UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2021

OR

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

Commission File Number: 001-36370

APPLIED GENETIC TECHNOLOGIES CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**59-3553710**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

14193 NW 119th Terrace, Suite 10, Alachua, Florida 32615
(Address of Principal Executive Offices, Including Zip Code)

(386) 462-2204
(Registrant's Telephone Number, Including Area Code)

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

Title of class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, $0.001 par value	**AGTC**	**Nasdaq Global Market**

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

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 February 9, 2022 was 42,921,319.

APPLIED GENETIC TECHNOLOGIES CORPORATION
FORM 10-Q
FOR THE QUARTER ENDED DECEMBER 31, 2021

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

APPLIED GENETIC TECHNOLOGIES CORPORATION
CONDENSED BALANCE SHEETS
(Unaudited)

In thousands, except per share data	December 31, 2021	June 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 72,771	$ 105,052
Investments	—	2,000
Prepaid and other current assets	2,597	2,655
Total current assets	75,368	109,707
Property and equipment, net	4,416	4,658
Intangible assets, net	1,345	1,287
Investment in Bionic Sight, LLC	7,937	8,000
Right-of-use assets—operating leases	3,167	3,167
Right-of-use asset—financing lease	11	34
Other assets	126	113
Total assets	$ 92,370	$ 126,966
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,674	$ 1,879
Accrued and other liabilities	14,486	14,500
Lease liabilities—operating	1,227	1,116
Lease liability—finance	13	38
Current portion of long-term debt	6,714	2,181
Total current liabilities	24,114	19,714
Lease liabilities—operating, net of current portion	3,133	3,418
Long-term debt, net of debt discounts and deferred financing fees	13,538	17,727
Other liabilities	95	299
Total liabilities	40,880	41,158
Stockholders' equity:		
Preferred stock, par value $0.001 per share, 5,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value $0.001 per share, 150,000 shares authorized; 42,975 and 42,835 shares issued; 42,921 and 42,794 shares outstanding at December 31, 2021 and June 30, 2021, respectively	43	43
Additional paid-in capital	327,235	325,245
Treasury stock at cost; 54 and 41 shares at December 31, 2021 and June 30, 2021, respectively	(256)	(211)
Accumulated deficit	(275,532)	(239,269)
Total stockholders' equity	51,490	85,808
Total liabilities and stockholders' equity	$ 92,370	$ 126,966

The accompanying notes are an integral part of these Unaudited Condensed Financial Statements.

APPLIED GENETIC TECHNOLOGIES CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

In thousands, except per share data	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Six Months Ended December 31, 2021	Six Months Ended December 31, 2020
Revenue	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	14,454	11,811	26,779	23,437
General and administrative and other	3,989	3,304	8,089	6,740
Total operating expenses	18,443	15,115	34,868	30,177
Loss from operations	(18,443)	(15,115)	(34,868)	(30,177)
Other income (expense), net:				
Investment income, net	6	29	12	93
Interest expense	(675)	(335)	(1,344)	(667)
Total other income (expense), net	(669)	(306)	(1,332)	(574)
Loss before provision for income taxes	(19,112)	(15,421)	(36,200)	(30,751)
Provision for income taxes	—	20	—	41
Loss before equity in net losses of an affiliate	(19,112)	(15,441)	(36,200)	(30,792)
Equity in net losses of an affiliate	(32)	(21)	(63)	(50)
Net loss	$(19,144)	$(15,462)	$(36,263)	$(30,842)
Weighted average shares outstanding:				
Basic	42,886	25,883	42,855	25,850
Diluted	42,886	25,883	42,855	25,850
Net loss per common share:				
Basic	$ (0.45)	$ (0.60)	$ (0.85)	$ (1.19)
Diluted	$ (0.45)	$ (0.60)	$ (0.85)	$ (1.19)

The accompanying notes are an integral part of these Unaudited Condensed Financial Statements.

APPLIED GENETIC TECHNOLOGIES CORPORATION
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
THREE AND SIX MONTHS ENDED DECEMBER 31, 2021 AND 2020
(Unaudited)

	Common Stock		Treasury Stock				
In thousands	Outstanding Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Totals
Balances at June 30, 2021	42,794	$ 43	41	$ (211)	$325,245	$ (239,269)	$ 85,808
Share-based compensation expense	—	—	—	—	810	—	810
Shares issued under employee plans and related share repurchases	65	—	13	(45)	71	—	26
Net loss	—	—	—	—	—	(17,119)	(17,119)
Balances at September 30, 2021	42,859	43	54	(256)	326,126	(256,388)	69,525
Issuance of common stock, net of issuance costs	56	—	—	—	143	—	143
Share-based compensation expense	—	—	—	—	946	—	946
Shares issued under employee plans and related share repurchases	6	—	—	—	20	—	20
Net loss	—	—	—	—	—	(19,144)	(19,144)
Balances at December 31, 2021	42,921	$ 43	54	$ (256)	$327,235	$ (275,532)	$ 51,490

	Common Stock		Treasury Stock				
In thousands	Outstanding Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Totals
Balances at June 30, 2020	25,793	$ 25	20	$ (88)	$252,519	$ (181,440)	$ 71,016
Share-based compensation expense	—	—	—	—	646	—	646
Shares issued under employee plans and related share repurchases	67	—	21	(123)	43	—	(80)
Net loss	—	—	—	—	—	(15,380)	(15,380)
Balances at September 30, 2020	25,860	25	41	(211)	253,208	(196,820)	56,202
Share-based compensation expense	—	—	—	—	624	—	624
Shares issued under employee plans and related share repurchases	45	—	—	—	158	—	158
Net loss	—	—	—	—	—	(15,462)	(15,462)
Balances at December 31, 2020	25,905	$ 25	41	$ (211)	$253,990	$ (212,282)	$ 41,522

The accompanying notes are an integral part of these Unaudited Condensed Financial Statements.

APPLIED GENETIC TECHNOLOGIES CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

In thousands	Six Months Ended December 31, 2021	2020
Operating activities:		
Net loss	$ (36,263)	$ (30,842)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	1,756	1,270
Depreciation and amortization	751	771
Investment discount accretion, net	—	(2)
Amortization of debt discounts and deferred financing fees	344	167
Reduction in the carrying amount of operating lease right-of-use assets	243	173
Equity in net losses of an affiliate	63	50
Changes in operating assets and liabilities:		
Prepaid and other assets	120	623
Accounts payable	(215)	420
Operating lease liabilities	(417)	(338)
Accrued and other liabilities	125	1,400
Cash used in operating activities	(33,493)	(26,308)
Investing activities:		
Purchases of property and equipment	(821)	(768)
Purchases of and capitalized costs related to intangible assets	(131)	(213)
Maturities of investments	2,000	27,000
Purchases of investments	—	(18,992)
Cash provided by investing activities	1,048	7,027
Financing activities:		
Proceeds from the issuance of common stock, net of issuance costs	143	—
Proceeds from exercises of common stock options	91	201
Payments for deferred financing fees	—	(129)
Taxes paid related to equity awards	(45)	(123)
Principal payments on a finance lease	(25)	(23)
Cash provided by (used in) financing activities	164	(74)
Net decrease in cash and cash equivalents	(32,281)	(19,355)
Cash and cash equivalents, beginning of the period	105,052	38,463
Cash and cash equivalents, end of the period	$ 72,771	$ 19,108
Supplemental non-cash information:		
Costs for purchases of property and equipment included in accounts payable	$ 9	$ —
Costs for intangible assets included in accounts payable/accrued and other liabilities	57	33
Right-of-use assets obtained in exchange for new operating lease liabilities	243	—

The accompanying notes are an integral part of these Unaudited Condensed Financial Statements.

APPLIED GENETIC TECHNOLOGIES CORPORATION
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Organization and Operations

General

Applied Genetic Technologies Corporation (the "Company" or "AGTC") was incorporated as a Florida corporation on January 19, 1999 and reincorporated as a Delaware corporation on October 24, 2003. The Company is a clinical-stage biotechnology company that uses a proprietary gene therapy platform to develop transformational genetic therapies for people suffering from rare and debilitating ophthalmic, otologic and central nervous system diseases.

The Company has devoted substantially all of its efforts to research and development activities, including conducting clinical trials for its product candidates, and has not completed the development of any products. The Company has generated revenue from collaboration agreements, licensing of its intellectual property, sponsored research agreements and grants, but has not generated product revenue to date and is subject to a number of risks similar to those of other early stage companies in the biotechnology industry, including dependence on key individuals, the need to obtain additional capital necessary to fund the development of its product candidates, the risk of failure of ongoing or future clinical studies, the difficulties inherent in the development of commercially viable products, the development by the Company or its competitors of technological innovations, the protection of proprietary technology, compliance with government regulations and the ability to transition to large-scale production of products.

Liquidity and Financial Condition

As of December 31, 2021, the Company had (i) an accumulated deficit of $275.5 million and (ii) cash and cash equivalents of $72.8 million. Management believes that there is presently insufficient funding available to allow the Company to generate data from its ongoing and planned clinical programs and fund currently planned research and discovery programs for a period exceeding one year from the date of this filing with the Securities and Exchange Commission. While the Company expects to generate some revenue from collaborations, sponsored research agreements, grants and licensing of its intellectual property, management believes that the Company will incur losses and generate negative operating cash flows for the foreseeable future. As such, these circumstances collectively raise substantial doubt about the Company's ability to continue as a going concern. The accompanying Unaudited Condensed Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. The Company has funded its operations to date primarily through public offerings of its common stock and warrants to purchase its common stock, private placements of its preferred stock, collateralized borrowing and collaborations.

The ability of an entity to continue as a going concern depends on, among other things, positive cash flows and the availability of suitable financing. Specifically, the Company's future liquidity needs will be primarily based on: (i) the success and progression of its product candidates; (ii) its repayment obligations under the long-term debt agreement that is described in Note 5 to these Notes to Unaudited Condensed Financial Statements; and (iii) its costs to operate the leased build-to-suit manufacturing and quality control facility that is described in Note 8 to these Notes to Unaudited Condensed Financial Statements. To provide the maximum degree of financial flexibility and mitigate the abovementioned going concern risk, management's near-term plans consider various potential opportunities to fund the Company's future operations and/or modulate its liquidity needs, such as: (i) raising new capital through equity or debt financings or other sources, including the "at-the-market offering" program that is described in Note 7 to these Notes to Unaudited Condensed Financial Statements; (ii) amending the Company's long-term debt agreement; (iii) out-licensing the rights to certain product candidates; (iv) entering into one or more collaborations to offset the costs of the leased manufacturing and quality control facility through third-party cash milestone and other payments; and (v) reducing spending on research and development activities and/or restructuring the Company's operations. However, management may be unable to successfully execute any of the plans described above, or raise additional funds or enter into such other arrangements when needed on favorable terms, or at all.

2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying Unaudited Condensed Financial Statements have been prepared assuming that the Company will continue as a going concern and in accordance with (i) U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and (ii) the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, such financial statements do not include all the information and footnotes required by U.S. GAAP for a complete set of financial statements. In the opinion of management, the Unaudited Condensed Financial Statements include all adjustments, consisting of normal recurring accruals and other adjustments, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows as of and for the periods presented. The accompanying Condensed Balance Sheet as of June 30, 2021 was derived from the Company's audited financial statements at that date but does not include all of the footnote disclosures required by U.S. GAAP.

The Unaudited Condensed Financial Statements should be read in conjunction with the Company's audited financial statements and related notes included in its Annual Report on Form 10-K for the year ended June 30, 2021 (the "2021 Form 10-K"). The Company's significant accounting policies are described in Note 2 to the Notes to Financial Statements in the 2021 Form 10-K and are updated, as necessary, in subsequent Form 10-Q filings.

The Company's fiscal year is the twelve-month period from July 1 to June 30. The results of operations for the three and six months ended December 31, 2021 are not necessarily indicative of the Company's operating results for the full year ending June 30, 2022 or any subsequent interim period within that year.

Management views the Company's operations and manages its business as one segment.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP and guidelines from the Securities and Exchange Commission requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during reporting periods. Actual results could differ from those estimates.

Income Taxes

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties related to uncertain tax positions are reflected in the provision for income taxes.

The Company's provision for income taxes was $20,000 and $41,000 for the three and six months ended December 31, 2020, respectively, which was entirely attributable to estimated interest and penalties on uncertain tax positions. There was no provision for income taxes during the three and six months ended December 31, 2021 because, among other things, the Company had no uncertain tax positions in those reporting periods.

Net income or loss per share

Basic net income or loss per share is calculated by dividing net income or loss by the weighted average shares outstanding during the period, without consideration of common stock equivalents. Diluted net income or loss per share is calculated by adjusting the weighted average shares outstanding for the dilutive effects of common stock equivalents outstanding during the period, determined using the treasury stock method. For purposes of diluted net income or loss per share calculations, warrants to purchase the Company's common stock, stock options, restricted stock awards, restricted stock units and performance service awards are considered to be common stock equivalents if they are dilutive. The dilutive impact of common stock equivalents for (i) the three and six months ended December 31, 2021 was approximately 0.1 million shares and 0.2 million shares, respectively, and (ii) the three and six months ended December 31, 2020 was approximately 0.3 million shares and 0.4 million shares, respectively. However, those common stock equivalents were excluded from the calculations of diluted net loss per share for all periods presented herein because their effects were anti-dilutive.

The common stock equivalents for the three and six months ended December 31, 2021 excluded certain warrants to purchase the Company's common stock, which are described in Note 7 to these Notes to Unaudited Condensed Financial Statements, because the exercise price of such warrants was greater than the average market price of the Company's common stock during the related periods.

New Accounting Pronouncements

Adopted during the six months ended December 31, 2021

Financial Instruments—Credit Losses

In June 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new standard requires that financial assets measured at amortized cost be presented at the net amount expected to be collected and separately measure an allowance for credit losses that is deducted from the amortized cost basis of those financial assets. The Company early adopted the new standard on July 1, 2021; however, it did not have a significant impact on the Company's financial statements.

Income Taxes

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The new standard includes several provisions that simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and increasing consistency and clarity for the users of financial statements. The Company adopted the new standard on July 1, 2021; however, it did not have a significant impact on the Company's financial statements.

Investments – Equity Securities, Investments – Equity Method and Joint Ventures, and Derivatives and Hedging

In January 2020, the FASB issued ASU No. 2020-01, *Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815*. The new standard addresses interactions between the guidance to account for certain equity securities under Accounting Standards Codification ("ASC") Topic 321, the guidance to account for investments under the equity method of accounting in ASC Topic 323 and the guidance in ASC Topic 815, which could change how an entity accounts for an equity security under the measurement alternative or a forward contract or purchased option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option in accordance with ASC Topic 825, *Financial Instruments*. The Company adopted the new standard on July 1, 2021; however, it did not have a significant impact on the Company's financial statements.

3. Share-based Compensation Plans

The Company uses stock options, performance service awards, restricted stock awards and restricted stock units to provide long-term incentives to its employees, nonemployee directors and certain consultants. The Company has two equity compensation plans under which awards are currently authorized for issuance: the 2013 Employee Stock Purchase Plan and the 2013 Equity and Incentive Plan. No awards have been issued to date under the 2013 Employee Stock Purchase Plan and, as such, all of the 128,571 shares previously authorized under that plan remain available for issuance.

Stock Options

Information about the Company's stock options that do not have performance conditions is provided below.

	Six Months Ended December 31,			
	2021		2020	
(In thousands, except per share amounts)	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of the period	4,186	$ 7.69	3,846	$ 7.82
Granted	2,371	3.11	1,237	5.28
Exercised	(30)	3.07	(57)	3.55
Forfeited	(262)	4.22	(407)	4.43
Expired	(512)	11.25	(62)	10.23
Outstanding at the end of the period	5,753	$ 5.66	4,557	$ 7.45
Exercisable at the end of the period	2,710		2,690	
Weighted average fair value of options granted during the period	$ 2.19		$ 3.81	

The fair value of each stock option granted is estimated on the date of grant using a Black-Scholes stock option pricing model. Below are the assumptions that were used when estimating fair value for the periods indicated.

Assumption	Six Months Ended December 31, 2021	2020
Dividend yield	0.00%	0.00%
Expected term	6.00 to 6.25 years	6.00 to 6.25 years
Risk-free interest rate	0.80% to 1.35%	0.30% to 0.54%
Expected volatility	82.51%	82.60%

In addition to the stock option activity described above, the Company also granted 100,000 performance-based stock options to a senior officer during July 2019 with an exercise price of $3.91. That award: (i) was issued under the 2013 Equity and Incentive Plan; (ii) has a term of ten years; and (iii) includes six separate tranches with performance criteria that will each vest 25% upon their achievement, with the remaining 75% of the tranche vesting on a monthly basis over a period of three years subsequent to achieving the underlying performance objective (assuming continued service by the awardee). Each tranche represents one-sixth of the total award. If any of the performance criteria are not satisfied, that corresponding tranche will be forfeited. As of December 31, 2021, one of the six performance criteria has been met and one criterion will likely never be met. The Company used a Black-Scholes stock option pricing model to estimate the grant date fair value of each option to be $2.58; however, determining the appropriate periodic share-based compensation expense for this award requires management to estimate the likelihood of the achievement of the performance targets.

Restricted Stock Units

During August 2019, 175,500 restricted stock units with a market-based vesting condition related to the trading price of the Company's common stock were granted to certain employees under the 2013 Equity and Incentive Plan. Those awards had a weighted average grant date fair value of $2.56. Prior to June 30, 2020, the market condition embedded in the award was met. On August 15, 2021 and 2020, 54,500 and 76,500 restricted stock units vested and the underlying shares were issued to the grantees. A total of 44,500 restricted stock units were forfeited through August 15, 2021 and, subsequent to that date, no restricted stock units with market-based vesting conditions remain outstanding. The fair value of each restricted stock unit awarded was estimated on the grant date using a Monte Carlo simulation pricing model, which incorporated the probability of satisfying the related market-based vesting condition.

From May 2021 to July 2021, the Company granted 579,500 restricted stock units to certain employees under the 2013 Equity and Incentive Plan with a weighted average grant date fair value of $4.16. Those awards generally vest in equal amounts on each of the first and second anniversaries of the date of grant, assuming continuing service by the grantee. As of December 31, 2021, 111,000 restricted stock units have been forfeited. The fair value of each restricted stock unit awarded was determined based on the market value of the Company's common stock on the date of grant and the related expense is being recognized using a graded vesting schedule that is aligned with the grantees' vesting dates. No additional restricted stock unit awards are expected to be granted under this program.

Share-based compensation expense for the three and six months ended December 31, 2021 was $0.9 million and $1.8 million, respectively, compared to $0.6 million and $1.3 million for the three and six months ended December 31, 2020, respectively. The portion of such expense pertaining to stock options awarded to employees, nonemployee directors and consultants was $1.2 million for each of the six months ended December 31, 2021 and 2020. Share-based compensation expense pertaining to restricted stock awards and restricted stock units awarded to employees and consultants totaled $0.6 million and $0.1 million for the six months ended December 31, 2021 and 2020, respectively.

4. Investments and Fair Values of Financial Instruments

Cash in excess of immediate requirements is invested in accordance with the Company's investment policy, which primarily seeks to maintain adequate liquidity and preserve capital. At June 30, 2021, the Company's investments consisted of a held-to-maturity debt security that matured in July 2021 (the $2.0 million amortized cost of that investment approximated its fair value on such date). The Company held no investments at December 31, 2021.

The Company is required to disclose information regarding all assets and liabilities reported at fair value that enables an assessment of the inputs used when determining the reported fair values. ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a hierarchy of inputs used when available. Observable inputs are inputs that market participants would use when pricing an asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use when pricing an asset or liability and are developed based on the best information available in the circumstances. The fair value hierarchy applies only to the valuation inputs used when determining the reported fair value of financial instruments and is not a measure of an investment's credit quality. The three levels of the fair value hierarchy are described below.

Level 1—Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Valuations based on quoted prices for similar assets or liabilities in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3—Valuations that require inputs that reflect the Company's own assumptions that are both significant to the fair value measurement and unobservable.

To the extent that a valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company when determining fair value is greatest for financial instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Certain assets and liabilities are measured at fair value in the Company's financial statements or have fair values disclosed in these Notes to Unaudited Condensed Financial Statements. Such assets and liabilities are classified into one of the three levels of the fair value hierarchy. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The methods and assumptions described below were used to estimate fair values and determine the fair value hierarchy classification of each class of financial instrument held by the Company.

