience comparable to his own, is common knowledge in the industry or otherwise legally in the public domain, or is otherwise provided or developed by Cullinan.

5.5 Consultant acknowledges that the Company from time to time may have agreements with other persons or with the United States Government, or agencies thereof, that impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. Consultant agrees to be bound by all such obligations and restrictions that are known to Consultant and to take all action necessary to discharge the obligations of the Company under such agreements.

5.6 Consultant's obligations under this Section 5 shall not apply to any information that (i) is or becomes known to the general public under circumstances involving no breach by Consultant or others of the terms of this Section 5, (ii) is generally disclosed to third parties by Cullinan without restriction on such third parties, or (iii) is approved for release by written authorization of an officer of Cullinan. Further, nothing herein prohibits Consultant from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies or participating in government agency investigations or proceedings. In addition, notwithstanding Consultant's confidentiality and nondisclosure obligations, Consultant is hereby advised as follows pursuant to the Defend Trade Secrets Act: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

6. Inventions.

6.1 Definitions. As used in this Agreement, the term **"Invention"** means any ideas, concepts, information, materials, processes, data, programs, know-how, modifications, improvements, discoveries, developments, designs, artwork, formulae, other copyrightable works, and techniques and all Intellectual Property Rights in any of the items listed above. The term **"Intellectual Property Rights"** means all trade secrets, copyrights, trademarks, mask work rights, patents and other intellectual property rights recognized by the laws of any jurisdiction or country. The term **"Moral Rights"** means all paternity, integrity, disclosure, withdrawal, special and any other similar rights recognized by the laws of any jurisdiction or country.

6.2 Disclosure and Assignment of Cullinan Inventions. Consultant agrees to make full and prompt disclosure to Cullinan of all inventions, creations, improvements, enhancements, designs, innovations, discoveries, processes, methods, techniques, developments, software, computer programs, and works of authorship, whether or not patentable and whether or not copyrightable, that are created, made, conceived or reduced to practice by Consultant or under his direction or jointly with others (i) during the Term if made for the Company in the course of the performance of the Services hereunder or (ii) during or after the Term if resulting or derived from Confidential Information, whether or not during normal working hours or on the premises of Cullinan.

Inventions assigned to Cullinan or to a third party as directed by Cullinan pursuant to the subsection titled "Government or Third Party" are referred to in this Agreement as "**Cullinan Inventions**." Subject to the subsection titled "Government or Third Party", Consultant hereby assigns and agrees to assign in the future (when any such Inventions or Intellectual Property Rights are first reduced to practice or first fixed in a tangible medium, as applicable) to Cullinan all right, title, and interest in and to any and all Inventions (and all Intellectual Property Rights with respect thereto) made, conceived, reduced to practice, or learned by him, either alone or with others, during the period of my performance of Services for Cullinan and during the term of this Agreement with Cullinan. Any assignment of Inventions (and all Intellectual Property Rights with respect thereto) hereunder includes an assignment of all Moral Rights. To the extent such Moral Rights cannot be assigned to Cullinan and to the extent the following is allowed by the laws in any country where Moral Rights exist, Consultant hereby unconditionally and irrevocably waives the enforcement of such Moral Rights, and all claims and causes of action of any kind against Cullinan or related to Cullinan's customers, with respect to such rights. Consultant further acknowledges and agrees that neither his successors-in-interest nor legal heirs retain any Moral Rights in any Inventions (and any Intellectual Property Rights with respect thereto).

6.3 Obligation to Keep Cullinan Informed. During the period of performance of Services for Cullinan and during the Term of this Agreement, and for one (1) year after his performance of Services for Cullinan and this Agreement ends, Consultant will promptly and fully disclose to Cullinan in writing (a) all Inventions authored, conceived, or reduced to practice by him, either alone or with others and (b) all patent applications filed by Consultant or in which Consultant is named as an inventor or co-inventor.

6.4 Government or Third Party. Consultant agrees that, as directed by Cullinan, Consultant will assign to a third party, including without limitation the United States, all of his right, title, and interest in and to any particular Cullinan Invention.