Cash and Cash Equivalents. The carrying value of cash and cash equivalents approximates fair value because the maturities thereof are less than three months.

Debt securities—held-to-maturity. The Company's investments in debt securities classified as held-to-maturity have historically consisted of U.S. Treasury securities that were valued using quoted market prices. Valuation adjustments were not applied.

The fair value hierarchy table below provides information about each major category of the Company's financial assets and liabilities measured at fair value on a recurring basis or disclosed at fair value in these Notes to Unaudited Condensed Financial Statements.

In thousands	Level 1	Level 2	Level 3	Total Fair Value
December 31, 2021				
Cash and cash equivalents	$ 72,771	$ —	$ —	$ 72,771
June 30, 2021				
Cash and cash equivalents	$105,052	$ —	$ —	$105,052
Held-to-maturity investment (U.S. Treasury security)	2,000	—	—	2,000
Total assets	$107,052	$ —	$ —	$107,052

The Company's financial instruments also include its variable-rate borrowing under a debt agreement that is described in Note 5 to these Notes to Unaudited Condensed Financial Statements. Management believes that the carrying amount of such debt (i.e., $20.3 million and $19.9 million at December 31, 2021 and June 30, 2021, respectively) reasonably approximates its fair value on those dates because the rate of interest on such borrowing reflects current market rates of interest for similar instruments with comparable maturities and risk profiles. This assessment primarily uses Level 2 inputs under the fair value hierarchy.

5. Debt

The following discussion of the Company's debt should be read in conjunction with Note 8 to the Notes to Financial Statements in the 2021 Form 10-K.

On June 30, 2020, the Company entered into a Loan and Security Agreement (as amended effective May 13, 2021, the "Amended Loan Agreement") with several banks and other financial institutions or entities from time to time parties to the Amended Loan Agreement (collectively, referred to as the "Lenders") and Hercules Capital, Inc., in its capacity as administrative agent and collateral agent for itself and the Lenders.

The Amended Loan Agreement provides for a term loan in an aggregate principal amount of up to $25.0 million to be delivered in multiple tranches (the "Term Loan"). The first two tranches under the Amended Loan Agreement consisted of term loan advances of $10.0 million on each of June 30, 2020 and May 13, 2021. Subject to the Lenders' investment committee's sole discretion, the Company has the right to request that the Lenders make additional term loan advances in an aggregate principal amount of up to $5.0 million prior to April 1, 2022 or, if certain conditions are satisfied, then prior to January 1, 2023. However, there can be no assurances that any additional term loan advances will be funded by the Lenders in the future.

As of both December 31, 2021 and June 30, 2021, the variable contractual interest rate on the Term Loan was 9.75% per annum and the effective interest rate on the Term Loan was 13.26%. Prior to completing the loan amendment in May 2021, the effective interest rate on the Term Loan was 13.53%.

As of December 31, 2021, the Company was in full compliance with all covenants of the Amended Loan Agreement.

6. Collaboration Agreements and Contract Liabilities

Bionic Sight, LLC

On February 2, 2017, the Company entered into a strategic research and development collaboration agreement with Bionic Sight, LLC ("Bionic Sight") to develop therapies for patients with visual deficits and blindness due to retinal disease. Through the AGTC-Bionic Sight collaboration, the companies seek to develop a new optogenetic therapy that leverages AGTC's deep experience in gene therapy and ophthalmology and Bionic Sight's innovative neuro-prosthetic device and algorithm for retinal coding. The collaboration agreement grants to AGTC, subject to achievement by Bionic Sight of certain development milestones, an option to exclusively negotiate for a limited period of time to acquire: (i) a majority equity interest in Bionic Sight; (ii) the Bionic Sight assets to which the collaboration agreement relates; or (iii) an exclusive license with respect to the product to which the collaboration agreement relates.

Under the agreement, AGTC made an initial $2.0 million payment for an equity interest of approximately 5% in Bionic Sight. During March 2020, the Company's equity interest in Bionic Sight increased to approximately 15.5% in connection with (i) AGTC's purchase of additional equity for $4.0 million and (ii) the conversion of certain AGTC-provided research and development support costs and in-kind contributions, which aggregated approximately $2.2 million, to an equity interest in Bionic Sight, in each case, consistent with the provisions of the collaboration agreement. AGTC is not obligated to purchase additional equity in Bionic Sight or make any additional in-kind contributions under the agreement. The Company recorded its initial investment in Bionic Sight using the equity method of accounting for investments. Upon receipt of additional equity in March 2020, management concluded that equity method accounting remained appropriate.

Otonomy, Inc.

During October 2019, the Company entered into a strategic collaboration agreement with Otonomy, Inc. ("Otonomy") to co-develop and co-commercialize an adeno-associated virus-based gene therapy to restore hearing in patients with sensorineural hearing loss caused by a mutation in the gap junction protein beta 2 gene ("GJB2") – the most common cause of congenital hearing loss. Mutations in GJB2 account for approximately 30% of all genetic hearing loss cases. People with this mutation can have severe-to-profound deafness in both ears that is identified in screening tests routinely performed on newborns. Under the collaboration agreement, the parties began equally sharing the program costs and any proceeds from potential licensing transactions in January 2020 and can include additional genetic hearing loss targets in the future. Effective January 1, 2022, the Otonomy collaboration agreement was amended to increase Otonomy's responsibility for the overall development and commercialization of the program, which resulted in (i) a reduction in the Company's share of future product development costs and (ii) the Company's potential receipt of future payments, and royalties on any product sales in lieu of equal sharing of any potential profits or proceeds related to the program.

The Company concluded that the Otonomy collaboration agreement is within the scope of ASC Topic 808, *Collaborative Arrangements* ("Topic 808"), which defines collaborative arrangements and addresses the presentation of transactions between the parties in an entity's statement of operations and the related disclosures. However, Topic 808 does not provide guidance on the recognition of consideration exchanged or accounting for the obligations that may arise between the parties. The Company concluded that ASC Topic 730, *Research and Development*, should be applied by analogy to payments between the parties during the development activities. As such, payments made to or received from Otonomy for development activities are recorded as research and development expenses. For each of the six months ended December 31, 2021 and 2020, settlement activity between the parties under the Otonomy agreement had an immaterial effect on the Company's research and development expenses.

Contract Liabilities

As of December 31, 2021 and June 30, 2021, accrued and other liabilities on the Company's balance sheets included $449,000 and $374,000, respectively, of deferred revenue. The account balance at December 31, 2021 included $75,000 that was billed to a customer but remained uncollected as of such date. The corresponding uncollected account balance at June 30, 2021 was $225,000 (such amount was collected by the Company in July 2021). Management expects that $300,000 of the deferred revenue at December 31, 2021 will be recognized as revenue during the year ending June 30, 2022; however, management is unable to estimate when the Company will satisfy the performance obligations pertaining to its residual deferred revenue at December 31, 2021.

7. Stockholders' Equity

Public Offering of AGTC Equity Securities

On February 1, 2021, the Company closed an underwritten public offering of 16,741,573 shares of its common stock, together with accompanying warrants to purchase 8,370,786 shares of its common stock. The combined offering price of each share of common stock and accompanying warrant was $4.45, generating gross proceeds of $74.5 million, before deducting underwriting discounts, commissions and other offering expenses payable by the Company, which totaled $5.2 million.

The warrants have an exercise price of $6.00 per share (subject to certain adjustments), are immediately exercisable and expire on February 1, 2026. The warrants are legally detachable from the common stock that was issued on February 1, 2021 and are separately exercisable by the warrant holders. While the warrants are outstanding (but unexercised), the warrant holders will participate in any dividend or other distribution of the Company's assets to its common stockholders by way of return of capital or otherwise. As of December 31, 2021, none of the warrants have been exercised.

At-The-Market Offering Program

On April 2, 2021, the Company entered into a Controlled Equity Offering℠ Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. ("Cantor") as sales agent to sell shares of the Company's common stock, from time to time, through an "at-the-market offering" program with an aggregate offering amount of up to $50.0 million. Cantor is entitled to aggregate compensation equal to 3.0% of the gross sales price of the shares sold through it pursuant to the Sales Agreement. During the six months ended December 31, 2021, the Company received net proceeds of $143,000 from selling 55,580 shares of its common stock under the Sales Agreement; however, neither Cantor nor the Company is obligated to sell additional shares under this program in the future.

8. Commitments and Contingencies

Lease Commitment

As of December 31, 2021, the Company had entered into a long-term real property lease agreement that has not yet commenced and, therefore, is not recorded on its balance sheets. This lease, which is discussed in Note 3 to the Notes to Financial Statements in the 2021 Form 10-K under the heading "Build-To-Suit Manufacturing and Quality Control Facility in Alachua, Florida," requires non-cancelable undiscounted future base rent payments aggregating $26.8 million over twenty years (assuming that the Company does not elect the early termination option). In connection with the new leased facility, the Company had financial commitments for equipment and shared building fit out costs of approximately $6 million as of December 31, 2021.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization (the "WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China ("COVID-19") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. National, state and local governments in affected regions have implemented, and are likely to continue to implement, safety precautions, including quarantines, border closures, increased border controls, travel restrictions, shelter in place orders and shutdowns, business closures, cancellations of public gatherings and other measures. Organizations and individuals are taking additional steps to avoid or reduce infection, including limiting travel and staying home from work.

The worldwide spread of COVID-19 led to a global slowdown of economic activity and decreased demand for a broad variety of goods and services, while also disrupting sales channels and marketing activities and precipitating many corporate bankruptcy filings. As a result of the COVID-19 outbreak, the Company has experienced delays in enrollment of its clinical trials and may continue to see delays as the rise in COVID-19 and/or related variants causes capacity constraints at various clinical trial sites. The Company could also experience delays resulting from critical follow-up visits required under clinical trial protocols, which could increase the cost of

those trials and also impact their expected timelines. Management's ability to fully interpret the trial outcomes and the ability of certain lab-based employees to perform their jobs due to stay-at-home orders or other restrictions related to COVID-19 could also result in delays and increase the Company's operating expenses. Furthermore, third-party vendors, such as raw material suppliers and contract manufacturing, testing or research organizations, have also been impacted by COVID-19 and could continue to be impacted, which could result in unavoidable delays and/or increases in the Company's operating costs.

Notwithstanding the rapid development and rollout of certain vaccines, it is unknown: (i) how long the COVID-19 outbreak will continue before the virus, including newly identified strains and variants, is adequately contained; (ii) the severity of the virus; and (iii) the effectiveness of actions to prevent transmission and treat those who have contracted COVID-19. The extent to which the COVID-19 outbreak may impact the Company's financial condition, results of operations or cash flows is uncertain; however, as of the date of these financial statements, management is not aware of any specific event or circumstance that would require the Company to update its estimates or judgments, or adjust the carrying values of its assets or liabilities. Because future events are subject to change, management's best estimates and judgments may require future modification. Therefore, actual results could differ materially from current estimates. Management is closely monitoring the evolving impact of the pandemic on all aspects of the Company's business and periodically evaluates its estimates, which are adjusted prospectively based on such evaluations.

General

From time to time, the Company may be involved in claims and legal actions that arise in the normal course of business. Management has no reason to believe that the outcome of any such legal actions would have a significant adverse effect on the Company's financial position, results of operations or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides an overview of our financial condition as of December 31, 2021 and our results of operations for the three and six months ended December 31, 2021 and 2020. This discussion should be read in conjunction with the Unaudited Condensed Financial Statements and related notes included in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the year ended June 30, 2021 (the "2021 Form 10-K"). In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below under the heading "Risk Factors" in Part II, Item 1A, and elsewhere in this report, as well as those set forth in Part I, Item 1A, "Risk Factors," of the 2021 Form 10-K. Forward-looking statements include information concerning our possible or assumed future results of operations, including results and timing of our clinical trials and planned clinical trials, business strategies and operations, financing plans, potential growth opportunities, potential market opportunities and the effects of competition, as well as assumptions relating to the foregoing. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "hopes," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions and the negatives of those terms. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's plans, estimates, assumptions and beliefs only as of the date of this report. Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

As used herein, except as otherwise indicated by context, references to "we," "us," "our," "AGTC" or the "Company" refer to Applied Genetic Technologies Corporation.

Overview

We are a clinical-stage biotechnology company that uses our proprietary gene therapy platform technology to develop transformational genetic therapies for people suffering from rare and debilitating diseases. Our initial focus is in the field of ophthalmology, where we have wholly owned clinical-stage programs in X-linked retinitis pigmentosa ("XLRP") and achromatopsia ("ACHM") and an optogenetics program through our collaboration with Bionic Sight, LLC ("Bionic Sight"). Our preclinical pipeline includes a program in dry age-related macular degeneration ("dAMD"), two programs targeting central nervous system ("CNS") disorders, including frontotemporal dementia ("FTD") and amyotrophic lateral sclerosis ("ALS"), and a program in otology through our collaboration with Otonomy, Inc. ("Otonomy"). With a number of important clinical milestones on the horizon, we believe that we are well positioned to advance multiple programs toward pivotal studies. In addition to our product pipeline, we have also developed broad technological and manufacturing capabilities utilizing both our internal scientific resources and through collaborations with others.

Since our inception, we have devoted substantially all of our resources to the development of our clinical and preclinical programs in ophthalmology, otology and CNS, including manufacturing product candidates in compliance with good manufacturing practices, preparing to conduct and conducting clinical trials of our product candidates, providing general and administrative support for these operations and protecting our intellectual property. We do not have any products approved for sale and have not generated any revenue from product sales. To date, we have funded our operations primarily through public offerings of our common stock and warrants to purchase our common stock, private placements of our preferred stock, collateralized borrowing and collaborations. We have also been the recipient, either independently or with our collaborators, of grant funding administered through federal, state, and local governments and agencies and by patient advocacy groups such as The Foundation Fighting Blindness.

We have incurred losses from operations in each year since inception, except for fiscal year 2017, wherein we reported net income of $0.4 million due, in part, to profits from a collaboration agreement that was ultimately terminated in March 2019. For the six months ended December 31, 2021 and 2020, we reported net losses of $36.3 million and $30.8 million, respectively. Substantially all our net losses resulted from costs incurred in connection with our research and development programs and general and administrative and other expenses associated with our operations. We expect to continue to incur significant operating expenses for at least the next several years and anticipate that such expenses will increase substantially in connection with our ongoing activities as we:

- continue to conduct clinical trials for our XLRP and ACHM product candidates;
- manufacture clinical trial materials and develop larger-scale manufacturing capabilities, including the lease of our new build-to-suit manufacturing and quality control facility;
- continue to develop our gene therapy platform and expand our pipeline by investing in our preclinical product candidates, including those for:
    - additional orphan and non-orphan ophthalmology indications, such as dAMD and other retinal diseases; and

- other inherited diseases in CNS and otology;
- seek regulatory approval for our product candidates;
- add personnel to support our scientific, collaboration, product development and commercialization efforts; and
- continue to operate as a public company.

As of December 31, 2021, we had cash and cash equivalents totaling $72.8 million. We do not expect to generate revenue from product sales unless and until we successfully complete development of and obtain regulatory approval for one or more of our product candidates, which we expect will take a number of years and which we believe is subject to significant uncertainty. We believe that our available cash and cash equivalents will be sufficient to allow us to generate data from our ongoing and planned clinical programs and fund currently planned research and discovery programs into calendar year 2023. We will require substantial additional funding to complete our XLRP Phase 2/3 ("Vista") trial, move our ACHMB3 product candidate forward, obtain regulatory approval for our lead product candidates, build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our lead product candidates, if approved, and execute our plan to open and operate a leased current Good Manufacturing Practices ("cGMP") manufacturing and quality control facility. Also, our current operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements, acquisitions or other business development activities, or a combination of these approaches. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms, or at all. Our failure to raise capital or enter into such other arrangements as and when needed would have a negative impact on our financial condition and our ability to develop our product candidates and continue our research and development efforts.

Program Updates and Recent Developments

AGTC-501 for the Treatment of XLRP

AGTC-501, our lead gene therapy development program for the treatment of XLRP, uses an engineered adeno-associated virus ("AAV') vector to insert a stabilized and functional copy of the Retinitis Pigmentosa GTSase Regulator ("RPGR") gene into a patient's photoreceptor cells. AGTC-501 is comprised of a stabilized RPGR gene and a promoter that was specifically selected due to its ability to drive efficient gene expression in primate rods and cones, maintain photoreceptor function and delay disease progression in preclinical models of disease. In addition, published non-human primate studies have demonstrated that AGTC's proprietary AAV capsid has as much as twice the transfection efficiency in photoreceptors when compared to capsids used in competing programs.

We are currently conducting multiple clinical trials of AGTC-501 that are intended to support the potential filing of a Biologics License Application ("BLA"). The Skyline trial is a 14 patient multi-site, Phase 2 trial in which patients are randomized to either a high or low dose of AGTC-501 with the primary objective of identifying the proportion of treated eyes that demonstrate improvement from baseline in visual sensitivity and visual acuity as well as a patient's ability to navigate a mobility maze more successfully under varying light and challenge conditions. The Skyline trial has the same overall design as the Vista clinical trial and is the first trial we are conducting that has the potential to demonstrate a correlation between visual sensitivity and visual acuity with a mobility maze, which is a key secondary/functional endpoint in the Vista trial. We completed enrollment in the Skyline trial in the first quarter of calendar year 2022 and plan to report 3-month interim results for the Skyline trial in the second quarter of calendar year 2022.

The Vista trial is a multi-site, Phase 2/3 clinical trial expected to include approximately 60 patients randomized across three arms: a low-dose group (the 1.2E+11 vg/mL Group 2 dose from the ongoing Phase 1/2 and Skyline trials), a high-dose group (the 1.1E+12 vg/mL Group 5 dose from the ongoing Phase 1/2 and Skyline trials) and an untreated control group. The primary endpoint will be improvement in visual sensitivity, defined as having at least a 7 decibel increase in visual sensitivity in at least 5 pre-specified loci at Month 12. Together with a third-party vendor, we have developed a machine learning algorithm based on the available microperimetry data from our Phase 1/2 dose escalation trial that, on a patient-by-patient basis, predicts the loci most likely to improve through evaluation of baseline visual sensitivity. Secondary endpoints in the Vista trial include mean change in visual sensitivity, improvements in visual acuity and performance on the mobility maze as well as structural improvements in retinal health as measured by changes in the ellipsoid zone (the "EZ"), a defined region within the photoreceptor layer of the retina that degenerates over time and is eventually lost in patients with XLRP. We plan to complete a masked interim analysis, with the data expected to be released in the first half of calendar year 2023. The interim analysis, together with data from the Phase 1/2 and Skyline trials, may provide us with the opportunity to discuss with the United States Food and Drug Administration (the "FDA") potential adjustments to the Vista trial, if necessary, that may accelerate a potential BLA filing or optimize the outcome of the trial.

To date, we have released a significant amount of preclinical and clinical data that we believe demonstrate both the safety and biological activity of AGTC-501. Most recently, in September 2021, Dr. Paul Yang, Assistant Professor of Ophthalmology at the Casey Eye Institute, Oregon Health & Science University and one of our study investigators, presented data from the ongoing Phase

1/2 trial at the Fourteenth International Symposium on Retinal Degeneration showing that certain baseline characteristics of the EZ were highly predictive of improved outcomes after treatment. Specifically, the data showed a statistically significant association between improvements in visual sensitivity as measured by MAIA and improvements in retinal health as measured by improvement in the EZ in dose Groups 4 to 6. We incorporated these findings into the inclusion/exclusion criteria for the Skyline and Vista clinical trials.

Given the activity and safety data generated to date, we believe that AGTC-501 is a potential best-in-class product candidate that may provide significant benefits to patients with XLRP. We expect to achieve the following milestones, subject to any continuing impact of the COVID-19 pandemic:

- provide 3-month interim Skyline trial results in the second quarter of calendar year 2022;
- provide 24-month results from the ongoing Phase 1/2 clinical trial in the third quarter of calendar year 2022;
- provide 12-month Skyline trial results in the first quarter of calendar year 2023; and
- provide interim Vista trial results in the first half of calendar year 2023.

AGTC-401 and AGTC-402 for the Treatment of ACHM

We have two gene therapy product candidates in development to treat ACHM. The product candidates use the same engineered AAV vector to insert a stabilized and functional copy of the Cyclic Nucleotide Gated Channel Subunit Beta 3 (CNGB3) gene in the case of AGTC-401 and a stabilized and functional copy of the Cyclic Nucleotide Gated Channel Subunit Alpha 3 (CNGA3) gene in the case of AGTC-402. The product candidates use the same proprietary cone-specific promoter that was designed to maximize gene expression into a patient's photoreceptor cells. We chose the promoter based on data from preclinical studies that demonstrated an ability to drive efficient gene expression in all three types of primate cone photoreceptors and restore cone photoreceptor function in dog, mouse and sheep models of ACHM.

We are currently conducting two Phase 1/2 clinical trials in ACHM patients at multiple clinical sites that specialize in inherited retinal diseases. The primary objective of these trials is to identify a well-tolerated dose that provides clinical benefit to patients. To date, we have enrolled a total of 31 adult and pediatric patients into the ACHMB3 trial and 24 adult and pediatric patients in the ACHMA3 trial and do not currently plan to enroll any additional patients in either trial. We have data from a portion of the patients in these trials up to 24 months after treatment, including our most recent release in February 2022 of 3-month data for the two highest dose groups of ACHMB3 and ACHMA3 pediatric patients that also included updated adult safety data. These data are consistent with the data previously released in adult and pediatric ACHMB3 and ACHMA3 patients.

In the Phase 1/2 dose escalation study of AGTC-401 in ACHMB3 patients, a total of 21 adults were treated over a 100-fold dose range in five groups and a total of 10 pediatric patients were treated at the three highest dose groups. Secondary outcome measures evaluating efficacy were assessed by standard visual function tests, such as perimetry. We defined two pediatric patients (17 and 7 years old) in the 1.1E+12 vg/mL dose group as responders based on improvements in visual sensitivity. Therefore, of the three adults and four children (total n=7) in the 1.1E+12 vg/mL dose group, four (>50%) are responders based on improvements in visual sensitivity. These patients also had improvements in quality of life as measured by a patient reported outcome survey developed specifically for patients with ACHM.

The two other pediatric patients in the 1.1E+12 vg/mL dose group and three pediatric patients ages 7 years and younger in the 3.2E+12 vg/mL dose group (total n=5) could not sufficiently concentrate and consistently complete the visual sensitivity testing. Similar to other trials where endpoints are adapted for young children, we plan to work closely with clinicians and regulators to develop potential adaptations for younger patients for visual sensitivity testing. Despite their inability to complete the tests, we received anecdotal feedback from certain patients that indicate improvements in visual sensitivity. Based on the totality of data generated to date, we believe that the 1.1E+12 vg/mL dose is well tolerated and provides clinical benefit in both adult and pediatric patients.

Subject to receiving feedback from the FDA at an End-of-Phase 2 meeting planned for the first half of calendar year 2022, we intend to advance the clinical development of AGTC-401. Our plan is based on the favorable risk benefit profile of the 1.1E+12 vg/mL dose, which had a generally safe and well tolerated safety profile across all patients and signs of biologic response based on improvements in visual sensitivity and other measures of visual function.

We also reported updated interim 3-month pediatric results and adult and pediatric safety results for the 24 patients enrolled in a parallel study of AGTC-402 targeting CNGA3 mutations in patients with ACHMA3. Data from the five pediatric patients in the two highest dose groups are consistent with previously reported results, indicating no evidence of clinical improvements, and do not

support further clinical development. Most patients with CNGA3 mutations express a mutant protein that is not typically found in patients with CNGB3 mutations, which we believe may have impacted the results seen in patients that received AGTC-402. We will continue to follow the ACHMA3 patients for long-term safety observations.

As previously reported, in both the ACHMB3 and ACHMA3 trials, treatment with the highest dose (3.2 E+12vg/ml) of AGTC-401 and AGTC-402, respectively, led to three cases of severe ocular inflammation in pediatric patients, which were reported as Suspected Unexpected Serious Adverse Reactions, or SUSARs. No new additional SUSARs in any adult or pediatric patients have been reported and the inflammation in all previously reported SUSARs improved with an adjusted steroid regimen. Two SUSARs (one in ACHMA3 and one in ACHMB3) have since fully resolved and one (ACHMA3) continues to resolve, with all three patients' best corrected visual acuity returning to baseline. Importantly, we did not see any comparable inflammation in any of our XLRP clinical trials.

Build-To-Suit Manufacturing and Quality Control Facility in Alachua, Florida

In May 2021, we signed a 20-year lease for a build-to-suit 21,250 square foot cGMP manufacturing and quality control facility adjacent to our existing Florida facility to prepare for late-stage development of our XLRP and ACHM programs. Leasing this cGMP facility is part of our strategy to enable more rapid filing of a BLA and commercial launch of our XLRP candidate upon potential FDA approval. The cGMP facility is also expected to support more rapid advancement of our product pipeline while providing supply chain redundancy, reducing manufacturing risk and enhancing quality controls. We anticipate that the build-out of the new manufacturing and quality control facility will be completed during the second half of calendar year 2022.

Additional information regarding our new cGMP manufacturing and quality control facility can be found in Note 8 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q under the heading "Lease Commitment."

Strategic Collaborations and Preclinical Pipeline

Bionic Sight

During February 2017, we entered into a strategic research and development collaboration agreement with Bionic Sight to develop therapies for patients with visual deficits and blindness due to retinal disease. Through the AGTC-Bionic Sight collaboration, the companies seek to develop a new optogenetic therapy that leverages AGTC's deep experience in gene therapy and ophthalmology and Bionic Sight's innovative neuro-prosthetic device and algorithm for retinal coding. The collaboration agreement grants to us, subject to achievement by Bionic Sight of certain development milestones, an option to exclusively negotiate for a limited period of time to acquire: (i) a majority equity interest in Bionic Sight; (ii) the Bionic Sight assets to which the collaboration agreement relates; or (iii) an exclusive license with respect to the product to which the collaboration agreement relates.

In March 2021, Bionic Sight, which has responsibility for conducting the clinical trial, reported promising results in its first two cohorts of patients in the Phase 1/2 retinitis pigmentosa optogenetics study. Bionic Sight reported that these patients, all of whom have complete or near-complete blindness, can now see light and motion, and, in two cases, can detect the direction of motion. The product appears to be safe and well tolerated and Bionic Sight is continuing to enroll patients at higher doses.

Otonomy

During October 2019, we entered into a strategic collaboration agreement with Otonomy to co-develop and co-commercialize an AAV-based gene therapy to restore hearing in patients with sensorineural hearing loss caused by a mutation in the gap junction protein beta 2 gene ("GJB2") – the most common cause of congenital hearing loss. Mutations in GJB2 account for approximately 30% of all genetic hearing loss cases. Patients with this mutation can have severe-to-profound deafness in both ears that is identified in screening tests routinely performed in newborns. Under the collaboration agreement, the parties began equally sharing the program costs and any proceeds from potential licensing transactions in January 2020 and can include additional genetic hearing loss targets in the future. Effective January 1, 2022, we amended the Otonomy collaboration agreement to increase Otonomy's responsibility for the overall development and commercialization of the program, which resulted in (i) a reduction in our share of future product development costs and (ii) our potential receipt of future payments, and royalties on any product sales in lieu of equal sharing of any potential profits or proceeds related to the program.

We and Otonomy announced promising preclinical data at the American Society of Gene and Cell Therapy meeting in May 2021, demonstrating the rescue of hearing loss and cochlear morphology in two independent mouse models. Collectively, we are conducting investigational new drug ("IND")-enabling activities based on pre-IND meeting feedback from the FDA, with an IND filing anticipated in the first half of calendar year 2023.

Additional information regarding the Bionic Sight and Otonomy collaborative agreements can be found in Note 6 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q.

Preclinical Pipeline

We also have three wholly-owned product candidates in preclinical testing, including AGTC-701 for the treatment of dAMD, AGTC-601 for the treatment of FTD and AGTC-801 for the treatment of ALS.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Quarterly Report on Form 10-Q is based on our financial statements, which have been prepared assuming that the Company will continue as a going concern and in accordance with (i) U.S. generally accepted accounting principles for interim financial information and (ii) the instructions to Form 10-Q and Article 8 of Regulation S-X. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, judgments and methodologies, including those related to accrued expenses and share-based compensation. We base our estimates on historical experience, current conditions, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our estimates under different assumptions or conditions. Moreover, we may need to change the assumptions underlying our estimates due to risks and uncertainties related to the COVID-19 pandemic or otherwise and those changes could have a material adverse effect on our statements of operations, financial condition and cash flows.

During the six months ended December 31, 2021, there were no significant changes to our critical accounting policies and estimates. For a description of our accounting policies that, in our opinion, involve the most significant application of judgment or involve complex estimations and which could, if different judgments or estimates were made, materially affect our reported results of operations, financial position and cash flows, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in the 2021 Form 10-K.

New Accounting Pronouncements

Refer to Note 2 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q for further information about recently issued accounting standards.

Financial Operations Review

Revenue

We generate revenue primarily through: (i) collaboration agreements; (ii) sponsored research arrangements with nonprofit organizations for the development and commercialization of product candidates; (iii) federal research and development grant programs; and (iv) licensing arrangements. However, we did not recognize any revenue during the three and six months ended December 31, 2021 or the same periods in the prior year. In the future, we may generate revenue from product sales (if any products are approved), license fees, milestone payments, development services, research and development grants, or from collaboration and royalty payments for the sales of products developed under licenses of our intellectual property.

We expect that any revenue we generate will fluctuate from quarter to quarter as a result of the timing and amount of license fees, research and development programs, manufacturing efforts and reimbursements, collaboration milestone payments, and the sale of our products, to the extent that any are approved and successfully commercialized. We do not expect to generate revenue from product sales for the foreseeable future, if at all. If we or our collaborators fail to complete the development of our product candidates in a timely manner or obtain regulatory approval for them, our ability to generate future revenue and our results of operations, financial position and cash flows would be materially adversely affected.

Research and development expenses

Research and development expenses consist primarily of costs incurred for the development of our product candidates and include:

- employee-related expenses, including salaries, benefits, travel and share-based compensation expense;
- expenses incurred under agreements with academic research centers, contract research organizations and investigative sites that conduct our clinical trials;

- license and sublicense fees and collaboration expenses;
- costs of acquiring, developing and manufacturing clinical trial materials; and
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies.

Research and development costs are expensed as incurred. Costs for certain development activities are recognized based on an evaluation of the progress toward completion of specific tasks, using information and data provided to us by our vendors and our clinical sites.

We cannot determine with certainty the duration and completion costs of the current or future clinical trials of our product candidates or if, when, or to what extent we will generate revenue from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress and expense of our ongoing clinical trials, as well as any additional clinical trials that we are required to, or decide to, initiate and other research and development activities;
- the timing and level of activity as determined by us or jointly with our partners;
- the level of funding, if any, received from our partners;
- whether or not we elect to cost share with our collaborators;
- future clinical trial results;
- uncertainties in clinical trial enrollment rates or drop-out or discontinuation rates of patients;
- increased cost and delay associated with manufacturing or testing issues, including ongoing quality assurance, qualifying new vendors and developing in-house capabilities through, among other things, our lease of a new cGMP build-to-suit manufacturing and quality control facility;
- the countries in which trials are conducted;
- potential additional safety monitoring or other studies requested by regulatory agencies or elected as best practice by us;
- significant and changing government regulation; and
- the timing and receipt of any regulatory approvals.

Changes in any of these variables over time with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of a product candidate or if we experience significant delays in enrollment in or execution of any of our clinical trials, which could be adversely impacted by the COVID-19 pandemic, we could be required to expend significant additional financial resources and time on the completion of clinical trial activities and development of our product candidates.

From our inception and through December 31, 2021, we have incurred approximately $309.4 million in research and development expenses. We expect our research and development expenses to increase for the foreseeable future as we continue the development of our product candidates, explore potential applications of our gene therapy platform in other indications and execute our plan to open and operate a leased cGMP manufacturing and quality control facility.

General and administrative and other expenses

General and administrative and other expenses primarily consist of salaries and related costs for personnel, including share-based compensation and travel expenses for our employees in executive, operational, legal, business development, finance and human resource functions. Other general and administrative expenses include costs to support employee training and development, board of directors' costs, depreciation, insurance, facility-related costs not otherwise included in research and development expenses, professional fees for legal services, patent-related expenses, and accounting, investor relations, corporate communications and information technology services. We anticipate that our general and administrative and other expenses will continue to increase in the future as we hire additional employees to support our research and development efforts, collaboration arrangements, and the potential commercialization of our product candidates, if approved. Additionally, if and when we believe that regulatory approval of our first product candidate appears likely, we anticipate an increase in payroll and related expenses as a result of our preparation for commercial operations, especially as it relates to the sales and marketing of any such product candidate. Our general and administrative expenses are also expected to increase as we execute our plan to open and operate a leased cGMP manufacturing and quality control facility.

Investment income, net

Investment income, net consists of interest earned on cash and cash equivalents and held-to-maturity investments in debt securities. During the three and six months ended December 31, 2021, investment income, net declined by $23,000 and $81,000, respectively, when compared to the same periods in the prior year, primarily due to a smaller investment portfolio in the current period.

Interest expense

Interest expense during the three and six months ended December 31, 2021 increased by $0.3 million and $0.7 million, respectively, when compared to the same periods in the prior year. These increases were primarily due to higher average outstanding balances under our collateralized term loan agreement during the 2021 periods. Additional information regarding our long-term loan agreement can be found in Note 5 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q.

Provision for income taxes

The provision for income taxes was $20,000 and $41,000 during the three and six months ended December 31, 2020, which was entirely attributable to estimated interest and penalties on uncertain tax positions. There was no provision for income taxes during the three and six months ended December 31, 2021 because, among other things, the Company had no uncertain tax positions during those reporting periods.

Results of Operations

Comparison of the three months ended December 31, 2021 and 2020

Research and development expenses

The table below summarizes our research and development expenses by product candidate or program for the periods indicated.

In thousands	Three Months Ended December 31, 2021	2020	Increase (Decrease)	% Increase (Decrease)
External research and development expenses:				
XLRP	$ 4,450	$ 4,869	$ (419)	(9)%
ACHM	1,098	1,212	(114)	(9)%
XLRS	13	59	(46)	(78)%
Research and discovery programs	2,289	516	1,773	>100%
Total external research and development expenses	7,850	6,656	1,194	18%
Internal research and development expenses:				
Employee-related costs	4,214	3,193	1,021	32%
Share-based compensation	459	269	190	71%
Other	1,931	1,693	238	14%
Total internal research and development expenses	6,604	5,155	1,449	28%
Total research and development expenses	$14,454	$11,811	$ 2,643	22%

External research and development expenses consist of collaboration, licensing, manufacturing, testing and other miscellaneous costs that are directly attributable to our most advanced product candidates and discovery programs. We do not allocate employee-related costs, including share-based compensation, costs associated with broad technology platform improvements or other indirect costs, to specific programs, as they are deployed across multiple projects under development and, as such, are separately classified as internal research and development expenses in the table above.

Research and development expenses for the three months ended December 31, 2021 and 2020 were $14.5 million and $11.8 million, respectively, an increase of $2.6 million, or 22%. The increase was primarily attributable to:

- $1.8 million of increased external spending for our research and discovery programs, which was primarily due to planned material production costs in connection with our preclinical CNS program targeting FTD;
- $1.0 million of higher employee-related costs that were primarily attributable to new employees that were hired in connection with our strategic operating plans;

- $0.9 million of increased external spending for our Skyline trial due to planned clinical activities; and
- $0.2 million of higher share-based compensation costs that were primarily due to restricted stock units granted to certain employees from May 2021 to July 2021 (the "2021 RSUs").

Such increases were partially offset by $1.3 million of lower external spending for our Vista trial, which was primarily due to a year-over-year reduction in manufacturing activities for clinical trial materials. The decrease of $0.1 million in ACHM expenses was primarily due to reduced site activity as our two clinical studies have progressed to a point where they are no longer processing new site activations or enrolling new study participants. Additionally, there was a nominal decrease in research and development expenses in connection with the wind-down of our X-linked retinoschisis, or XLRS, program.

General and administrative and other expenses

The table below summarizes our general and administrative and other expenses for the periods indicated.

In thousands	Three Months Ended December 31, 2021	2020	Increase (Decrease)	% Increase (Decrease)
Employee-related costs	$ 1,367	$ 1,195	$ 172	14%
Share-based compensation	487	355	132	37%
Legal and professional fees	164	365	(201)	(55)%
Other	1,971	1,389	582	42%
Total general and administrative and other expenses	$ 3,989	$ 3,304	$ 685	21%

General and administrative and other expenses for the three months ended December 31, 2021 and 2020 were $4.0 million and $3.3 million, respectively, an increase of $0.7 million, or 21%. Such increase was primarily due to: (i) compensation for new employees; (ii) incremental share-based compensation costs for the 2021 RSUs; and (iii) higher operating and business development costs pertaining to our recurring operations as we execute our strategic plans. Lower legal fees during the three months ended December 31, 2021 were due to reduced use of external legal counsel. Total general and administrative and other expenses for the three months ended December 31, 2021 were consistent with those for the three months ended September 30, 2021.

Comparison of the six months ended December 31, 2021 and 2020

Research and development expenses

The table below summarizes our research and development expenses by product candidate or program for the periods indicated.

In thousands	Six Months Ended December 31, 2021	2020	Increase (Decrease)	% Increase (Decrease)
External research and development expenses:				
XLRP	$ 9,101	$ 8,729	$ 372	4%
ACHM	1,891	2,850	(959)	(34)%
XLRS	86	152	(66)	(43)%
Research and discovery programs	3,127	1,017	2,110	>100%
Total external research and development expenses	14,205	12,748	1,457	11%
Internal research and development expenses:				
Employee-related costs	7,930	6,415	1,515	24%
Share-based compensation	890	586	304	52%
Other	3,754	3,688	66	2%
Total internal research and development expenses	12,574	10,689	1,885	18%
Total research and development expenses	$26,779	$23,437	$ 3,342	14%

Research and development expenses for the six months ended December 31, 2021 and 2020 were $26.8 million and $23.4 million, respectively, an increase of $3.3 million, or 14%. The increase was primarily attributable to:

- $2.1 million of increased external spending for our research and discovery programs, which was primarily due to planned material production costs in connection with our preclinical CNS program targeting FTD;
- $1.7 million of increased external spending for our Skyline trial due to planned clinical activities;

- $1.5 million of higher employee-related costs that were primarily attributable to new employees that were hired in connection with our strategic operating plans; and
- $0.3 million of higher share-based compensation costs that were primarily due to the 2021 RSUs.

Such increases were partially offset by $1.2 million and $0.1 million of lower external spending for our Vista and ongoing XLRP Phase 1/2 trials, respectively. The decline in the Vista expenses was primarily due to a year-over-year reduction in manufacturing activities for clinical trial materials. The decrease of $1.0 million in ACHM expenses was primarily due to reduced site activity as our two clinical studies have progressed to a point where they are no longer processing new site activations or enrolling new study participants. Additionally, there was a nominal decrease in research and development expenses in connection with XLRS program.

General and administrative and other expenses

The table below summarizes our general and administrative and other expenses for the periods indicated.

In thousands	Six Months Ended December 31, 2021	2020	Increase (Decrease)	% Increase (Decrease)
Employee-related costs	$ 2,588	$ 2,434	$ 154	6%
Share-based compensation	866	684	182	27%
Legal and professional fees	586	909	(323)	(36)%
Other	4,049	2,713	1,336	49%
Total general and administrative and other expenses	$ 8,089	$ 6,740	$ 1,349	20%

General and administrative and other expenses for the six months ended December 31, 2021 and 2020 were $8.1 million and $6.7 million, respectively, an increase of $1.3 million, or 20%. Such increase was primarily due to: (i) compensation for new employees; (ii) incremental share-based compensation costs for the 2021 RSUs; and (iii) higher operating and business development costs pertaining to our recurring operations as we execute our strategic plans. Lower legal fees during the six months ended December 31, 2021 were due to reduced use of external legal counsel. Total general and administrative and other expenses for the six months ended December 31, 2021 were consistent with those for the six months ended June 30, 2021.

Liquidity and Capital Resources

We have incurred cumulative losses and negative cash flows from operations since our inception and, as of December 31, 2021, we had an accumulated deficit of $275.5 million. It will be several years, if ever, before we have a product candidate ready for commercialization. We expect that our research and development expenses and general and administrative and other expenses will continue to increase and, as a result, we anticipate that we will require additional capital to fund our operations, which we may raise through a combination of equity offerings, debt financings, other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements.