6.5 Cooperation during Patent Prosecution. Consultant agrees to cooperate fully with Cullinan, both during and after the Consultation Period, with respect to the procurement, maintenance, and enforcement of copyrights, patents and other intellectual property rights (both in the United States and foreign countries) relating to Inventions that occurred or were initiated during the Consultation Period. Consultant shall sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, which Cullinan may deem necessary or desirable in order to protect its rights and interests in any Invention. Consultant further agrees that if Cullinan is unable, after reasonable effort, to secure the signature of Consultant on any such papers, any executive officer of Cullinan shall be entitled to execute any such papers as the agent and the attorney-in-fact of Consultant, and Consultant hereby irrevocably designates and appoints each executive officer of Cullinan as Consultant's agent and attorney-in-fact to execute any such papers on Consultant's behalf, and to take any and all actions as Cullinan may deem necessary or desirable in order to protect its rights and interests in any Invention, under the conditions described in this sentence.

6.6 Litigation, Investigation and Regulatory Cooperation and Assistance. During and after the period of Consultant's performance of the Services on behalf of Cullinan, and at Cullinan's request and expense, Consultant shall cooperate fully with Cullinan, including in (i) the defense or prosecution of any claims or actions, including without limitation enforcement of United States or Foreign Intellectual Property Rights and Moral Rights relating to Cullinan's Inventions, now in existence or which may be brought in the future against or on behalf of Cullinan which relate to events or occurrences that transpired while the Consultant was engaged by Cullinan, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Consultant may have knowledge or information. The Consultant's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of Cullinan at mutually convenient times. During and after Consultant's performance of the Services, Consultant shall also cooperate fully with Cullinan in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was engaged by the Company. The Company shall reimburse Consultant for any reasonable out-of-pocket expenses incurred in connection with the Consultant's performance of his obligations pursuant to this Section 6.6. If Cullinan is unable to secure his signature on any document needed in connection with such purposes, Consultant hereby irrevocably designates and appoints Cullinan and its duly authorized officers and agents as Consultant's agent and attorney in fact, which appointment is coupled with an interest, to act on Consultant's behalf to execute and file any such documents and to do all other lawfully permitted acts to further such purposes with the same legal force and effect as if executed by him.

7. Records. Consultant agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that is required by Cullinan) of all Inventions made by Consultant during the period of my performance of Services for Cullinan, which records shall be available to, and remain the sole property of, Cullinan at all times.

8. Termination; Non-Solicitation; Return of Cullinan Property.

8.1 Term. This Agreement shall govern all Services that Consultant provides to Cullinan commencing on the Effective Date and ending on December 31, 2024 (hereinafter the "**Term**") unless earlier terminated as provided herein. This Agreement will automatically renew and extend for one-year periods beginning on January 1, 2025, each constituting a subsequent Term, unless earlier terminated as provided herein.

8.2 Termination of Agreement. Either Party may terminate this Agreement for convenience, for any or no reason, at any time upon one hundred eighty (180) calendar days' prior written notice to the other Party, unless otherwise mutually agreed by the Parties. Either Party may terminate this Agreement upon written notice to the other Party if the other Party breaches this Agreement and does not cure the breach within thirty (30) calendar days following receipt of written notice thereof from the non-breaching Party. Such right to terminate this Agreement for breach shall be in addition to any other remedies available to the terminating Party at law. In case of the termination of this Agreement in accordance with Section 8 hereof, Consultant shall not be entitled to receive any termination pay, severance pay, or any damages or other payments arising from the termination of this Agreement, other than the unpaid Annual Compensation effectively earned up to the date of termination of this Agreement, if any, and any reimbursement of any non-cancellable expenses accrued prior to the date of termination.

8.3 Non-Solicitation and Non-Interference with Business. After the Effective Date and during the Term and for the period of one (1) year immediately following expiration of this Agreement or earlier termination of this Agreement, the Consultant shall not, on his own behalf or on behalf of, or in connection with, any other person, directly or indirectly, in any capacity whatsoever, including as an employer, employee, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, consultant, licensor, licensee, franchiser, franchisee, distributor, supplier or trustee or by and through any person or otherwise: (a) employ, offer employment to, recruit, or solicit for employment any individual who is employed by Cullinan or who has resigned within the preceding three months from Cullinan, or solicit or induce, or attempt to induce, any employee of Cullinan to terminate their employment relationship with Cullinan, whether or not such individual would thereby commit any breach of any contract or terms of employment; (b) solicit or induce, or attempt to induce, any contractor or consultant of Cullinan to terminate its consulting arrangement or otherwise cease its relationship with Cullinan, whether or not such contractor or consultant would thereby commit any breach of any contract; or (c) interfere or attempt to interfere with the business of Cullinan or persuade or attempt to persuade, solicit, divert or take away, or attempt to divert or to take away, any customer, prospective customer or supplier of Cullinan or alter in an adverse manner such person's relationship with Cullinan.