Most recently, we received: (i) net proceeds of $143,000 in November 2021 from selling our common stock through an “at-the-market offering” program that is described in Note 7 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q; (ii) $9.9 million of loan proceeds, net of debt discounts, in May 2021; and (iii) net proceeds of $69.3 million in February 2021 from the underwritten public offering that is described in Note 7 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q. Among other things, the May 2021 loan proceeds are expected to partially fund certain equipment and shared building fit out costs, as well as new employee hires, in connection with our lease and operation of a cGMP build-to-suit manufacturing and quality control facility in Alachua, Florida. Importantly, through a tenant improvement allowance and tiered rental rates, we have structured our third-party leasing costs for this facility in a way that will not significantly impact our cash runway until the fiscal year ending June 30, 2024. Additional information regarding our long-term loan agreement and new manufacturing and quality control facility can be found in Notes 5 and 8, respectively, to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q.

We are closely monitoring ongoing developments in connection with the COVID-19 pandemic, which may negatively impact our projected cash position and access to capital. We will continue to assess our cash position and, if circumstances warrant, make appropriate adjustments to our operating plan.

Cash in excess of immediate requirements is invested in accordance with our investment policy, which primarily seeks to maintain adequate liquidity and preserve capital by generally limiting investments to certificates of deposit and investment-grade debt securities that mature within twelve months. As of December 31, 2021, our cash and cash equivalents were held in bank accounts and money market funds.

Cash flows

The table below sets forth the primary sources and uses of cash for the periods indicated.

In thousands	Six Months Ended December 31, 2021	2020	Increase (Decrease)	% Increase (Decrease)
Cash provided by (used in):				
Operating activities	$(33,493)	$(26,308)	$ (7,185)	(27)%
Investing activities	1,048	7,027	(5,979)	(85)%
Financing activities	164	(74)	238	>100%
Net decrease in cash and cash equivalents	$(32,281)	$(19,355)	$(12,926)	67%

Operating activities. For both the six months ended December 31, 2021 and 2020, cash used in operating activities was primarily the result of research and development expenses and general and administrative and other expenses incurred in conducting normal business operations. Specifically, the cash used in operating activities of $33.5 million during the six months ended December 31, 2021 was due to a net loss of $36.3 million and unfavorable changes in our operating assets and liabilities of $0.4 million, partially offset by non-cash items in our statement of operations of $3.2 million. The cash used in operating activities of $26.3 million during the six months ended December 31, 2020 was due to a net loss of $30.8 million, partially offset by non-cash items in our statement of operations of $2.4 million and favorable changes in our operating assets and liabilities of $2.1 million.

Investing activities. Cash provided by investing activities of $1.0 million during the six months ended December 31, 2021 consisted primarily of cash proceeds of $2.0 million from maturities of investments, partially offset by purchases of property and equipment of $0.8 million and intellectual property costs of $0.1 million. Cash provided by investing activities of $7.0 million during the six months ended December 31, 2020 consisted primarily of cash proceeds of $27.0 million from maturities of investments, net of investment purchases of $19.0 million, partially offset by purchases of property and equipment of $0.8 million and intellectual property costs of $0.2 million.

Financing activities. Cash provided by financing activities of $0.2 million during the six months ended December 31, 2021 consisted of proceeds from issuances of our common stock, net of issuance costs, and exercises of common stock options, partially offset by (i) payments for taxes related to equity awards and (ii) principal payments on a finance lease. Cash used in financing activities of $0.1 million during the six months ended December 31, 2020 consisted of (i) payments for deferred financing fees and taxes related to equity awards and (ii) principal payments on a finance lease, partially offset by proceeds from exercises of common stock options.

Operating capital requirements

We have not generated any revenue from product sales and we do not know when, or if, we will generate such revenue. We do not expect to have significant revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates. We anticipate that we will continue to generate losses for the foreseeable future as we continue the development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved products. We are subject to all of the risks incident in the development of new gene therapy products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business.

We believe that our available cash and cash equivalents, which totaled $72.8 million on December 31, 2021, will be sufficient to allow us to generate data from our ongoing and planned clinical programs and fund currently planned research and discovery programs into calendar year 2023. However, we will require substantial additional funding to: (i) finish our Vista trial; (ii) move our ACHMB3 product candidate forward; (iii) complete the process necessary to seek regulatory approval for our lead product candidates; (iv) build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our lead product candidates, if approved; and (v) execute our plan to open and operate a leased cGMP manufacturing and quality control facility.

To provide the maximum degree of financial flexibility, we may consider various potential opportunities to fund future operations and/or modulate liquidity needs including: (i) raising new capital through equity or debt financings or other sources, including our “at-the-market offering” program; (ii) amending our long-term debt agreement; (iii) out-licensing the rights to certain of our product candidates; (iv) entering into one or more collaborations to offset the costs of our leased manufacturing and quality control facility; and (v) reducing our expenditures on research and development activities and/or restructuring our operations. However, we may be unable to successfully execute any of the plans described above, or raise additional funds or enter into such other arrangements when needed on favorable terms, or at all. Additional information regarding our liquidity and related matters can be found in Note 1 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q under the heading ”Liquidity and Financial Condition.”

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company, as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

a) Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15e and 15d-15e under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this quarterly report. Based on this evaluation, our principal executive officer and principal financial officer concluded that these disclosure controls and procedures were effective as of December 31, 2021.

b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15f and 15d-15f under the Securities Exchange Act of 1934, as amended) during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not a party to any pending legal proceedings. However, due to the nature of our business, we may be subject to lawsuits or other claims arising at any particular time in the ordinary course of business, and we expect that this situation will continue to be the case in the future.

ITEM 1A. RISK FACTORS

Refer to Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for the year ended June 30, 2021 (the “2021 Form 10-K”) for information regarding our risk factors. Except as noted below, there have been no material changes in the risk factors included in the 2021 Form 10-K.

We have identified conditions and events that raise substantial doubt about our ability to continue as a going concern.

We may be forced to amend, delay, limit, reduce or terminate the scope of our clinical and preclinical programs and/or limit or cease our operations if we are unable to obtain additional funding. As of December 31, 2021, we had cash and cash equivalents totaling $72.8 million. We believe that there is presently insufficient funding available to allow us to generate data from our ongoing and planned clinical programs and fund currently planned research and discovery programs for a period exceeding 12 months from the date of filing this Quarterly Report on Form 10-Q. During such 12-month period, our future liquidity needs will be primarily based on the: (i) success and progression of our product candidates; (ii) repayment obligations under our long-term debt agreement; and (iii) costs to operate our leased build-to-suit manufacturing and quality control facility. We will also require substantial additional funding to: (i) finish our Vista trial; (ii) move our ACHMB3 product candidate forward; (iii) complete the process necessary to seek regulatory approval for our lead product candidates; and (iv) build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our lead product candidates, if approved. To provide the maximum degree of financial flexibility, we may consider various potential opportunities to fund future operations and/or modulate liquidity needs, including: (i) raising new capital through equity or debt financings or other sources, including our “at-the-market offering” program; (ii) amending our long-term debt agreement; (iii) out-licensing the rights to certain of our product candidates; (iv) entering into one or more collaborations to offset the costs of our leased manufacturing and quality control facility; and (v) reducing our expenditures on research and development activities and/or restructuring our operations. However, we may be unable to successfully execute any of the plans described above, or raise additional funds or enter into such other arrangements when needed on favorable terms, or at all. The failure to obtain sufficient funds on commercially acceptable terms when needed would have a material adverse effect on our business, results of operations and financial condition and would jeopardize our ability to continue our operations. These factors raise substantial doubt about our ability to continue as a going concern.

Additional information regarding our ability to continue as a going concern can be found in Note 1 to the Unaudited Condensed Financial Statements included in this Quarterly Report on Form 10-Q under the heading ”Liquidity and Financial Condition.”

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Fifth Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 1, 2014)
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on April 1, 2014)
10.1#	Employment Agreement, dated as of October 14, 2021, by and between the Company and Susan Schneider (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 14, 2021 (File No. 001-36370))
10.2#	Employment Agreement, dated November 9, 2021, by and between the Company and Jonathan Lieber (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed with the SEC on November 12, 2021 (File No. 001-36370))
10.3*#	Employment Agreement, dated November 6, 2021, by and between the Company and Hope R. D'Oyley-Gay
10.4*#	Employment Agreement, dated November 15, 2021, by and between the Company and Abraham Scaria
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of 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 Rule 13a-14(a) or Rule 15d-14(a) of 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 for the Company's Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.
** Furnished herewith.
# Management contract or compensatory plan or arrangement.

SIGNATURE

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.

APPLIED GENETIC TECHNOLOGIES CORPORATION
(Registrant)

By: /s/ Jonathan I. Lieber
Jonathan I. Lieber, Chief Financial Officer

Date: February 14, 2022

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 6th day of November, 2021 by and between Applied Genetic Technologies Corporation, a Delaware corporation, including its successors and assigns, (the "Employer" or "Company"), and Hope R. D'Oyley-Gay ("Executive").

NOW, THEREFORE, in consideration of the promises and the respective undertakings of Employer and Executive set forth below, Employer and Executive hereby agree as follows:

1. Employment. Employer hereby employs Executive, and Executive hereby accepts such employment and agrees to perform services for Employer, for the period and on the other terms and subject to the conditions set forth in this Agreement. Employee's "Start Date" shall be December 13, 2021, and shall be considered the Effective Date of this Agreement.

2. Employment at Will. Executive is employed "at-will" which means that Executive's employment is not for any defined term and may be terminated by either Executive or the Company at any time, with or without cause, for any or no reason, subject to the notice provisions herein.

3. Position and Duties.

3.1 Service with Employer. Employer hereby employs Executive in an executive capacity with the title of General Counsel and Executive hereby accepts such employment and undertakes and agrees to serve in such capacity. Executive shall have such powers, perform such duties and fulfill such responsibilities as are typically associated with such position in other companies similarly situated to the Company and shall report directly to the Company's President and Chief Executive Officer,

3.2 Performance of Duties. Executive agrees to: (i) devote substantially all of Executive's business time, attention and efforts to the business and affairs of Employer while employed; and (ii) adhere to all Employer's written employment policies and procedures as shall be in force from time to time.

3.3 Outside Activities. During the Term, Executive shall not: (i) except as set forth below, accept other employment; (ii) except as set forth below, render or perform services for compensation to any Person (as hereinafter defined) other than Employer; (iii) except as set forth below, serve as an officer or on the board of directors (or similar governing body) of any entity other than Employer, whether or not for compensation; or (iv) except as set forth below, engage in any other business, enterprise or activity that will require any effort on the part of Executive that, in the sole discretion of Employer, could reasonably be expected to materially detract from the ability of Executive to perform Executive's duties to Employer pursuant to this Agreement; provided, however, Executive may engage in the activities set forth in Schedule A hereto or described in clause (iii) or (iv) above if prior to engaging in such activity, Executive has disclosed such activity to the Board and received written approval to engage in such activity from the Board. Executive may engage in personal investments without disclosure to or written approval from the Board provided Executive is not required or expected to serve as a board member, advisor or consultant and Executive shall, at any time, own beneficially less than 2% of the outstanding securities of any issuer and such personal investment shall not otherwise interfere with Executive's performance of duties hereunder and/or the provisions of Executive's written agreements with Employer.

3.4 Executive Representations. Executive represents that Executive is not subject to any restrictive covenant, confidentiality agreement, or any other agreement that would prevent Executive from accepting employment with Employer, and based on the information provided to Employer by Executive, Employer accepts such representation.

4. Compensation.

4.1 Base Salary. Employer shall pay to Executive a base salary of Three Hundred Eighty-Six Thousand U.S. Dollars ($386,000) for all services to be rendered by Executive under this Agreement (the "Base Salary"), which Base Salary shall be paid in accordance with Employer's normal payroll schedule, procedures and policies (which schedule, procedures and policies may be modified from time to time) and subject to applicable deductions as required by law. Employer shall review Executive's salary on an annual basis and may, in its discretion, consider and declare from time to time increases in the Base Salary that it pays Executive. Any and all increases in Executive's salary pursuant to this section shall cause the level of Base Salary to be increased by the amount of each such increase for purposes of this Agreement. The increased level of Base Salary as provided in this section shall become the level of Base Salary for the remainder of the term of this Agreement unless there is a further increase in Base Salary as provided herein. Notwithstanding the foregoing, the Base Salary of Executive may be decreased provided it is done so in proportion to decreases in Base Salary of the entire executive team of the Company.

4.2 Sign-on Bonus. Employer shall pay to Executive:

(a) a sign-on bonus in the total gross amount of One Hundred Thousand U.S. Dollars ($100,000), less applicable deductions, taxes and other amounts required by federal and state laws, with the Executive's first (1st) payroll disbursement, and, subject to the Executive's continued employment (the "Initial Sign-on Bonus"); and

(b) a bonus in the total gross amount of One Hundred Thousand Dollars U.S. ($100,000), less applicable deductions, taxes and other amounts required by federal and state laws (the "Contingent Bonus" and, together with the Initial Sign-on Bonus, the "Sign-on Bonus"), one-half of which will be paid in cash and one–half of which will be paid in restricted stock units ("RSUs") granted for shares of the Company's common stock, par value $0.001 per share, with a grant date fair value of Fifty Thousand U.S. Dollars ($50,000), pursuant to and subject to the terms of Employer's 2013 Equity and Incentive Plan on the following terms and conditions: (i) contingent upon Executive continuing to provide services to the Company through the vesting date: One Hundred Percent (100%) of the RSUs shall vest on the one-year anniversary of Executive's Start Date and (ii) the RSUs shall be evidenced by an RSU award agreement in the form attached hereto as Exhibit

C. Notwithstanding the foregoing, the Contingent Bonus shall be payable and paid to Executive only if the total dollar amount of fees and expenses incurred by the Company's outside legal counsel during the period from Executive's Start Date through the date that is twelve (12) months after the Start Date is at least One Hundred Thousand U.S. Dollars ($100,000) less than the total dollar amount of fees and expenses incurred by the Company's outside legal counsel during the period beginning from twelve (12) months and one day prior to Executive's Start Day through the day prior to Executive's Start Date, in each case excluding all legal fees and expenses incurred in connection with non-recurring, unique events. The Contingent Bonus shall be paid, including the grant of RSUs, if earned, as soon as practicable following the completion of the calculation and determination by the Company, in consultation with Executive, as to whether the criteria required to satisfy payment of the Contingent Bonus, as described herein, has been met.

If Executive terminates her employment with Employer without Good Reason (as defined below) or if Employer terminates Executive's employment for Cause (as defined below) (i) at any time on or before the first (1st) anniversary of the Start Date, Executive will be obligated to repay to Employer one hundred percent (100%) of the Sign-on Bonus actually paid to and received by Executive, or (ii) between the first (1st) anniversary and the second (2nd) anniversary of the Start Date, Executive will be obligated to repay to Employer fifty percent (50%) of the Sign-on Bonus actually paid to and received by Executive, except that Executive shall not be required to make any repayments with respect to any RSUs granted to Executive as part of the Sign-on Bonus, and the RSUs will cease vesting and terminate.

4.3 Annual Bonus. The Executive will be eligible to participate in the Employer's annual cash incentive compensation plan on substantially the same terms as other executive officers, currently targeted at 40 percent (40%) of Executive's base salary. Company-wide and individual performance objectives ("MBOs") will be established by the Compensation Committee. Target incentives do not constitute a promise of payment and the Executive's actual bonus, if any, will depend in part on the Employer's performance and the Compensation Committee's discretion in assessing the Executive's individual performance in relation to his or her MBOs and the overall performance and status of the Company. To qualify for the incentive bonus, the Executive must remain employed with the Company through the date that the incentive bonus is paid in accordance with the Employer's normal practice.

4.4 Participation in Benefit Plans. Executive shall be entitled to participate in all employee benefit plans or programs offered to other senior executives from time to time (to the extent that Executive meets the requirements for each such plan or program), including participation in any health insurance plan, disability insurance plan, dental plan, eye care plan, 401(k) plan, life insurance plan, or other similar plans (all such benefits, the "Benefit Plans"). Some or all of the benefits may be provided by Employer's leasing agent TriNet (or its successor(s) or assign(s).

4.5 Expenses. Employer shall reimburse Executive for all ordinary and necessary business expenses reasonably incurred by her in the performance of Executive's duties under this Agreement, subject to the presentment and approval of appropriate itemized expense statements, receipts, vouchers or other supporting documentation in accordance with Employer's normal policies for expense verification in effect from time to time, including reimbursement for all reasonable and necessary travel expenses and other disbursements, reimbursement for approved educational expenses, as well as state bar dues, continuing legal education credits, and any in-house attorney registrations in states where required as a result of the Company's operations, and other expenses as set forth in the applicable policies adopted by Employer, as updated by Employer from time to time. For clarity, as Executive will not be required to relocate and reside near the Employer's offices located in Florida or Massachusetts, Employer shall reimburse Executive for all reasonable travel expenses incurred when traveling between the Executive's residence and the Employer's offices, in accordance with applicable policies adopted by Employer, as updated by Employer from time to time.

4.6 Paid Time Off. Executive shall be entitled to paid time off as set forth in the applicable policies adopted by Employer, as updated by Employer from time to time, pursuant to Employer's standard paid time off policies in the same manner as the Company's other Senior Executives. Unused paid time off may be carried over from year to year, but in no case may more than 45 days (360 hours) of unused paid time off be accrued.

4.7 Stock Options. Subject to compensation committee approval, Employer will grant Executive a stock option to purchase one hundred eighty thousand (180,000) shares of Employer common stock on the Start Date at a purchase price equal to the closing price of Employer's common stock on the Start date (the "Option"). The Option will be subject to the provisions of Employer's 2013 Equity and Incentive Plan and the Stock Option Award Agreement to be entered into by Executive and Employer following the grant, which in relevant part will require that such Option (i) vests 25% on the first anniversary of the Start Date and 1/48 on each month anniversary thereafter until fully vested on the fourth anniversary of the Start Date; (ii) expires ten (10) years from the grant date; and (iii) may be exercised (as to the vested portion) for ninety (90) days following the termination of Executive's employment.

4.8 Total Compensation. Executive shall not receive any other compensation or benefits other than as provided in Sections 4.1 through 4.7 hereof.

5. Payments Upon Termination.

5.1 Voluntary Resignation without Good Reason. Executive may terminate Executive's employment by providing Employer with 30 days' advance written notice. If Executive terminates Executive's employment (other than for Good Reason (either prior to or within 12 months following a Change in Control) or by reason of Disability, each as defined below) (i) Employer shall pay to Executive the Accrued Obligations (as defined below), (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date, and (iii) Employer shall have no other obligations to Executive under this Agreement, other than those provided in this Section 5.1.

(a) For purposes of this Agreement, "Accrued Obligations" means: (i) Executive's earned and unpaid Base Salary through the Termination Date; (ii) reimbursement for any reimbursable business expenses incurred by Executive through the Termination Date in accordance with Section 4.4, which shall be paid no later than sixty (60) days following Executive's Termination Date; and (iii) Executive's accrued but unused paid time off as of the Termination Date. The amounts payable pursuant to clauses (i) and (iii) hereof shall be paid in accordance with applicable law or as agreed upon in writing by Executive and the Company.

(b) For purposes of this Agreement, "Termination Date" means: the effective date of Executive's "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

5.2 Termination by Employer For Cause. If Executive is terminated for Cause: (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date, and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.2. For purposes of this Agreement, "Cause" means: (a) Executive's failure to substantially perform Executive's duties with the Company (if Executive has not cured such failure to substantially perform, if curable, within thirty (30) days after Executive's receipt of written notice thereof from the Board that specifies the conduct constituting Cause under this clause (a)); (b) Executive's willful misconduct, or gross negligence in the performance of Executive's duties hereunder; (c) the conviction of Executive for, or the entering by Executive of a guilty plea or plea of no contest with respect to, any crime that constitutes a felony or involves fraud, dishonesty or moral turpitude; (d) Executive's commission of an act of fraud, embezzlement or misappropriation against the Company; (e) Executive's material breach of the fiduciary duty owed by Executive to the Company; (f) Executive's engaging in any improper conduct that has or is likely to have an adverse economic or reputational impact on the Company; or (g) Executive's material breach of this Agreement.

5.3 Termination by Employer Without Cause or by Executive for Good Reason. If Executive's employment is terminated (a) by Employer without Cause (other than upon Disability or death) or (b) by Executive for Good Reason either prior to a Change in Control or within twelve (12) months following a Change in Control: (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive shall be entitled to receive the Severance Benefits (as defined below in Section 5.5 and subject to the conditions described therein and in Section 5.6), and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.3. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following events (without Executive's consent):

(a) a material adverse change in Executive's functions, duties, or responsibilities with the Company which change would cause Executive's position to become one of materially lesser responsibility, importance, or scope;

(b) a relocation of the Executive's principal workplace to a location more than 50 miles from the location of such workplace immediately prior to the Change in Control without the Executive's express written consent;

(c) a material diminution in the Executive's compensation or benefits without the express written consent of the Executive, other than an across-the-board reduction in compensation levels that applies to all senior executives generally; or

(d) a material breach of this Agreement by the Company.

Notwithstanding the foregoing, no such event shall constitute "Good Reason" unless (a) Executive shall have given written notice of such event to the Company within ninety (90) days after the initial occurrence thereof, (b) the Company shall have failed to cure the condition constituting Good Reason within thirty (30) days following the delivery of such notice (or such longer cure period as may be agreed upon by the parties), and (c) Executive terminates employment within thirty (30) days after expiration of such cure period.

5.4 Termination by Employer due to Executive's Death or Disability. If Executive's employment is terminated by reason of death or Disability (as defined below): (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date (except to the extent Executive is eligible for continued disability benefits under the applicable Employer plan), and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.4. For purposes of this Agreement, "Disability" means Executive being determined to be totally disabled by the Social Security Administration or Executive's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months.

5.5 Severance Benefits. "Severance Benefits" means:

5.5.1 The payment to Executive of the Severance Amount in a lump sum immediately following the Termination Date.

(a) For this purpose, "Severance Amount" means:

(i) In the event that Executive's employment is terminated without Cause or by the Executive for Good Reason, in each case, within twelve (12) months following a Change in Control, an amount equal to the sum of (A) the product of 1.0 multiplied by Executive's annual Base Salary plus (B), the product of 1.0 multiplied by the Executive's target bonus in effect immediately prior to the Date of Termination.

(ii) In the event that Executive's employment is terminated without Cause (other than within twelve (12) months of a Change in Control), an amount equal to the sum of (A) the product of 0.75 multiplied by Executive's annual Base Salary plus (B), the product of the Executive's target bonus in effect immediately prior to the Date of Termination multiplied by a fraction equal to the quotient of the number of days during such year on which the Executive was employed by the Company, divided by 365.

(b) The continuation of Executive's participation in the Company's medical, dental, and vision benefit plans at the same premium cost to Executive as charged to Executive immediately prior to the Termination Date for a period of (i) in the event that the Executive's employment is terminated without Cause or by the Executive for Good Reason, in each case, within twelve (12) months following a Change in Control, twelve (12) months immediately following the Termination Date or (ii) in the event that the Executive's employment is terminated without Cause (other than within twelve (12) months of a Change in Control) nine (9) months immediately following the Termination Date (in each case, the "Continuation Period"), or if earlier, until Executive obtains other employment which provides the same type of benefit; provided, however, that (i) it is understood and agreed that such continued medical, dental and vision benefits may at the election of the Company be provided by Executive electing the continuation of such coverage pursuant to COBRA with the Company reimbursing Executive for COBRA premiums to the extent required so that Executive's premium cost for the coverage in effect for Executive prior to the Termination Date is substantially the same as immediately prior to the Termination Date, and (ii) if the Company determines, in its reasonable judgment, that providing medical, dental, and/or vision benefits in accordance with the preceding provisions of this Section 5.5(c) would result in a violation of applicable law, the imposition of any penalties under applicable law, or adverse tax consequences for participants covered by the Company's medical, dental, and/or vision plans, the Company may terminate such coverage (or reimbursement) with respect to Executive and instead pay to Executive taxable cash payments at the same time and in the same amounts as the Company would have paid as premiums (or as COBRA premium reimbursements) to provide such coverage.

(c) Acceleration of vesting as follows:

(i) In the event that Executive's employment is terminated by Employer without Cause or by Executive for Good Reason, in each case, within twelve (12) months following a Change in Control: each stock option, restricted stock unit, restricted stock award or other stock-based compensatory award granted by the Company to Executive that is outstanding as of the Termination Date and is not fully vested as of the date of the Termination Date (each an "Award"), shall become fully vested as of the date Executive provides the Company with the Irrevocable Release provided for in this Section 5.5 within the period prescribed therein.

(ii) In the case of any Award the vesting of which is contingent in whole or in part upon the attainment of any Company or market performance condition that has not yet been satisfied, such condition shall be deemed to have been satisfied as of the date of termination at the level that would result in vesting of 100% of the number of shares stated as the target award.

(d) For purposes of this Agreement, "Change of Control" means, and shall be deemed to have occurred, if:

(i) any Person, excluding (i) employee benefit plans of the Company or any of its Affiliates, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, which Rules shall apply for purposes of this clause (a) whether or not the Company is subject to the Exchange Act), directly or indirectly, of Company securities representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities ("Voting Power");

(ii) the Company consummates a merger, consolidation, share exchange, division or other reorganization or transaction of the Company (a "Fundamental Transaction") with any other corporation, other than a Fundamental Transaction that results in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined Voting Power immediately after such Fundamental Transaction of (i) the Company's outstanding securities, (ii) the surviving entity's outstanding securities, or (iii) in the case of a division, the outstanding securities of each entity resulting from the division;

(iii) the stockholders of the Company approve a plan of complete liquidation or winding-up of the Company or the consummation of the sale or disposition (in one transaction or a series of transactions) of all or substantially all of the Company's assets; or

(iv) during any period of 24 consecutive months, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such period or whose appointment, election or nomination was previously so approved or recommended) cease for any reason to constitute at least a majority of the Board.

5.6 Required Delivery of Irrevocable Release; Compliance with Section 6 Obligations. Notwithstanding the provisions of Section 5.5, as a condition to entitlement to the Severance Benefits, Executive must provide to the Company an Irrevocable Release and Noncompete Affirmation not later than the sixtieth day after the Date of Termination; provided however that if the sixty day period begins in one calendar year and ends in a subsequent calendar year, any payment to be made or benefit to be provided upon receipt of the Irrevocable Release and Noncompete Affirmation shall not be made or provided until the subsequent year. In the event Executive fails to provide an Irrevocable Release and Noncompete Affirmation to the Company within such sixty day period, the Company will immediately cease to pay or provide any further Severance Benefits, no accelerated vesting of stock options or other awards pursuant to Section 5.5(d) shall occur, and Executive shall be obligated to immediately repay to the Company all previously paid or provided Severance Benefits. "Irrevocable Release and Noncompete Affirmation" means a confidential separation agreement, release of claims and affirmation of noncompete, in form and substance substantially similar to the attached Exhibit A that has been executed by Executive, delivered to the Company, and become irrevocable by Executive. In addition, in the event that Executive breaches the obligations under Section 6 of this Agreement at any time during the Continuation Period, Executive will cease to be entitled to any further Severance Benefits.

6. Promises and Covenants Regarding Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

6.1 Confidential Information and Goodwill. In consideration of Executive's promises and covenants contained in this Agreement, including Executive's promise and covenant not to disclose Confidential Information, Employer will provide Executive with Confidential Information. In further consideration of Executive's promises and covenants contained in this Agreement, including Executive's promise and covenant to utilize the Goodwill exclusively for the benefit of Employer, Employer will allow Executive to receive Confidential Information concerning the Company's customers, labs, vendors and employees and, to the extent required to fulfill Executive's duties, the Company will permit Executive to represent the Company on its behalf with such persons. To the extent that Executive's duties involve sales or customer relations, the Company will permit Executive to utilize the Goodwill in Executive's sales efforts and will provide sales support to Executive similar to that which it provides to its sales representatives.

6.2 Duties. While employed by Company, Executive shall perform the duties required of Executive hereunder and shall devote Executive's best efforts and exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding Company to any person with whom Company has business relations, including any employee or vendor of Company; use the Goodwill solely for the benefit of Company; and not interfere in such Goodwill, either during or following Executive's employment with Company.

6.3 Delivery of Company Property. Executive recognizes that all documents, magnetic media and other tangible items which contain Confidential Information are the property of Company exclusively. Upon request by Company or termination of Executive's employment with Company, Executive shall promptly return to Company all Confidential Information and Company Property within Executive's possession and control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from Company; and immediately return to Company all information pertaining to Company or Company Property in Executive's possession.

6.4 Promise and Covenant Not to Disclose. The parties acknowledge that Company is the sole and exclusive owner of Confidential Information, and that Company has legitimate business interests in protecting Confidential Information. The parties further acknowledge that Company has invested, and continues to invest, considerable amounts of time and money in obtaining, developing, and preserving the confidentiality of Confidential Information and that, by reason of the trust relationship arising between Executive and Company, Executive owes Company a fiduciary duty to preserve and protect Confidential Information from all unauthorized disclosure and unauthorized use. Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to Executive's attorneys, the Company's personnel, other persons designated in writing by the Company, or except as otherwise provided by law) or use Confidential Information for any purpose other than for the direct benefit of Company while in Company's employ and thereafter.

6.5 Inventions and Assignment. Executive agrees that she will promptly disclose to the Company any and all Company Inventions and that Executive hereby irrevocably assigns to the Company all ownership rights in and to any and all Company Inventions. During Executive's employment or at any time thereafter, upon request of the Company, Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to perfect in the Company trademark, copyright or patent rights with respect to Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term "Inventions" means discoveries; developments; trade secrets; processes; formulas; data; lists; software programs; graphics; artwork; logos, and all other works of authorship, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States. The term "Company Inventions" means all Inventions that (a) relate to the business or proposed business of the Company or any of its predecessors or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by Executive, either alone or jointly with others, in the course of Executive's employment; (b) utilize, incorporate or otherwise relate to Confidential Information; or (c) are discovered, developed, created, conceived, reduced to practice, made, or written by her using property or equipment of the Company or any of its predecessors. Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. Executive acknowledges and agrees that any work of authorship by Executive or others comprising Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, Executive hereby irrevocably assigns any ownership rights Executive may have in and to such work to the Company. This Agreement does not apply to any Inventions Executive made before Executive's employment with the Company. To clearly establish Executive's rights, Executive has listed on Exhibit C any Inventions, whether or not patentable or copyrightable and whether or not reduced to practice, made by her prior to Executive's employment with the Company that are owned by Executive ("*Prior Inventions*"), together with the approximate dates of their creation. If no such list is attached, Executive represents that there are no Prior Inventions.

6.6 Other Promises and Covenants. In consideration for the benefits specifically provided for in this Section 6.6 and that may otherwise be provided pursuant to this Agreement, including but not limited to the benefits payable pursuant to Section 5.5, Executive hereby promises and covenants as follows.

(a) In consideration of payment to Executive of $500.00, less applicable withholdings, Executive agrees that during Executive's employment with Company and, unless this Section 6.6(a) is waived by the Company in writing, for a period of one year following termination of employment for any reason other than the Company's termination of Executive's employment without Cause (the "Non-Competition Period"), Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities (except on behalf of Company):

(i) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend such Executive's name to, lend Executive's credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(ii) provide or develop any products, technology or services that are the same or Substantially Similar to the products, technology and services provided or developed by the Company or any of its Affiliates.

(b) Unless Section 6.6(a) is waived by the Company in writing, as mutually-agreed upon consideration for the post-employment restriction described herein, the Company will pay Executive $10,000.00 within one month of Executive's date of termination. Notwithstanding the foregoing, in the event that Executive has breached his or her fiduciary duty to the Company or has unlawfully taken, physically or electronically, property belong to the Company, then the Non-Competition Period shall be extended for an additional period of one year.

(c) During Executive's employment with Company and for a period of one year following termination of employment for any reason (the "Non-Solicitation Period"), Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities:

(i) induce or attempt to induce any customer, agent, supplier, licensee, or business relation of the Company or any of its Affiliates to cease doing business with the Company or any of its Affiliates, or in any way interfere with the relationship between any customer, supplier, licensee, or business relation of the Company or any of its Affiliates; or

(ii) on behalf of a Competing Business, solicit or attempt to solicit the business or patronage of any Person who is a customer or agent of the Company or any of its Affiliates, whether or not Executive had personal contact with such Person; or

(iii) solicit, encourage, or take any other action which is intended to induce any employee, independent contractor or agent of the Company or any of its Affiliates to terminate such person's employment or other business relationship with the Company or such Affiliate;

(iv) in any way interfere in any manner with the employment or other business relationship between the Company and/or any of its Affiliates, on the one hand, and any employee, independent contractor or agent of the Company or such Affiliate, on the other hand; or

(v) employ, or otherwise engage as an employee, independent contractor or otherwise, any individual who was an employee, independent contractor, agent or was otherwise affiliated with the Company or any of its Affiliates from the period beginning one year prior to the date on which Executive became employed and continuing through the expiration of the Non-Solicitation Period.

provided, *however*, that nothing set forth in this Section 6.6 shall prohibit Executive from (1) owning, as a passive investment, not in excess of five percent (5%) in the aggregate of any class of capital stock of any corporation if such stock is publicly traded and listed on any national or regional stock exchange or reported on the Nasdaq Stock Market; (2) owning a passive equity interest in a private debt or equity investment fund with interests or investments; (3) placing general advertisements that are not targeted towards employees or independent contractors of the Company; and (4) any activity consented to in advance by the Company. Further, Company acknowledges that, in the event of the termination of the Executive's employment with the Company, for any reason and at any time, Executive will be able to earn a livelihood without violating the provisions of Section 6.6 of this Agreement. Executive's ability to earn a livelihood without violating Section 6.6 of this Agreement is a material condition of her employment with the Company. Accordingly, Executive and the Company acknowledge and agree that Executive's rights have been limited by this Agreement only to the extent reasonably necessary to protect the legitimate interests of the Company.

6.7 Definitions. For purposes hereof:

(a) "*Affiliate*" means, with respect to any Entity, any Entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or under common control with, such Entity.

(b) "*Agreement*" means this Employment Agreement.

(c) "*Company Business*" means (i) any business related to providing services related to, research, development or marketing with regard to gene therapy products using adeno-associated virus technology for the treatment of x-linked retinitis pigmentosa, CNGA3/CNGB3 achromatopsia, optogenetics, complement factor H associated geographic atrophy due to age-related macular degeneration, ABCA4 associated Stargardt, progranulin associated dementia, C9ORF72 associated amyotrophic lateral sclerosis, or GJB2 non-syndromic hearing loss and (ii) any other specific business that the Company is actively engaged in clinical stage development of at the time of the termination of Executive's employment, provided that this clause (ii) shall only apply if Executive is actively involved with development of that other business.

(d) "*Company Property*" means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld scheduling computers, manuals, data bases, product samples, tapes, magnetic media, technical notes and any other equipment or items which Company provides for or to Executive or which otherwise belongs to the Company, and those documents and items which Executive may develop or help develop while in Company's employ, whether or not developed during regular working hours or on Company's premises. The term "Company Property" shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(e) "*Competing Business*" means any other Entity engaged in the Company Business, other than the Company and its Affiliates.

(f) "*Confidential Information*" means the trade secrets and other information of Company, including but not limited to (i) the customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information including information related to Company, its Affiliates or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its Affiliates, whether or not developed during regular working hours or on the premises of the Company or such Affiliate; (ii) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (iii) specialized training; (iv) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its Affiliates; and (v) information related to inventions owned by the Company or any of its Affiliates or licensed from third parties; and unless the context requires otherwise, the term "Confidential Information" includes the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. The term "Confidential Information" does not include (1) information that was or becomes generally available publicly other than through disclosure by Executive, or (2) is required to be disclosed to any governmental agency or self-regulatory body or is otherwise required to be disclosed by law. Unless the context requires otherwise, the term "Confidential Information" shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(g) "*Entity*" means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(h) "*Geographic Area*" means those states in which the Company or any of its subsidiaries conducts business or in which its products are being sold or marketed at the time of the termination of Executive's employment.

(i) "*Goodwill*" means the value of the relationships between the Company and its agents, customers, vendors, labs, and employees.

(j) "*Substantially Similar*" means substantially similar in function or capability or otherwise competitive to the products or services being developed, manufactured or sold by the Company during and/or at the end of Executive's employment, or are marketed to substantially the same type of user or customer as that to which the products and services of the Company are marketed or proposed to be marketed.

6.8 Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, Executive acknowledges and agrees that:

(a) the restrictions are ancillary to an otherwise enforceable agreement including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of Company;

(b) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of Company;

(c) the performance by Executive, and the enforcement by Company, of such promises and covenants will cause no undue hardship on Executive;

(d) the time periods covered by the promises and covenants will not include any period(s) of violation of, or any period(s) of time required for litigation brought by Company to enforce any such promise or covenant, it being understood that the extension of time provided in this paragraph may not exceed two (2) years.

6.9 Duty to Give Notice of Agreement. During employment by Company and the period of any post-employment obligation applicable hereunder, Executive shall provide written notice to any prospective employer of Executive's obligations under this Agreement, and shall provide a true copy hereof to such prospective employer at the outset of any communications about employment.

6.10 Independent Elements. The parties acknowledge that the promises and covenants contained in Section 6 above are essential independent elements of this Agreement and that, but for Executive agreeing to comply with them, Company would not employ Executive. Accordingly, the existence or assertion of any claim by Executive against Company, whether based on this Agreement or otherwise, shall not operate as a defense to Company's enforcement of the promises and covenants in Section 6. An alleged or actual breach of the Agreement by Company will not be a defense to enforcement of any such promise or covenant, or other obligations of Executive to Company. The promises and covenants in Section 6 will remain in full force and effect whether Executive is terminated by Company or voluntarily resigns.

6.11 Remedies for Breach of Agreement. Executive acknowledges that Executive's breach of any promise or covenant contained in Section 6 will result in irreparable injury to Company and that Company's remedies at law for such a breach will be inadequate. Accordingly, Executive agrees and consents that Company, in addition to all other remedies available at law and in equity, shall be entitled to both preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Executive of any such promise or covenant, and Executive waives the requirement of the posting of any bond in connection with such injunctive relief. Executive further acknowledges and agrees that the promises and covenants contained in Section 6 are enforceable, reasonable, and valid.

7. Miscellaneous.

7.1 Governing Law; Arbitration

(a) This Agreement is made under and shall be governed by and construed in accordance with the laws of Florida, without regard to its conflicts of law principles.

(b) With respect to claims by the Company against Executive related to Executive's threatened or actual breach of Section 6 of this Agreement, each Party hereby irrevocably agrees that all actions or proceedings concerning such disputes may be brought by the Company in (a) the United States District Court for the Northern District of Florida; or (b) in any court of the State of Florida sitting in Alachua County, provided that the United States District Court lacks subject matter jurisdiction over such action or proceeding. Executive consents to jurisdiction of and venue in the courts in the State of Florida set forth in this Section, and hereby waives to the maximum extent permitted by applicable law any objection which Executive may have based on improper venue or forum non conveniens.

(c) Except to the extent provided for in subsection (b) above, the Company and Executive agree that any claim, dispute or controversy arising under or in connection with this Agreement, or otherwise in connection with Executive's employment by the Company or termination of his employment (including, without limitation, any such claim, dispute or controversy arising under any federal, state or local statute, regulation or ordinance or any of the Company's employee benefit plans, policies or programs) shall be resolved solely and exclusively by binding, confidential, arbitration. The arbitration shall be held in Gainesville, Florida (or at such other location as shall be mutually agreed by the parties). The arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association (the "AAA") in effect at the time of the arbitration, including the Expedited Procedures. All fees and expenses of the arbitration, including a transcript if either requests, shall be borne equally by the parties. Each party is responsible for the fees and expenses of its own attorneys, experts, witnesses, and preparation and presentation of proofs and post-hearing briefs (unless the party prevails on a claim for which attorney's fees are recoverable under law). In rendering a decision, the arbitrator shall apply all legal principles and standards that would govern if the dispute were being heard in court. This includes the availability of all remedies that the parties could obtain in court. In addition, all statutes of limitation and defenses that would be applicable in court, will apply to the arbitration proceeding. The decision of the arbitrator shall be set forth in writing, and be binding and conclusive on all parties. Any action to enforce or vacate the arbitrator's award shall be governed by the Federal Arbitration Act, if applicable,

and otherwise by applicable state law. If either the Company or Executive improperly pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

7.2 Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement of the parties relating to the employment of Executive by Employer and the ancillary matters discussed herein and supersedes all prior agreements, negotiations and understandings with respect to such matters, including, without limitation, any term sheet between the parties hereto with respect to such matters, and the parties hereto have made no agreements, representations or warranties relating to such employment or ancillary matters which are not set forth herein.