8.4 Return of Cullinan Property. Except as otherwise directed by Cullinan in writing, upon expiration or termination of this Agreement, Consultant will return to Cullinan all tangible Cullinan property provided or loaned to Consultant hereunder, including but not limited to the IT Equipment, and Consultant's access to the IT Infrastructure shall be thereafter terminated. Further upon expiration or termination of the Agreement, or earlier as requested by Cullinan, Consultant will deliver to Cullinan any and all drawings, notes, memoranda, specifications, devices, formulas, and documents, together with all copies thereof, and any other material containing or disclosing any Cullinan Invention, Third Party Information, or Confidential Information and cooperate in any manner requested by Cullinan to return Cullinan property.

8.5 Survival. The following provisions shall survive termination of this Agreement: Sections 4 – 9.

9. General Provisions.

9.1 Indemnification. Consultant shall indemnify, defend and hold Cullinan, its affiliates and subsidiaries and their officers, directors, employees and agents harmless from and against any and all claims, charges, demands, suits, causes or rights of action, liabilities, losses, damages, costs, fees and/or expenses, of any nature whatsoever (including reasonable attorneys' fees, court costs and out-of-pocket expenses) suffered or incurred by Cullinan and its affiliates and subsidiaries arising from the rendering of the Services by the Consultant.

9.2 Governing Law, Jurisdiction. This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the state of Delaware as applied to transactions taking place wholly within the state of Delaware regardless of where Consultant may perform Services. Consultant explicitly waives any causes of actions or remedies he may have with respect to the laws of any jurisdiction other than the state of Delaware.

9.3 Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. If moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity, or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

9.4 Opportunity to Obtain Legal Advice. The Parties acknowledge that they have read and negotiated this Agreement, and have discussed and have been afforded a reasonable opportunity to obtain independent legal advice and consider the meaning and effects of this Agreement.

9.5 Assignment, Binding Effect. This Agreement may not be assigned by Consultant without Cullinan’s consent, and any such attempted assignment shall be void and of no effect. Consultant hereby recognizes being personally bound by the obligations contained herein and agrees that the terms and provisions of this Agreement shall be binding upon his heirs, executors, administrators and representatives.

9.6 Notices. All notices, requests, and other communications under this Agreement must be in writing and must be mailed by registered or certified mail, postage prepaid and return receipt requested, delivered by hand, sent by internationally-recognized courier service, or sent by receipted electronic mail, to the Party to whom such notice is required or permitted to be given. If mailed, any such notice will be considered to have been given five (5) business days after it was mailed, as evidenced by the postmark. If delivered by hand or internationally-recognized courier service, any such notice will be considered to have been given when received by the Party to whom notice is given, as evidenced by written and dated receipt of the receiving Party or by written confirmation of delivery by such internationally-recognized courier service, respectively. If sent by electronic mail, which if sent by Consultant shall be sent to legal@cullinanoncology.com, such notice will be considered to have been given upon receipt by the sending Party of receiving Party's written confirmation of receipt of such notice. The mailing address for notice to either Party will be the address shown on the first page of this Agreement. Either Party may change its mailing address by notice as provided by this section.

9.7 Legal Fees. If any dispute arises between the Parties with respect to the matters covered by this Agreement which leads to a proceeding to resolve such dispute, the prevailing Party in such proceeding shall be entitled to receive its reasonable attorneys' fees, expert witness fees, and out-of-pocket costs incurred in connection with such proceeding, in addition to any other relief it may be awarded.

9.8 Injunctive Relief. A breach of any of the promises or agreements contained in this Agreement may result in irreparable and continuing damage to Cullinan for which there may be no adequate remedy at law, and Cullinan is therefore entitled to seek injunctive relief, with any requirement for the securing or posting of any bond in connection with seeking such relief hereby being waived, as well as such other and further relief as may be appropriate.

9.9 Waiver. No waiver by Cullinan of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by Cullinan of any right under this Agreement shall be construed as a waiver of any other right. Cullinan shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

9.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

9.11 Entire Agreement. This Agreement is the final, complete, and exclusive agreement of the Parties with respect to the subject matter hereof. This Agreement supersedes all prior discussions between the Parties regarding the subject matter hereof. For sake of clarity, the Parties agree this Agreement supersedes and cancels in all respects all prior agreements, including without limitation the Service Agreement, promises, and understandings, oral or written, between Consultant and Cullinan, with the exception of the Confidentiality, Assignment and Non-Solicitation Agreement previously executed by the Parties, which shall remain in full force and effect. The terms of this Agreement will govern all Services undertaken by Consultant for Cullinan.