7.3 Withholding Taxes. Employer may withhold from any compensation and Benefits payable under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

7.4 Golden Parachute Limit. Notwithstanding any other provision of this Agreement, in the event that any portion of the Severance Benefits or any other payment or benefit received or to be received by Executive (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (collectively, the "Total Benefits") would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (the "Excise Tax"), the Total Benefits shall be reduced to the extent necessary so that no portion of the Total Benefits is subject to the Excise Tax; provided, however, that no such reduction in the Total Benefits shall be made if by not making such reduction, Executive's Retained Amount (as hereinafter defined) would be greater than Executive's Retained Amount if the Total Benefits are so reduced. All determinations required to be made under this Section 7.4 shall be made by tax counsel selected by the Company and reasonably acceptable to Executive ("Tax Counsel"), which determinations shall be conclusive and binding on Executive and the Company absent manifest error. All fees and expenses of Tax Counsel shall be borne solely by the Company. Prior to any reduction in Executive's Total Benefits pursuant to this Section 7.4, Tax Counsel shall provide Executive and the Company with a report setting forth its calculations and containing related supporting information. In the event any such reduction is required, the Total Benefits shall be reduced in the following order: (i) the Severance Amount (in reverse order of payment), (iii) any portion of the Total Benefits that are not subject to Section 409A of the Code (other than Total Benefits resulting from any accelerated vesting of equity awards), (iv) other Total Benefits that are subject to Section 409A of the Code in reverse order of payment, and (v) Total Benefits that are not subject to Section 409A and arise from any accelerated vesting of any equity awards. "Retained Amount" shall mean the present value (as determined in accordance with sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of the Total Benefits net of all federal, state and local taxes imposed on Executive with respect thereto.

7.5 Compliance With Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code (including the exceptions thereto), to the extent applicable, and shall be interpreted and administered accordingly. If any provision contained in this Agreement conflicts with the requirements of Section 409A of the Code (or the exemptions intended to apply under this Agreement), this Agreement shall be deemed to be reformed to comply with the requirements of Section 409A of the Code (or applicable exemptions thereto). Notwithstanding anything to the contrary herein, for purposes of determining Executive's entitlement to the Severance Benefits under Section 5 hereof, (a) Executive's employment shall not be deemed to have terminated unless and until Executive incurs a "separation from service" as defined in Section 409A of the Code, and (b) the effective date of any termination or resignation of employment (or any similar term) shall be the effective date of Executive's separation from service. Reimbursement of any expenses provided for in this Agreement shall be made in accordance with the Company's policies (as applicable) with respect thereto as in effect from time to time (but in no event later than the end of calendar year following the year such expenses were incurred) and in no event shall (i) the amount of expenses eligible for reimbursement hereunder during a taxable year affect the expenses eligible for reimbursement in any other taxable year or (ii) the right to reimbursement be subject to liquidation or exchange for another benefit. Notwithstanding anything to the contrary herein, if a payment or benefit under this Agreement is due to a "separation from service" for purposes of the rules under Treas. Reg. § 1.409A-3(i)(2) (payments to specified employees upon a separation from service) and Executive is determined to be a "specified employee" (as determined under Treas. Reg. § 1.409A-1(i)), such payment shall, to the extent necessary to comply with the requirements of Section 409A of the Code, be made on the later of (x) the date specified by the foregoing provisions of this Agreement or (y) the date that is six (6) months after the date of Executive's separation from service (or, if earlier, the date of Executive's death). Any installment payments that are delayed pursuant to the provisions of this section shall be accumulated and paid in a lump sum on the first day of the seventh month following Executive's separation from service (or, if earlier, upon Executive's death) and the remaining installment payments shall begin on such date in accordance with the schedule provided in this Agreement. To the extent permitted by Section 409A, each payment hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

7.6 Amendments. No amendment or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Executive and Employer.

7.7 Severability; Reformation. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable Law or rule, the validity, legality and enforceability of the other provisions of this Agreement will not be affected or impaired thereby. If any provision of this Agreement is found invalid, illegal or unenforceable because it is too broad in scope, too lengthy in duration or violates any Law or regulation, it shall be reformed by limiting its scope, limiting its duration or construing it to avoid such violation (as the case may be) while giving the greatest effect to the intent of the parties as is legally permissible.

7.8 No Waiver. No waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the party against whom such waiver is sought to be enforced, and any such waiver shall be effective only in the specific instance and for the specific purpose for which given.

7.9 Assignment; No Third Party Beneficiary. This Agreement is a personal service contract, and shall not be assignable by Executive. This Agreement shall be assignable by Employer to any successor to the business of Employer, without the written consent of Executive; provided, however, that the assignee or transferee is the successor to all or substantially all of the business assets of Employer and such assignee or transferee expressly assumes all the obligations, duties, and liabilities of Employer set forth in this Agreement. Any purported assignment of this Agreement in violation of this Section 7.9 shall be null and void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other Person shall have any right, benefit or obligation hereunder.

7.10 Counterparts; Facsimile Signatures. This Agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement, and any party hereto may execute this Agreement by signing any such counterpart. A facsimile signature by any party on a counterpart of this Agreement shall be binding and effective for all purposes. Such party shall subsequently deliver to the other party an original, executed copy of this Agreement; provided, however, that a failure of such party to deliver an original, executed copy shall not invalidate Executive's or its signature.

7.11 Notices. All notices, instructions and other communications given hereunder or in connection herewith shall be in writing. Any such notice, instruction or communication shall be sent either (i) by registered or certified mail, return receipt requested, postage prepaid, or (ii) prepaid via a reputable nationwide overnight courier service, in each case addressed as follows:

If to the Company, to:	AGTC 14193 NW 119th Terrace Alachua, FL 32615 Attention: Director of Human Resources
If to the Executive, to:	Hope R. D'Oyley-Gay 2093 Deep Meadow Lane Lansdale, PA 19446

or to such other address as either the Company or the Executive may have furnished to the other in writing in accordance herewith). Any such notice, instruction or communication shall be deemed to have been delivered five business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service. Either party may give any notice, instruction or other communication hereunder using any other means, but no such notice, instruction or other communication shall be deemed to have been duly delivered unless and until it actually is received by the party for whom it is intended.

7.12 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

7.13 Cumulative Remedies. The rights and remedies of the parties hereunder are cumulative and not exclusive of any rights or remedies any party hereto may otherwise have.

7.14 Expenses Relating to this Agreement. Each party shall pay its or Executive's own expenses incident to the negotiation, preparation and execution of this Agreement.

7.15 Acknowledgement. Executive acknowledges that Executive has been advised to and has been given the opportunity to consult with legal counsel for the purposes of reviewing this Agreement, including the non-competition and non-solicitation covenants contained herein. Executive further acknowledges that he or she has been given 10 business days to consider the terms of this Agreement. If Executive executes this Agreement prior to the end of the 10 business day period, he or she agrees and acknowledges that such execution was a knowing and voluntary waiver of his or her right to consider this Agreement for the full 10 business day period.

IN WITNESS WHEREOF, Executive and Employer have executed this Employment Agreement as of the date set forth in the first paragraph.

APPLIED GENETIC TECHNOLOGIES CORPORATION

By: /s/ Susan B. Washer
Name: Susan B. Washer
Title: President and Chief Executive Officer

Date: November 9, 2021

EXECUTIVE

/s/ Hope R. D'Oyley-Gay
Name: Hope R. D'Oyley-Gay

Date: November 7, 2021

EXHIBIT A

GENERAL RELEASE AND WAIVER OF ALL CLAIMS
(INCLUDING OLDER WORKER BENEFITS PROTECTION ACT CLAIMS AND AFFIRMATION OF NONCOMPETE)

For good and valuable consideration, including without limitation the compensation and benefits set forth in the Employment Agreement dated November 6, 2022 (the "Agreement") between the undersigned and Applied Genetic Technologies Corporation (the "Company"), to which this General Release and Waiver of All Claims is attached, the terms of which Agreement shall survive this General Release and Waiver of Claims, the undersigned, on behalf of and for himself or herself and his or her heirs, administrators, executors, representatives, estates, attorneys, insurers, successors and assigns (hereafter referred to separately and collectively as the "Releasor"), hereby voluntarily releases and forever discharges the Company, and its subsidiaries (direct and indirect), affiliates, related companies, divisions, predecessor and successor companies, and each of its and their present, former, and future shareholders, officers, directors, employees, agents, representatives, attorneys, insurers and assigns (collectively as "Releasees"), jointly and individually, from any and all actions, causes of action, claims, suits, charges, complaints, contracts, covenants, agreements, promises, debts, accounts, damages, losses, sums of money, obligations, demands, and judgments all of any kind whatsoever, known or unknown, at law or in equity, in tort, contract, by statute, or on any other basis, for contractual, compensatory, punitive or other damages, expenses (including attorney's fees and cost), reimbursements, or costs of any kind, which the undersigned employee ever had, now has, or may have, from the beginning of the world to the date of this Release, known or unknown, in law or equity, whether statutory or common law, whether federal, state, local or otherwise, including but not limited to any and all claims arising out of or in any way related to the undersigned's engagement by the Company (including the hiring or termination of that engagement), or any related matters including, but not limited to claims, if any arising under the Age Discrimination in Employment Act of 1967, as amended by the Older Worker Benefits Protection Act; the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991, as amended; the Family and Medical Leave Act of 1993, as amended; the Immigration Reform and Control Act of 1986; the Americans with Disabilities Act of 1990, as amended; the Employee Retirement Income Security Act (ERISA), as amended; the Florida Civil Rights Act, FLA. STAT. Sections 760.01 - 760.11; FLA STAT. Sections 448.01 et seq.; Mass. Gen. L. c. 151B, section 1 et seq.; Mass. Gen. L. c. 149, section 1 et seq.; Mass. Gen. L. c. 151, section 1A et seq.; and federal, state or local common law, laws, statutes, ordinances or regulations. Notwithstanding the foregoing, nothing contained in this General Release and Waiver of Claims shall be construed to bar any claim by the undersigned to enforce the terms of the Agreement.

Releasor represents and acknowledges the following:

(a) that Releasor understands the various claims Releasor could have asserted under federal or state law, including but not limited to the Age Discrimination in Employment Act and other similar laws;

(b) that Releasor has read this General Release carefully and understands all of its provisions;

(c) that Releasor understands that Releasor has the right to and is advised to consult an attorney concerning this General Release and in particular the waiver of rights Releasor might have under the laws described herein and that to the extent, if any, that Releasor desired, Releasor availed himself or herself of this right;

(d) that Releasor has been provided at least forty-five (45) days to consider whether to sign this General Release and that to the extent Releasor has signed this General Release before the expiration of such forty-five (45) day period Releasor has done so knowingly and willingly;

(e) that Releasor enters into this General Release and waives any claims knowingly and willingly; and

that this General Release shall become effective seven (7) business days after it is signed. Releasor may revoke this General Release within seven (7) business days after it is signed by delivering a written notice of rescission to Scott Koenig, Chair of AGTC, c/o Macrogenics, Inc., 1500 East Gude Drive, Rockville, MD 20850. To be effective, the notice of rescission must be hand delivered, or postmarked within the seven (7) business day period and sent by certified mail, return receipt requested, to the referenced address.

A. Executive acknowledges that Executive remains bound by Executive's obligations set forth in Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.6(a), 6.6(c), 6.7, 6.8, 6.9, 6.10 and 6.11 of the Agreement. Executive confirms that for a period of one year following the termination of Executive's employment with the Company, Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities (except on behalf of Company):

(i) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend such Executive's name to, lend Executive's credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(ii) provide or develop any products, technology or services that are the same or Substantially Similar to the products, technology and services provided or developed by the Company or any of its Affiliates.

The capitalized terms herein have the meanings set forth in section 6.7 of the Agreement.

Executive agrees that Executive will not disparage or encourage or induce others to disparage any of the Company, its subsidiaries and affiliates, together with all of their respective past and present directors and officers and each of their successors and assigns. Nothing herein is intended to or shall prevent Executive from providing limiting testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

Signed and sealed this ____ day of _____, 20__.

Signed: _____

Name (print): Hope R. D’Oyley-Gay

EXHIBIT C
FORM OF RESTRICTED STOCK UNIT AGREEMENT

RESTRICTED STOCK UNIT AGREEMENT
Granted by

Applied Genetic Technologies Corporation

Under the 2013 Equity and Incentive Plan

Applied Genetic Technologies Corporation (the "Company") hereby grants to the person named below (the "Recipient") restricted stock units ("Restricted Stock Units"), with each such unit representing the right to receive one share of the Company's common stock, par value $0.001 per share (the "Common Stock"), pursuant to the terms set forth below (the "Award"). The Award is and shall be subject in every respect to the provisions of the Company's 2013 Equity and Incentive Plan, as amended from time to time (the "Plan"), which is incorporated herein by reference and made a part hereof. The Recipient hereby accepts this Award subject to all the terms and provisions of the Plan and agrees that (a) in the event of any conflict between the terms hereof and those of the Plan, the latter shall prevail, and (b) all decisions under and interpretations of the Plan by the Board or the Committee shall be final, binding and conclusive upon the Recipient and his or her heirs and legal representatives. Capitalized terms used herein but not defined shall have the meaning set forth in the Plan.

1. **Name of Recipient:**

2. **Date of Grant:**

3. **Maximum Number of Restricted Stock Units:**

4. **Vesting of Restricted Stock Units:**

5. **Payment.** Upon each vesting date, the Recipient shall receive one share of Stock for each vested Restricted Stock Unit; provided, however, that the number of shares issued shall be reduced by the number of shares sufficient to satisfy the minimum tax withholding obligations as set forth in Section 6 below.

6. **Withholding Obligation; Sell to Cover.**

   (a) The Recipient expressly acknowledges and agrees that the Recipient's rights hereunder, including the right to be issued shares of Common Stock upon the vesting of the Award (or any portion thereof), are subject to the Recipient's promptly paying to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion) all taxes required to be withheld, if any, relating to the Award (the "Withholding Obligation").

   (b) By accepting this Award, the Recipient hereby acknowledges and agrees that he or she elects to sell shares of Common Stock issued in respect of the Award and to allow the Agent to remit the cash proceeds of such sale to the Company ("Sell to Cover") to satisfy the Withholding Obligation, to the extent that such cash proceeds are sufficient to satisfy the Withholding Obligation.

(c) In order to implement a Sell to Cover, the Recipient hereby irrevocably appoints Stifel, Nicolaus & Company, Incorporated, or such other registered broker-dealer that is a member of the Financial Industry Regulatory Authority as the Company may select, as the Recipient's agent (the "Agent"), and the Recipient authorizes and directs the Agent to: (i) sell on the open market at the then prevailing market price(s), on the Recipient's behalf, as soon as practicable on or after the date on which the shares of Common Stock are delivered to the Recipient pursuant to Section 4 hereof in connection with the vesting of the Restricted Stock Units, the number (rounded up to the next whole number) of shares of Common Stock sufficient to generate proceeds to cover (A) the satisfaction of the Withholding Obligation arising from the vesting of the Restricted Stock Units and the related issuance and delivery of shares of Common Stock to the Recipient and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto; (ii) remit directly to the Company the proceeds from the sale of the shares of Common Stock referred to in clause (i) above necessary to satisfy the Withholding Obligation; (iii) retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of the shares of Common Stock referred to in clause (i) above; and (iv) maintain any remaining funds from the sale of the shares of Common Stock referred to in clause (i) above in the Recipient's account with the Agent. The Recipient hereby authorizes the Company and the Agent to cooperate and communicate with one another to determine the number of shares of Common Stock that must be sold to satisfy the Recipient's obligations hereunder and to otherwise effect the purpose and intent of this Agreement and satisfy the rights and obligations hereunder.

(d) The Recipient acknowledges that the Agent is under no obligation to arrange for the sale of Common Stock at any particular price under a Sell to Cover and that the Agent may affect sales under any Sell to Cover in one or more sales and that the average price for executions resulting from bunched orders may be assigned to the Recipient's account. The Recipient further acknowledges that he or she will be responsible for all brokerage fees and other costs of sale associated with any Sell to Cover or transaction contemplated by this Section 6 and agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. In addition, the Recipient acknowledges that it may not be possible to sell shares of Common Stock as provided for in this Section 6 due to various circumstances. If it is not possible to sell shares of Common Stock in a Sell to Cover, the Company will assist the Recipient in determining additional alternatives available to the Recipient. In the event of the Agent's inability to sell shares of Common Stock, the Recipient will continue to be responsible for the timely payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be paid or withheld with respect to the Restricted Stock Units or the Award. In such event, or in the event that the Company determines that the cash proceeds from a Sell to Cover are insufficient to meet the Withholding Obligation, the Recipient authorizes the Company and its subsidiaries to withhold such amounts from any amounts otherwise owed to the Recipient, but nothing in this sentence shall be construed as relieving the Recipient of any liability for satisfying his or her obligations under the preceding provisions of this Section.

(e) The Recipient hereby agrees to execute and deliver to the Agent or the Company any other agreements or documents as the Agent or the Company reasonably deem necessary or appropriate to carry out the purposes and intent of this Agreement, including without limitation, any agreement intended to ensure the Sell to Cover and the corresponding authorization and instruction to the Agent set forth in this Section 6 to sell Common Stock to satisfy the Withholding Obligation comply with the requirements of Rule 10b5-1(c) under the Exchange Act. The Agent is a third-party beneficiary of this Section 6.

(f) The Recipient's election to Sell to Cover to satisfy the Withholding Obligation is irrevocable. Upon acceptance of the Award, the Recipient has elected to Sell to Cover to satisfy the Withholding Obligation, and the Recipient acknowledges that he or she may not change this election at any time in the future.

7. **No Rights to Shares or as a Stockholder; No 83(b) Election.** The Recipient shall not have any right in, or with respect to, any of the shares of Common Stock issuable under the Award (including voting rights) unless and until the Award vests and is settled by issuance of the shares to the Recipient. The Recipient expressly acknowledges that because the Award consists of an unfunded and unsecured promise by the Company to deliver Common Stock in the future, subject to the terms hereof, it is not possible to make a so-called "83(b) election" for tax purposes with respect to the Award.

8. **Nontransferability.** The Restricted Stock Units are personal to the Recipient and shall not be transferable or assignable, other than by will or the laws of descent and distribution, and any such purported transfer or assignment shall be null and void.

9. **Termination of Employment.** If the Recipient's employment with or service for the Company is terminated, for any reason or no reason, with or without cause, all unvested Restricted Stock Units shall immediately terminate and be of no further force or effect.

10. **Notice.** Any notice to be given to the Company hereunder shall be deemed sufficient if addressed to the Company and delivered to the office of the Company, Applied Genetic Technologies Corporation, 14193 NW 119th Terrace, Alachua, FL 32615, attention of the chief financial officer, or such other address as the Company may hereafter designate.

Any notice to be given to the Recipient hereunder shall be deemed sufficient if addressed to and delivered in person to the Recipient at his or her address furnished to the Company or when deposited in the mail, postage prepaid, addressed to the Recipient at such address.

IN WITNESS WHEREOF, the parties have executed this Award, or caused this Award to be executed, as of the Date of Grant.

Applied Genetic Technologies Corporation

By: _____

The undersigned Recipient hereby acknowledges receipt of a copy of the Plan and this Award, and agrees to the terms of this Award and the Plan.

_____

[Name of Recipient]

Exhibit 10.4

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 15th day of November, 2021 by and between Applied Genetic Technologies Corporation, a Delaware corporation, including its successors and assigns, ("Employer" or the "Company"), and Abraham Scaria ("Executive").

NOW, THEREFORE, in consideration of the promises and the respective undertakings of Employer and Executive set forth below, Employer and Executive hereby agree as follows:

1. Employment. Employer hereby employs Executive, and Executive hereby accepts such employment and agrees to perform services for Employer, for the period and on the other terms and subject to the conditions set forth in this Agreement. Executive shall commence employment with the Company on a date mutually agreed to in writing by the parties (the "Start Date").

2. Employment at Will. Executive is employed "at-will" which means that Executive's employment is not for any defined term and may be terminated by either Executive or the Company at any time, with or without cause, for any or no reason, subject to the notice provisions herein.