9.12. Modification. This Agreement may be amended or modified only by written instrument executed by both Consultant and Cullinan. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by both Parties.

In Witness Whereof, the Parties have caused this Agreement to be executed as of the Effective Date set forth above.

Cullinan Oncology, Inc.		**Patrick Baeuerle, PhD**	
By:	/s/ Steve Andre	By:	/s/ Patrick Baeuerle
Name:	Steve Andre	Name:	Patrick Baeuerle
Title:	Chief Human Resources Officer	Title:	CSO, Biologics
Date:	June 8, 2023	Date:	June 12, 2023

EXHIBIT A

1. Services:

Location:

- Consultant will perform the Services from Germany, and will travel to the United States to perform Services at the request of the Company, generally not to exceed once per month.

Services:

- Consultant shall provide the following Services, as requested by Cullinan:
    - Serve as Chair of Cullinan's Scientific Advisory Board
    - In investor and analyst meetings and calls, and medical conferences, cover, as requested by Cullinan, all aspects of target biology and expression, drug design, manufacturing, mode of action, and preclinical safety and efficacy data for Cullinan's pipeline
    - Keep abreast of competitive landscape and understand all competitor programs, and provide advice to Cullinan thereon
    - Publish CGEM's data in reputed journals and as posters and/or oral presentations at significant scientific and industry conferences
    - Represent Cullinan Oncology at key industry meetings/panels
    - Help identify and assess in-licensing opportunities with compelling preclinical data and, as appropriate, clinical data
    - Contribute to and review pitch decks describing new and existing programs
    - Engage in drafting and reviewing IND-enabling documents
    - Help IP/legal with CGEM's IP strategy, and ongoing patent efforts
    - Provide advice with prioritization of early pipeline
    - Help optimize biomarker programs across all studies
    - Help analyze and interpret clinical efficacy, safety from clinical programs, in context of translational analyses, including biomarker data, PK and PD study results
    - Help create hypotheses for further studies
    - Provide advice with regard to selection of indications and combination therapies
    - Provide advice with regard to competing programs

- Propose additional lab work to fully understand MoA and safety signals
- Participate in Cullinan Leadership Team ("CLT") meetings and serve as advisor to CLT
- Other deliverables, as requested by Cullinan

2. Compensation:

Consultant shall be paid $40,556.25 per month for a maximum total amount not to exceed $480,000 per calendar year (the "Annual Compensation") for the Term of this Agreement, except with Cullinan's prior written approval.

Subject to the criteria set forth below, Consultant shall be eligible to receive a bonus payment in the amount of 40% of the Annual Compensation, payable in the first quarter of 2024, for services performed throughout calendar year 2023. For subsequent calendar years, and subject to the criteria set forth below, Consultant shall be eligible to receive a bonus payment in the amount of 25% of the Annual Compensation, payable in the first quarter of a calendar year for Services performed the preceding calendar year. Eligibility for any bonus payment shall be contingent on Consultant having attended and participated in, to Cullinan's satisfaction, 75% of those investor and analyst meetings and medical conferences that an officer of Cullinan invited Consultant to attend, and 100% of Scientific Advisory Board meetings in the relevant calendar year.

CULLINAN ONCOLOGY, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

The purpose of this Non-Employee Director Compensation Policy (the "Policy") of Cullinan Oncology, Inc. (the "Company") is to provide a total compensation package that enables the Company to attract and retain, on a long-term basis, high-caliber directors who are not employees or officers of the Company or its subsidiaries ("Outside Directors"). This Policy is effective as of the adoption date set forth below (the "Effective Date"). In furtherance of the purpose stated above, all Outside Directors shall be paid compensation for services provided to the Company as set forth below:

Cash Retainers

Annual Retainer for Board Membership: $40,000 for general availability and participation in meetings and conference calls of our Board of Directors, to be paid quarterly in arrears, pro- rated based on the number of actual days served by the director during such calendar quarter. No additional compensation will be paid for attending individual meetings of the Board of Directors.