3. Position and Duties.

3.1 Service with Employer. Employer hereby employs Executive in an executive capacity with the title of Chief Scientific Officer and Executive hereby accepts such employment and undertakes and agrees to serve in such capacity. Executive shall have such powers, perform such duties and fulfill such responsibilities as are typically associated with such position in other similarly situated companies. Executive shall report directly to the Company's President and Chief Executive Officer.

3.2 Performance of Duties. Executive agrees to: (i) devote substantially all of Executive's business time, attention and efforts to the business and affairs of Employer while employed; and (ii) adhere to all Employer's written employment policies and procedures as shall be in force from time to time.

3.3 Outside Activities. During the Term, Executive shall not: (i) except as set forth below, accept other employment; (ii) except as set forth below, render or perform services for compensation to any Person (as hereinafter defined) other than Employer; (iii) serve as an officer or on the board of directors (or similar governing body) of any entity other than Employer, whether or not for compensation; or (iv) engage in any other business, enterprise or activity that will require any effort on the part of Executive that, in the sole discretion of Employer, could reasonably be expected to materially detract from the ability of Executive to perform Executive's duties to Employer pursuant to this Agreement; provided, however, Executive may engage in the activities set forth in Schedule A hereto or described in clause (iii) or (iv) above if prior to engaging in such activity, Executive has disclosed such activity to the Board and received written approval to engage in such activity from the Board. Executive may engage in personal investments without disclosure to or written approval from the Board provided Executive is not required or expected to serve as a board member, advisor or consultant and Executive shall, at any time, own beneficially less than 2% of the outstanding securities of any issuer and such personal investment shall not otherwise interfere with Executive's performance of duties hereunder and/or the provisions of Executive's written agreements with Employer.

3.4 Executive Representations. Executive represents that Executive is not subject to any restrictive covenant, confidentiality agreement, or any other agreement that would prevent Executive from accepting employment with Employer, and based on the information provided to Employer by Executive, Employer accepts such representation.

4. Compensation.

4.1 Base Salary. Employer shall pay to Executive an annualized base salary of three hundred ninety thousand dollars ($390,000) for all services to be rendered by Executive under this Agreement (the "Base Salary"), which Base Salary shall be paid in accordance with Employer's normal payroll schedule, procedures and policies (which schedule, procedures and policies may be modified from time to time) and subject to applicable deductions as required by law. Employer shall review Executive's salary on an annual basis and may, in its discretion, consider and declare from time to time increases in the Base Salary that it pays Executive. Any and all increases in Executive's salary pursuant to this section shall cause the level of Base Salary to be increased by the amount of each such increase for purposes of this Agreement. The increased level of Base Salary as provided in this section shall become the level of Base Salary for the remainder of the term of this Agreement unless there is a further increase in Base Salary as provided herein. Notwithstanding the foregoing, the Base Salary of Executive may be decreased provided it is done so in proportion to decreases in Base Salary of the entire executive team of the Company.

4.2 Sign-on Bonus. Employer shall pay to Executive a sign-on bonus in the total gross amount of fifty thousand dollars ($50,000) (the "Sign-on Bonus"). The Sign-on Bonus shall be paid in two installments, with fifty percent (50%) paid upon first payroll date after the Start Date and fifty percent (50%) paid on the first anniversary of the Start Date. If Executive terminates his employment with Employer without Good Reason (as defined below) or if Employer terminates Executive's employment for Cause (as defined below) (i) at any time on or before the first anniversary of the Start Date, Executive will be obligated to repay to Employer one hundred percent (100%) of the Sign-on Bonus, or (ii) between the first anniversary and the second anniversary of the Start Date, Executive will be obligated to repay to Employer fifty percent (50%) of the Sign-on Bonus.

4.3 Annual Bonus. Executive will be eligible to participate in Employer's annual cash incentive compensation plan on substantially the same terms as other executive officers. Company-wide and individual performance objectives ("MBOs") will be established by the Compensation Committee and Executive's annual bonus is targeted at forty percent (40%) of Executive's base salary. Target incentives do not constitute a promise of payment and Executive's actual bonus, if any, will depend in part on Employer's performance and the Compensation Committee's discretion in assessing Executive's individual performance in relation to his or her MBOs and the overall performance and status of the Company. To qualify for the incentive bonus, Executive must remain employed with the Company through the date that the incentive bonus is paid in accordance with Employer's normal practice.

4.4 Participation in Benefit Plans. Executive shall be entitled to participate in all employee benefit plans or programs offered to other senior executives from time to time (to the extent that Executive meets the requirements for each such plan or program), including participation in any health insurance plan, disability insurance plan, dental plan, eye care plan, 401(k) plan, life insurance plan, or other similar plans (all such benefits, the "Benefit Plans"). Some or all of the benefits may be provided by Employer's leasing agent Insperity (or its successor(s) or assign(s).

4.5 Expenses. Employer shall reimburse Executive for all ordinary and necessary business expenses reasonably incurred by him in the performance of Executive's duties under this Agreement, subject to the presentment and approval of appropriate itemized expense statements, receipts, vouchers or other supporting documentation in accordance with Employer's normal policies for expense verification in effect from time to time.

4.6 Paid Time Off. Executive shall be entitled to paid time off pursuant to Employer's standard paid time off policies in the same manner as the Company's other Senior Executives. Unused paid time off may be carried over from year to year, but in no case may more than 45 days (360 hours) of unused paid time off be accrued.

4.7 Stock Options. Subject to compensation committee approval, Employer will grant Executive a stock option to purchase two hundred twenty thousand (220,000) shares of Employer common stock on the Start Date at a purchase price equal to the closing price of Employer's common stock on the Start date (the "Option"). The Option will be subject to the provisions of Employer's 2013 Equity and Incentive Plan and the Stock Option Award Agreement to be entered into by Executive and Employer following the grant, which in relevant part will require that such Option (i) vests 25% on the first anniversary of the Start Date and 1/48 on each month anniversary thereafter until fully vested on the fourth anniversary of the Start Date; (ii) expires ten (10) years from the grant date; and (iii) may be exercised (as to the vested portion) for ninety (90) days following the termination of Executive's employment.

4.8 Total Compensation. Executive shall not receive any other compensation or benefits other than as provided in Sections 4.1 through 4.7 hereof.

5. Payments Upon Termination.

5.1 Voluntary Resignation without Good Reason. Executive may terminate Executive's employment by providing Employer with thirty (30) days' advance written notice. If Executive terminates Executive's employment (other than for Good Reason (either prior to or within twelve (12) months following a Change in Control) or by reason of Disability, each as defined below) (i) Employer shall pay to Executive the Accrued Obligations (as defined below), (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date, and (iii) Employer shall have no other obligations to Executive under this Agreement, other than those provided in this Section 5.1.

(a) For purposes of this Agreement, "Accrued Obligations" means: (i) Executive's earned and unpaid Base Salary through the Termination Date; (ii) reimbursement for any reimbursable business expenses incurred by Executive through the Termination Date in accordance with Section 4.5, which shall be paid no later than sixty (60) days following Executive's Termination Date; and (iii) Executive's accrued but unused paid time off as of the Termination Date. The amounts payable pursuant to clauses (i) and (iii) hereof shall be paid in accordance with applicable law or as agreed upon in writing by Executive and the Company.

(b) For purposes of this Agreement, "Termination Date" means: the effective date of Executive's "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

5.2 Termination by Employer For Cause. If Executive is terminated for Cause: (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date, and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.2. For purposes of this Agreement, "Cause" means: (a) Executive's failure to substantially perform Executive's duties with the Company (if Executive has not cured such failure to substantially perform, if curable, within thirty (30) days after Executive's receipt of written notice thereof from the Board that specifies the conduct constituting Cause under this clause (a)); (b) Executive's willful misconduct, or gross negligence in the performance of Executive's duties hereunder; (c) the conviction of Executive for, or the entering by Executive of a guilty plea or plea of no contest with respect to, any crime that constitutes a felony or involves fraud, dishonesty or moral turpitude; (d) Executive's commission of an act of fraud, embezzlement or misappropriation against the Company; (e) Executive's material breach of the fiduciary duty owed by Executive to the Company; (f) Executive's engaging in any improper conduct that has or is likely to have an adverse economic or reputational impact on the Company; or (g) Executive's material breach of this Agreement.

5.3 Termination by Employer Without Cause or by Executive for Good Reason. If Executive's employment is terminated (a) by Employer without Cause (other than upon Disability or death) or (b) by Executive for Good Reason either prior to a Change in Control or within twelve (12) months following a Change in Control: (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive shall be entitled to receive the Severance Benefits (as defined below in Section 5.5 and subject to the conditions described therein and in Section 5.6), and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.3. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following events (without Executive's consent):

(a) a material adverse change in Executive's functions, duties, or responsibilities with the Company which change would cause Executive's position to become one of materially lesser responsibility, importance, or scope;

(b) a relocation of Executive's principal workplace to a location more than 50 miles from the location of such workplace immediately prior to the Change in Control without Executive's express written consent;

(c) a material diminution in Executive's compensation or benefits without the express written consent of Executive, other than an across-the-board reduction in compensation levels that applies to all senior executives generally; or

(d) a material breach of this Agreement by the Company.

Notwithstanding the foregoing, no such event shall constitute "Good Reason" unless (a) Executive shall have given written notice of such event to the Company within ninety (90) days after the initial occurrence thereof, (b) the Company shall have failed to cure the condition constituting Good Reason within thirty (30) days following the delivery of such notice (or such longer cure period as may be agreed upon by the parties), and (c) Executive terminates employment within thirty (30) days after expiration of such cure period.

5.4 Termination by Employer due to Executive's Death or Disability. If Executive's employment is terminated by reason of death or Disability (as defined below): (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date (except to the extent Executive is eligible for continued disability benefits under the applicable Employer plan), and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.4. For purposes of this Agreement, "Disability" means Executive being determined to be totally disabled by the Social Security Administration or Executive's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months.

5.5 Severance Benefits. "Severance Benefits" means:

(a) The payment to Executive of the Severance Amount in a lump sum immediately following the Termination Date.

(b) For this purpose, "Severance Amount" means:

(i) In the event that Executive's employment is terminated without Cause or by the Executive for Good Reason, in each case, within twelve (12) months following a Change in Control, an amount equal to the sum of (A) the product of 1.0 multiplied by Executive's annual Base Salary plus (B), the product of 1.0 multiplied by the Executive's target bonus in effect immediately prior to the Date of Termination.

(ii) In the event that Executive's employment is terminated without Cause (other than within twelve (12) months of a Change in Control), an amount equal to the sum of (A) the product of 0.75 multiplied by Executive's annual Base Salary plus (B), the product of the Executive's target bonus in effect immediately prior to the Date of Termination multiplied by a fraction equal to the quotient of the number of days during such year on which the Executive was employed by the Company, divided by 365.

(c) The continuation of Executive's participation in the Company's medical, dental, and vision benefit plans at the same premium cost to Executive as charged to Executive immediately prior to the Termination Date for a period of (i) in the event that the Executive's employment is terminated without Cause or by the Executive for Good Reason, in each case, within twelve (12)months following a Change in Control, twelve (12) months immediately following the Termination Date or (ii) in the event that the Executive's employment is terminated without Cause (other than within twelve (12)months of a Change in Control) nine (9) months immediately following the Termination Date (in each case, the "Continuation Period"), or if earlier, until Executive obtains other employment which provides the same type of benefit; provided, however, that (i) it is understood and agreed that such continued medical, dental and vision benefits may at the election of the Company be provided by Executive electing the continuation of such coverage pursuant to COBRA with the Company reimbursing Executive for COBRA premiums to the extent required so that Executive's premium cost for the coverage in effect for Executive prior to the Termination Date is substantially the same as immediately prior to the Termination Date, and (ii) if the Company determines, in its reasonable judgment, that providing medical, dental, and/or vision benefits in accordance with the preceding provisions of this Section 5.5(c) would result in a violation of applicable law, the imposition of any penalties under applicable law, or adverse tax consequences for participants covered by the Company's medical, dental, and/or vision plans, the Company may terminate such coverage (or reimbursement) with respect to Executive and instead pay to Executive taxable cash payments at the same time and in the same amounts as the Company would have paid as premiums (or as COBRA premium reimbursements) to provide such coverage.

(d) Acceleration of vesting as follows:

(i) In the event that Executive's employment is terminated by Employer without Cause or by Executive for Good Reason, in each case, within twelve (12) months following a Change in Control: each stock option, restricted stock unit, restricted stock award or other stock-based compensatory award granted by the Company to Executive that is outstanding as of the Termination Date and is not fully vested as of the date of the Termination Date (each an "Award"), shall become fully vested as of the date Executive provides the Company with the Irrevocable Release provided for in this Section 5.5 within the period prescribed therein.

(ii) In the case of any Award the vesting of which is contingent in whole or in part upon the attainment of any Company or market performance condition that has not yet been satisfied, such condition shall be deemed to have been satisfied as of the date of termination at the level that would result in vesting of 100% of the number of shares stated as the target award.

(e) For purposes of this Agreement, “Change of Control” means, and shall be deemed to have occurred, if:

(i) any Person, excluding (i) employee benefit plans of the Company or any of its Affiliates, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, which Rules shall apply for purposes of this clause (a) whether or not the Company is subject to the Exchange Act), directly or indirectly, of Company securities representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities (“Voting Power”);

(ii) the Company consummates a merger, consolidation, share exchange, division or other reorganization or transaction of the Company (a “Fundamental Transaction”) with any other corporation, other than a Fundamental Transaction that results in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined Voting Power immediately after such Fundamental Transaction of (i) the Company’s outstanding securities, (ii) the surviving entity’s outstanding securities, or (iii) in the case of a division, the outstanding securities of each entity resulting from the division;

(iii) the stockholders of the Company approve a plan of complete liquidation or winding-up of the Company or the consummation of the sale or disposition (in one transaction or a series of transactions) of all or substantially all of the Company’s assets; or

(iv) during any period of 24 consecutive months, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such period or whose appointment, election or nomination was previously so approved or recommended) cease for any reason to constitute at least a majority of the Board.

5.6 Required Delivery of Irrevocable Release; Compliance with Section 6 Obligations. Notwithstanding the provisions of Section 5.5, as a condition to entitlement to the Severance Benefits, Executive must provide to the Company an Irrevocable Release and Noncompete Affirmation not later than the sixtieth day after the Date of Termination; provided however that if the sixty day period begins in one calendar year and ends in a subsequent calendar year, any payment to be made or benefit to be provided upon receipt of the Irrevocable Release

and Noncompete Affirmation shall not be made or provided until the subsequent year. In the event Executive fails to provide an Irrevocable Release and Noncompete Affirmation to the Company within such sixty day period, the Company will immediately cease to pay or provide any further Severance Benefits, no accelerated vesting of stock options or other awards pursuant to Section 5.5(d) shall occur, and Executive shall be obligated to immediately repay to the Company all previously paid or provided Severance Benefits. "Irrevocable Release and Noncompete Affirmation" means a confidential separation agreement, release of claims and affirmation of noncompete, in form and substance substantially similar to the attached Exhibit A that has been executed by Executive, delivered to the Company, and become irrevocable by Executive. In addition, in the event that Executive breaches the obligations under Section 6 of this Agreement at any time during the Continuation Period, Executive will cease to be entitled to any further Severance Benefits.

6. Promises and Covenants Regarding Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

6.1 Confidential Information and Goodwill. In consideration of Executive's promises and covenants contained in this Agreement, including Executive's promise and covenant not to disclose Confidential Information, Employer will provide Executive with Confidential Information. In further consideration of Executive's promises and covenants contained in this Agreement, including Executive's promise and covenant to utilize the Goodwill exclusively for the benefit of Employer, Employer will allow Executive to receive Confidential Information concerning the Company's customers, labs, vendors and employees and, to the extent required to fulfill Executive's duties, the Company will permit Executive to represent the Company on its behalf with such persons. To the extent that Executive's duties involve sales or customer relations, the Company will permit Executive to utilize the Goodwill in Executive's sales efforts and will provide sales support to Executive similar to that which it provides to its sales representatives.

6.2 Duties. While employed by Company, Executive shall perform the duties required of Executive hereunder and shall devote Executive's best efforts and exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding Company to any person with whom Company has business relations, including any employee or vendor of Company; use the Goodwill solely for the benefit of Company; and not interfere in such Goodwill, either during or following Executive's employment with Company.

6.3 Delivery of Company Property. Executive recognizes that all documents, magnetic media and other tangible items which contain Confidential Information are the property of Company exclusively. Upon request by Company or termination of Executive's employment with Company, Executive shall promptly return to Company all Confidential Information and Company Property within Executive's possession and control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from Company; and immediately return to Company all information pertaining to Company or Company Property in Executive's possession.

6.4 Promise and Covenant Not to Disclose. The parties acknowledge that Company is the sole and exclusive owner of Confidential Information, and that Company has legitimate business interests in protecting Confidential Information. The parties further acknowledge that Company has invested, and continues to invest, considerable amounts of time and money in obtaining, developing, and preserving the confidentiality of Confidential Information and that, by reason of the trust relationship arising between Executive and Company, Executive owes Company a fiduciary duty to preserve and protect Confidential Information from all unauthorized disclosure and unauthorized use. Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to Executive's attorneys, the Company's personnel, other persons designated in writing by the Company, or except as otherwise provided by law) or use Confidential Information for any purpose other than for the direct benefit of Company while in Company's employ and thereafter.

6.5 Inventions and Assignment. Executive agrees that he will promptly disclose to the Company any and all Company Inventions and that Executive hereby irrevocably assigns to the Company all ownership rights in and to any and all Company Inventions. During Executive's employment or at any time thereafter, upon request of the Company, Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to perfect in the Company trademark, copyright or patent rights with respect to Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term "Inventions" means discoveries; developments; trade secrets; processes; formulas; data; lists; software programs; graphics; artwork; logos, and all other works of authorship, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States. The term "Company Inventions" means all Inventions that (a) relate to the business or proposed business of the Company or any of its predecessors or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by Executive, either alone or jointly with others, in the course of Executive's employment; (b) utilize, incorporate or otherwise relate to Confidential Information; or (c) are discovered, developed, created, conceived, reduced to practice, made, or written by him using property or equipment of the Company or any of its predecessors. Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. Executive acknowledges and agrees that any work of authorship by Executive or others comprising Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, Executive hereby irrevocably assigns any ownership rights Executive may have in and to such work to the Company. This Agreement does not apply to any Inventions Executive made before Executive's employment with the Company. To clearly establish Executive's rights, Executive has listed on Exhibit B any Inventions, whether or not patentable or copyrightable and whether or not reduced to practice, made by him prior to Executive's employment with the Company that are owned by Executive ("*Prior Inventions*"), together with the approximate dates of their creation. If no such list is attached, Executive represents that there are no Prior Inventions.

6.6 Other Promises and Covenants. In consideration for the benefits specifically provided for in this Section 6.6 and that may otherwise be provided pursuant to this Agreement, including but not limited to the benefits payable pursuant to Section 5.5, Executive hereby promises and covenants as follows.

(a) In consideration of payment to Executive of $500.00, less applicable withholdings, Executive agrees that during Executive's employment with Company and, unless this Section 6.6(a) is waived by the Company in writing, for a period of one year following termination of employment for any reason other than the Company's termination of Executive's employment without Cause (the "Non-Competition Period"), Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities (except on behalf of Company):

(i) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend such Executive's name to, lend Executive's credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(ii) provide or develop any products, technology or services that are the same or Substantially Similar to the products, technology and services provided or developed by the Company or any of its Affiliates.

(b) Unless Section 6.6(a) is waived by the Company in writing, as mutually-agreed upon consideration for the post-employment restriction described herein, the Company will pay Executive $10,000.00 within one month of Executive's date of termination. Notwithstanding the foregoing, in the event that Executive has breached his or her fiduciary duty to the Company or has unlawfully taken, physically or electronically, property belong to the Company, then the Non-Competition Period shall be extended for an additional period of one year.

(c) During Executive's employment with Company and for a period of two years following termination of employment for any reason (the "Non-Solicitation Period"), Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities:

(i) induce or attempt to induce any customer, agent, supplier, licensee, or business relation of the Company or any of its Affiliates to cease doing business with the Company or any of its Affiliates, or in any way interfere with the relationship between any customer, supplier, licensee, or business relation of the Company or any of its Affiliates; or

(ii) on behalf of a Competing Business, solicit or attempt to solicit the business or patronage of any Person who is a customer or agent of the Company or any of its Affiliates, whether or not Executive had personal contact with such Person; or

(iii) solicit, encourage, or take any other action which is intended to induce any employee, independent contractor or agent of the Company or any of its Affiliates to terminate such person's employment or other business relationship with the Company or such Affiliate;

(iv) in any way interfere in any manner with the employment or other business relationship between the Company and/or any of its Affiliates, on the one hand, and any employee, independent contractor or agent of the Company or such Affiliate, on the other hand; or

(v) employ, or otherwise engage as an employee, independent contractor or otherwise, any individual who was an employee, independent contractor, agent or was otherwise affiliated with the Company or any of its Affiliates from the period beginning one year prior to the date on which Executive became employed and continuing through the expiration of the Non-Solicitation Period.

provided, *however*, that nothing set forth in this Section 6 shall prohibit Executive from owning, as a passive investment, not in excess of five percent (5%) in the aggregate of any class of capital stock of any corporation if such stock is publicly traded and listed on any national or regional stock exchange or reported on the Nasdaq Stock Market.

6.7 Definitions. For purposes hereof:

(a) "*Affiliate*" means, with respect to any Entity, any Entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or under common control with, such Entity.

(b) "*Agreement*" means this Employment Agreement.

(c) "*Company Business*" means (i) any business related to providing services related to, manufacturing, selling or distributing gene therapy products using adeno-associated virus technology for the treatment of inherited and acquired diseases or conducting research or development with regard thereto; and (ii) any other business that the Company is actively engaged in researching, developing or marketing at the time of the termination of Executive's employment, provided that this clause (ii) shall only apply if Executive is involved with the research, development, or marketing of that other business.

(d) "*Company Property*" means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld scheduling computers, manuals, data bases, product samples, tapes, magnetic media, technical notes and any other equipment or items which Company provides for or to Executive or which otherwise belongs to the Company, and those documents and items which Executive may develop or help develop while in Company's employ, whether or not developed during regular working hours or on Company's premises. The term "Company Property" shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(e) "*Competing Business*" means any other Entity engaged in the Company Business, other than the Company and its Affiliates.

(f) "*Confidential Information*" means the trade secrets and other information of Company, including but not limited to (i) the customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information including information related to Company, its Affiliates or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its Affiliates, whether or not developed during regular working hours or on the premises of the Company or such Affiliate; (ii) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (iii) specialized training; (iv) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its Affiliates; and (v) information related to inventions owned by the Company or any of its Affiliates or licensed from third parties; and unless the context requires otherwise, the term "Confidential Information" includes the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. The term "Confidential Information" does not include (1) information that was or becomes generally available publicly other than through disclosure by Executive, or (2) is required to be disclosed to any governmental agency or self-regulatory body or is otherwise required to be disclosed by law. Unless the context requires otherwise, the term "Confidential Information" shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(g) "*Entity*" means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(h) "*Geographic Area*" means those states in which the Company or any of its subsidiaries conducts business or in which its products are being sold or marketed at the time of the termination of Executive's employment.

(i) "*Goodwill*" means the value of the relationships between the Company and its agents, customers, vendors, labs, and employees.

(j) "*Substantially Similar*" means substantially similar in function or capability or otherwise competitive to the products or services being developed, manufactured or sold by the Company during and/or at the end of Executive's employment, or are marketed to substantially the same type of user or customer as that to which the products and services of the Company are marketed or proposed to be marketed.

6.8 Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, Executive acknowledges and agrees that:

(a) the restrictions are ancillary to an otherwise enforceable agreement including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of Company;

(b) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of Company;

(c) the performance by Executive, and the enforcement by Company, of such promises and covenants will cause no undue hardship on Executive;

(d) the time periods covered by the promises and covenants will not include any period(s) of violation of, or any period(s) of time required for litigation brought by Company to enforce any such promise or covenant, it being understood that the extension of time provided in this paragraph may not exceed two (2) years.

6.9 Duty to Give Notice of Agreement. During employment by Company and the period of any post-employment obligation applicable hereunder, Executive shall provide written notice to any prospective employer of Executive's obligations under this Agreement, and shall provide a true copy hereof to such prospective employer at the outset of any communications about employment.

6.10 Independent Elements. The parties acknowledge that the promises and covenants contained in Section 6 above are essential independent elements of this Agreement and that, but for Executive agreeing to comply with them, Company would not employ Executive. Accordingly, the existence or assertion of any claim by Executive against Company, whether based on this Agreement or otherwise, shall not operate as a defense to Company's enforcement of the promises and covenants in Section 6. An alleged or actual breach of the Agreement by Company will not be a defense to enforcement of any such promise or covenant, or other obligations of Executive to Company. The promises and covenants in Section 6 will remain in full force and effect whether Executive is terminated by Company or voluntarily resigns.

6.11 Remedies for Breach of Agreement. Executive acknowledges that Executive's breach of any promise or covenant contained in Section 6 will result in irreparable injury to Company and that Company's remedies at law for such a breach will be inadequate. Accordingly, Executive agrees and consents that Company, in addition to all other remedies available at law and in equity, shall be entitled to both preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Executive of any such promise or covenant, and Executive waives the requirement of the posting of any bond in connection with such injunctive relief. Executive further acknowledges and agrees that the promises and covenants contained in Section 6 are enforceable, reasonable, and valid.

7. Miscellaneous.

7.1 Governing Law; Arbitration

(a) This Agreement is made under and shall be governed by and construed in accordance with the laws of Florida, without regard to its conflicts of law principles.

(b) With respect to claims by the Company against Executive related to Executive's threatened or actual breach of Section 6 of this Agreement, each Party hereby irrevocably agrees that all actions or proceedings concerning such disputes may be brought by the Company in (a) the United States District Court for the Northern District of Florida; or (b) in any court of the State of Florida sitting in Alachua County, provided that the United States District Court lacks subject matter jurisdiction over such action or proceeding. Executive consents to jurisdiction of and venue in the courts in the State of Florida set forth in this Section, and hereby waives to the maximum extent permitted by applicable law any objection which Executive may have based on improper venue or forum non conveniens.

(c) Except to the extent provided for in subsection (b) above, the Company and Executive agree that any claim, dispute or controversy arising under or in connection with this Agreement, or otherwise in connection with Executive's employment by the Company or termination of his employment (including, without limitation, any such claim, dispute or controversy arising under any federal, state or local statute, regulation or ordinance or any of the Company's employee benefit plans, policies or programs) shall be resolved solely and exclusively by binding, confidential, arbitration. The arbitration shall be held in Gainesville, Florida (or at such other location as shall be mutually agreed by the parties). The arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association (the "AAA") in effect at the time of the arbitration, including the Expedited Procedures. All fees and expenses of the arbitration, including a transcript if either requests, shall be borne equally by the parties. Each party is responsible for the fees and expenses of its own attorneys, experts, witnesses, and preparation and presentation of proofs and post-hearing briefs (unless the party prevails on a claim for which attorney's fees are recoverable under law). In rendering a decision, the arbitrator shall apply all legal principles and standards that would govern if the dispute were being heard in court. This includes the availability of all remedies that the parties could obtain in court. In addition, all statutes of limitation and defenses that would be applicable in court, will apply to the arbitration proceeding. The decision of the arbitrator shall be set forth in writing, and be binding and conclusive on all parties. Any action to enforce or vacate the arbitrator's award shall be governed by the Federal Arbitration Act, if applicable, and otherwise by applicable state law. If either the Company or Executive improperly pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

7.2 Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement of the parties relating to the employment of Executive by Employer and the ancillary matters discussed herein and supersedes all prior agreements, negotiations and understandings with respect to such matters, including, without limitation, any term sheet between the parties hereto with respect to such matters, and the parties hereto have made no agreements, representations or warranties relating to such employment or ancillary matters which are not set forth herein.

7.3 Withholding Taxes. Employer may withhold from any compensation and Benefits payable under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

7.4 Golden Parachute Limit. Notwithstanding any other provision of this Agreement, in the event that any portion of the Severance Benefits or any other payment or benefit received or to be received by Executive (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (collectively, the "Total Benefits") would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (the "Excise Tax"), the Total Benefits shall be reduced to the extent necessary so that no portion of the Total Benefits is subject to the Excise Tax; provided, however, that no such reduction in the Total Benefits shall be made if by not making such reduction, Executive's Retained Amount (as hereinafter defined) would be greater than Executive's Retained Amount if the Total Benefits are so reduced. All determinations required to be made under this Section 7.4 shall be made by tax counsel selected by the Company and reasonably acceptable to Executive ("Tax Counsel"), which determinations shall be conclusive and binding on Executive and the Company absent manifest error. All fees and expenses of Tax Counsel shall be borne solely by the Company. Prior to any reduction in Executive's Total Benefits pursuant to this Section 7.4, Tax Counsel shall provide Executive and the Company with a report setting forth its calculations and containing related supporting information. In the event any such reduction is required, the Total Benefits shall be reduced in the following order: (i) the Severance Amount (in reverse order of payment), (iii) any portion of the Total Benefits that are not subject to Section 409A of the Code (other than Total Benefits resulting from any accelerated vesting of equity awards), (iv) other Total Benefits that are subject to Section 409A of the Code in reverse order of payment, and (v) Total Benefits that are not subject to Section 409A and arise from any accelerated vesting of any equity awards. "Retained Amount" shall mean the present value (as determined in accordance with sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of the Total Benefits net of all federal, state and local taxes imposed on Executive with respect thereto.

7.5 Compliance With Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code (including the exceptions thereto), to the extent applicable, and shall be interpreted and administered accordingly. If any provision contained in this Agreement conflicts with the requirements of Section 409A of the Code (or the exemptions intended to apply under this Agreement), this Agreement shall be deemed to be reformed to comply with the requirements of Section 409A of the Code (or applicable exemptions thereto). Notwithstanding anything to the contrary herein, for purposes of determining Executive's entitlement to the Severance Benefits under Section 5 hereof, (a) Executive's employment shall not be deemed to have terminated unless and until Executive incurs a "separation from service" as defined in Section 409A of the Code, and (b) the effective date of any termination or resignation

of employment (or any similar term) shall be the effective date of Executive's separation from service. Reimbursement of any expenses provided for in this Agreement shall be made in accordance with the Company's policies (as applicable) with respect thereto as in effect from time to time (but in no event later than the end of calendar year following the year such expenses were incurred) and in no event shall (i) the amount of expenses eligible for reimbursement hereunder during a taxable year affect the expenses eligible for reimbursement in any other taxable year or (ii) the right to reimbursement be subject to liquidation or exchange for another benefit. Notwithstanding anything to the contrary herein, if a payment or benefit under this Agreement is due to a "separation from service" for purposes of the rules under Treas. Reg. § 1.409A-3(i)(2) (payments to specified employees upon a separation from service) and Executive is determined to be a "specified employee" (as determined under Treas. Reg. § 1.409A-1(i)), such payment shall, to the extent necessary to comply with the requirements of Section 409A of the Code, be made on the later of (x) the date specified by the foregoing provisions of this Agreement or (y) the date that is six (6) months after the date of Executive's separation from service (or, if earlier, the date of Executive's death). Any installment payments that are delayed pursuant to the provisions of this section shall be accumulated and paid in a lump sum on the first day of the seventh month following Executive's separation from service (or, if earlier, upon Executive's death) and the remaining installment payments shall begin on such date in accordance with the schedule provided in this Agreement. To the extent permitted by Section 409A, each payment hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

7.6 Amendments. No amendment or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Executive and Employer.

7.7 Severability; Reformation. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable Law or rule, the validity, legality and enforceability of the other provisions of this Agreement will not be affected or impaired thereby. If any provision of this Agreement is found invalid, illegal or unenforceable because it is too broad in scope, too lengthy in duration or violates any Law or regulation, it shall be reformed by limiting its scope, limiting its duration or construing it to avoid such violation (as the case may be) while giving the greatest effect to the intent of the parties as is legally permissible.

7.8 No Waiver. No waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the party against whom such waiver is sought to be enforced, and any such waiver shall be effective only in the specific instance and for the specific purpose for which given.

7.9 Assignment; No Third Party Beneficiary. This Agreement is a personal service contract, and shall not be assignable by Executive. This Agreement shall be assignable by Employer to any successor to the business of Employer, without the written consent of Executive; provided, however, that the assignee or transferee is the successor to all or substantially all of the business assets of Employer and such assignee or transferee expressly assumes all the obligations, duties, and liabilities of Employer set forth in this Agreement. Any purported assignment of this Agreement in violation of this Section 7.9 shall be null and void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other Person shall have any right, benefit or obligation hereunder.

7.10 Counterparts; Facsimile Signatures. This Agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement, and any party hereto may execute this Agreement by signing any such counterpart. A facsimile signature by any party on a counterpart of this Agreement shall be binding and effective for all purposes. Such party shall subsequently deliver to the other party an original, executed copy of this Agreement; provided, however, that a failure of such party to deliver an original, executed copy shall not invalidate Executive's or its signature.

7.11 Notices. All notices, instructions and other communications given hereunder or in connection herewith shall be in writing. Any such notice, instruction or communication shall be sent either (i) by registered or certified mail, return receipt requested, postage prepaid, or (ii) prepaid via a reputable nationwide overnight courier service, in each case addressed as follows:

If to the Company, to:	AGTC 14193 NW 119th Terrace Alachua, FL 32615 Attention: Director of Human Resources Attention: General Counsel
If to Executive, to:	Abraham Scaria 61 Flanagan Drive, Framingham, MA 01701

or to such other address as either the Company or Executive may have furnished to the other in writing in accordance herewith). Any such notice, instruction or communication shall be deemed to have been delivered five business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service. Either party may give any notice, instruction or other communication hereunder using any other means, but no such notice, instruction or other communication shall be deemed to have been duly delivered unless and until it actually is received by the party for whom it is intended.

7.12 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

7.13 Cumulative Remedies. The rights and remedies of the parties hereunder are cumulative and not exclusive of any rights or remedies any party hereto may otherwise have.

7.14 Expenses Relating to this Agreement. Each party shall pay its or Executive's own expenses incident to the negotiation, preparation and execution of this Agreement.

7.15 Acknowledgement. Executive acknowledges that Executive has been advised to and has been given the opportunity to consult with legal counsel for the purposes of reviewing this Agreement, including the non-competition and non-solicitation covenants contained herein. Executive further acknowledges that he or she has been given 10 business days to consider the terms of this Agreement. If Executive executes this Agreement prior to the end of the 10 business day period, he or she agrees and acknowledges that such execution was a knowing and voluntary waiver of his or her right to consider this Agreement for the full 10 business day period.

IN WITNESS WHEREOF, Executive and Employer have executed this Employment Agreement as of the date set forth in the first paragraph.

APPLIED GENETIC TECHNOLOGIES CORPORATION

By: /s/ Susan B. Washer
Name: Susan B. Washer
Title: President and CEO

Date: November 15, 2021

EXECUTIVE

/s/ Abraham Scaria
Name: Abraham Scaria

Date: November 13, 2021

Exhibit A

GENERAL RELEASE AND WAIVER OF ALL CLAIMS
(INCLUDING OLDER WORKER BENEFITS PROTECTION ACT CLAIMS AND AFFIRMATION OF NONCOMPETE)

For good and valuable consideration, including without limitation the compensation and benefits set forth in the Employment Agreement dated November , 2021 (the "Agreement") between the undersigned and Applied Genetic Technologies Corporation (the "Company"), to which this General Release and Waiver of All Claims is attached, the terms of which Agreement shall survive this General Release and Waiver of Claims, the undersigned, on behalf of and for himself or herself and his or her heirs, administrators, executors, representatives, estates, attorneys, insurers, successors and assigns (hereafter referred to separately and collectively as the "Releasor"), hereby voluntarily releases and forever discharges the Company, and its subsidiaries (direct and indirect), affiliates, related companies, divisions, predecessor and successor companies, and each of its and their present, former, and future shareholders, officers, directors, employees, agents, representatives, attorneys, insurers and assigns (collectively as "Releasees"), jointly and individually, from any and all actions, causes of action, claims, suits, charges, complaints, contracts, covenants, agreements, promises, debts, accounts, damages, losses, sums of money, obligations, demands, and judgments all of any kind whatsoever, known or unknown, at law or in equity, in tort, contract, by statute, or on any other basis, for contractual, compensatory, punitive or other damages, expenses (including attorney's fees and cost), reimbursements, or costs of any kind, which the undersigned employee ever had, now has, or may have, from the beginning of the world to the date of this Release, known or unknown, in law or equity, whether statutory or common law, whether federal, state, local or otherwise, including but not limited to any and all claims arising out of or in any way related to the undersigned's engagement by the Company (including the hiring or termination of that engagement), or any related matters including, but not limited to claims, if any arising under the Age Discrimination in Employment Act of 1967, as amended by the Older Worker Benefits Protection Act; the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991, as amended; the Family and Medical Leave Act of 1993, as amended; the Immigration Reform and Control Act of 1986; the Americans with Disabilities Act of 1990, as amended; the Employee Retirement Income Security Act (ERISA), as amended; the Florida Civil Rights Act, FLA. STAT. Sections 760.01—760.11; FLA STAT. Sections 448.01 et seq.; Mass. Gen. L. c. 151B, section 1 et seq.; Mass. Gen. L. c. 149, section 1 et seq.; Mass. Gen. L. c. 151, section 1A et seq.; and federal, state or local common law, laws, statutes, ordinances or regulations. Notwithstanding the foregoing, nothing contained in this General Release and Waiver of Claims shall be construed to bar any claim by the undersigned to enforce the terms of the Agreement.

Releasor represents and acknowledges the following:

(a) that Releasor understands the various claims Releasor could have asserted under federal or state law, including but not limited to the Age Discrimination in Employment Act and other similar laws;

(b) that Releasor has read this General Release carefully and understands all of its provisions;

(c) that Releasor understands that Releasor has the right to and is advised to consult an attorney concerning this General Release and in particular the waiver of rights Releasor might have under the laws described herein and that to the extent, if any, that Releasor desired, Releasor availed himself or herself of this right;

(d) that Releasor has been provided at least forty-five (45) days to consider whether to sign this General Release and that to the extent Releasor has signed this General Release before the expiration of such forty-five (45) day period Releasor has done so knowingly and willingly;

(e) that Releasor enters into this General Release and waives any claims knowingly and willingly; and

that this General Release shall become effective seven (7) business days after it is signed. Releasor may revoke this General Release within seven (7) business days after it is signed by delivering a written notice of rescission to Scott Koenig, Chair of AGTC, c/o Macrogenics, Inc., 1500 East Gude Drive, Rockville, MD 20850. To be effective, the notice of rescission must be hand delivered, or postmarked within the seven (7) business day period and sent by certified mail, return receipt requested, to the referenced address.

A. Executive acknowledges that Executive remains bound by Executive's obligations set forth in Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.6(a), 6.6(c), 6.7, 6.8, 6.9, 6.10 and 6.11 of the Agreement. Executive confirms that for a period of one year following the termination of Executive's employment with the Company, Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities (except on behalf of Company):

(i) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend such Executive's name to, lend Executive's credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(ii) provide or develop any products, technology or services that are the same or Substantially Similar to the products, technology and services provided or developed by the Company or any of its Affiliates.

The capitalized terms herein have the meanings set forth in section 6.7 of the Agreement.

Executive agrees that Executive will not disparage or encourage or induce others to disparage any of the Company, its subsidiaries and affiliates, together with all of their respective past and present directors and officers and each of their successors and assigns. Nothing herein is intended to or shall prevent Executive from providing limiting testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

Signed and sealed this ____ day of _____, 20__.

Signed: _____

Name (print): Abraham Scaria

Exhibit 31.1

CERTIFICATION

I, Susan B. Washer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Applied Genetic Technologies Corporation;

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

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

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

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

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

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

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

5. The registrant's other certifying officer 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: February 14, 2022

By: /s/ Susan B. Washer
Susan B. Washer
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Jonathan I. Lieber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Applied Genetic Technologies Corporation;

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

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

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

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

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

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

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

5. The registrant's other certifying officer 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: February 14, 2022

By: /s/ Jonathan I. Lieber
Jonathan I. Lieber
Chief Financial Officer
(Principal Financial 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 on Form 10-Q of Applied Genetic Technologies Corporation (the "Company") for the period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that, to her or his knowledge:

(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: February 14, 2022

By: /s/ Susan B. Washer
Susan B. Washer
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 14, 2022

By: /s/ Jonathan I. Lieber
Jonathan I. Lieber
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Applied Genetic Technologies Corporation and will be retained by Applied Genetic Technologies Corporation and furnished to the Securities and Exchange Commission or its staff upon request.