Additional Annual Retainer for Non-Executive Chair:	$33,000
Additional Annual Retainers for Committee Membership:	
Audit Committee Chair:	$15,000
Audit Committee member:	$7,500
Compensation Committee Chair:	$10,000
Compensation Committee member:	$5,000
Nominating and Corporate Governance Committee Chair:	$10,000
Nominating and Corporate Governance Committee member:	$5,000

Chair and committee member retainers are in addition to retainers for members of the Board of Directors. No additional compensation will be paid for attending individual committee meetings of the Board of Directors.

Equity Retainers

Initial Award: An initial, one-time stock option award (the "Initial Award") with a Value (as defined below) of $275,000 will be granted to each new Outside Director upon his or her election to the Board of Directors, which shall vest with respect to one-third (1/3) of the shares subject to such Initial Award on the first anniversary of the date of grant, with the remainder vesting thereafter in 24 equal monthly installments, provided, however, that all vesting shall cease if the director resigns from the Board of Directors or otherwise ceases to serve as a director of the Company, unless the Board of Directors determines that the circumstances warrant continuation of vesting. The Initial Award shall expire ten years from the date of grant, and shall have a per share exercise price equal to the Fair Market Value (as defined in the Company's 2021 Stock Option and Incentive Plan) of the Company's common stock on the date of grant. This Initial Award applies only to Outside Directors who are first elected to the Board of Directors subsequent to the Effective Date.

Annual Award: On each date of each Annual Meeting of Stockholders of the Company following the Effective Date (the "Annual Meeting"), each continuing Outside Director, other than a director receiving an Initial Award, will receive an annual stock option award (the "Annual Award") with a Value of $165,000, which shall vest in full upon the earlier of (i) the first anniversary of the date of grant or (ii) the date of the next Annual Meeting; provided, however, that all vesting shall cease if the director resigns from the Board of Directors or otherwise ceases to serve as a director of the Company, unless the Board of Directors determines that the circumstances warrant continuation of vesting. Such Annual Award shall expire ten years from the date of grant, and shall have a per share exercise price equal to the Fair Market Value (as defined in the Company's 2021 Stock Option and Incentive Plan) of the Company's common stock on the date of grant.

Value: For purposes of this Policy, "Value" means with respect to any stock option award, the grant date fair value of the option (i.e., Black-Scholes Value) determined in accordance with the reasonable assumptions and methodologies employed by the Company for calculating the fair value of options under Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") Topic 718.

Sale Event Acceleration: All outstanding Initial Awards and Annual Awards held by an Outside Director shall become fully vested and exercisable or nonforfeitable upon a Sale Event (as defined in the Company's 2021 Stock Option and Incentive Plan).

Expenses

The Company will reimburse all reasonable out-of-pocket expenses incurred by non- employee directors in attending meetings of the Board of Directors or any committee thereof.

Maximum Annual Compensation

The aggregate amount of compensation, including both equity compensation and cash compensation, paid by the Company to any Outside Director in a calendar year for services as an Outside Director period shall not exceed $500,000; provided, however, that such amount shall be $750,000 for the calendar year in which the applicable Outside Director is initially elected or appointed to the Board of Directors; (or such other limits as may be set forth in Section 3(b) of the Company's 2021 Stock Option and Incentive Plan or any similar provision of a successor plan). For this purpose, the "amount" of equity compensation paid in a calendar year shall be determined based on the grant date fair value thereof, as determined in accordance with FASB ASC Topic 718 or its successor provision, but excluding the impact of estimated forfeitures related to service-based vesting conditions.

Adopted: January 7, 2021

Amended and Adopted: June 8, 2023

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, Nadim Ahmed, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2023 of Cullinan Oncology, Inc. (the "registrant");

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable 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 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: August 10, 2023

By: /s/ Nadim Ahmed

Nadim Ahmed
President and Chief Executive Officer
(Principal 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, Jeffrey Trigilio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2023 of Cullinan Oncology, Inc. (the "registrant");

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable 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 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: August 10, 2023

By: /s/ Jeffrey Trigilio

Jeffrey Trigilio
Chief Financial Officer
(Principal Financial and Accounting Officer)

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 Cullinan Oncology, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2023 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 results of operations of the Company.

Date: August 10, 2023 By: /s/ Nadim Ahmed

Nadim Ahmed
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 10, 2023 By: /s/ Jeffrey Trigilio

Jeffrey Trigilio
Chief Financial Officer
(Principal Financial and Accounting Officer)