
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE TO
(Rule 13e-4)

**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

TCR² THERAPEUTICS INC.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Common Stock, Par Value \$0.0001 Per Share
(Title of Class of Securities)

87808K106
(CUSIP Number of Class of Securities)

Garry E. Menzel
President and Chief Executive Officer
TCR² Therapeutics Inc.
100 Binney Street, Suite 710
Cambridge, Massachusetts 02142
(617) 949-5200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Person)

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☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☐ third party tender offer subject to Rule 14d-1.
- ☒ Issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- ☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - ☐ Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
-
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Item 1. Summary Term Sheet.

The information set forth under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” in the Offer to Exchange Eligible Options for Restricted Stock Units dated October 19, 2022 (the “**Exchange Offer**”), attached hereto as Exhibit (a)(1)(A), is incorporated herein by reference.

Item 2. Subject Company Information.

(a) *Name and Address.*

TCR² Therapeutics Inc., a Delaware corporation (the “**Company**”), is the issuer of the securities subject to the Exchange Offer. The Company’s principal executive offices are located at 100 Binney Street, Suite 710, Cambridge, Massachusetts 02142, and the telephone number of its principal executive offices is (617) 949-5200.

(b) *Securities.*

This Tender Offer Statement on Schedule TO relates to an offer by the Company to certain employee optionholders, subject to specified conditions, to exchange some or all of their outstanding options to purchase shares of common stock, par value \$0.0001 per share (the “**Common Stock**”), for an award of restricted stock units of the Company. Members of the Company’s board of directors, advisers, consultants and contractors will not be eligible to participate in this offer.

An option will be eligible for exchange (an “**Eligible Option**”) if it was granted under the Company’s 2018 Stock Option and Incentive Plan (the “**2018 Plan**”). As of October 19, 2022, approximately 46% of our outstanding options constitute Eligible Options.

Pursuant to the Exchange Offer, in exchange for the tender and cancellation of Eligible Options, the Company will grant new awards for restricted stock units (each, a “**New RSU**”) following the Expiration Time (as defined in the Exchange Offer). The total number of shares underlying a New RSU with respect to an exchanged Eligible Option will be determined by dividing the number of shares of Common Stock underlying the exchanged Eligible Option by the applicable exchange ratio and rounding to the nearest whole number, subject to the terms and conditions described in the Exchange Offer and in the related accompanying Election Form, the form of which is attached hereto as Exhibit (a)(1)(C).

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” and the information set forth under Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”), Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”) and Section 7 (“*Price Range of Our Common Stock*”) of the Offering Memorandum for the Exchange Offer contained in the Exchange Offer (the “**Offering Memorandum**”) are incorporated herein by reference.

(c) *Trading Market and Price.*

The information set forth under Section 7 (“*Price Range of Our Common Stock*”) of the Offering Memorandum is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) *Name and Address.*

The Company is both the filing person and the subject company. The information set forth under Item 2(a) above and under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

The address of each executive officer and director of the Company is:

TCR² Therapeutics Inc.
100 Binney Street, Suite 710
Cambridge, Massachusetts 02142
(617) 949-5200

The directors and executive officers of the Company are set forth below:

Executive Officers	Title
Garry E. Menzel	President, Chief Executive Officer and Director
Rosemary Harrison	Chief Business and Strategy Officer
Angela Justice	Chief People Officer
Peter Olagunju	Chief Technical Officer
Alfonso Quintás Cardama	Chief Medical Officer
Eric Sullivan	Chief Financial Officer
Directors	
Andrew Allen	Director
Ansbert Gadlicke	Director
Neil W. Gibson	Director
Priti Hegde	Director
Axel Hoos	Director
Shawn Tomasello	Director
Stephen Webster	Chairman of the Board of Directors

Item 4. Terms of the Transaction.

(a) *Material Terms.*

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” and the information set forth in the Offering Memorandum under Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”), Section 3 (“*Procedures for Tendering Eligible Options*”), Section 4 (“*Withdrawal Rights*”), Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”), Section 6 (“*Conditions of the Exchange Offer*”), Section 8 (“*Information Concerning TCR²; Financial Information*”), Section 10 (“*Accounting Consequences of the Exchange Offer*”), Section 11 (“*Legal Matters; Regulatory Approvals*”), Section 12 (“*Material United States Tax Consequences*”) and Section 13 (“*Extension of the Exchange Offer; Termination; Amendment*”) are incorporated herein by reference.

(b) *Purchases.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(c) *Agreements Involving the Subject Company’s Securities.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference. The documents incorporated herein by reference as Exhibit (d)(1) and Exhibit (d)(2) also contain information regarding agreements relating to securities of the Company.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) Purposes.

The information set forth under Section 2 (*“Purpose of the Exchange Offer; Additional Considerations”*) of the Offering Memorandum is incorporated herein by reference.

(b) Use of Securities Acquired.

The information set forth under Section 5 (*“Acceptance of Eligible Options for Exchange; Grant of New RSUs”*) of the Offering Memorandum is incorporated herein by reference.

(c) Plans.

The information set forth under Section 2 (*“Purpose of the Exchange Offer; Additional Considerations”*) of the Offering Memorandum is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a) Source of Funds.

The information set forth under Section 14 (*“Consideration; Fees and Expenses”*) of the Offering Memorandum is incorporated herein by reference.

(b) Conditions.

The information set forth under Section 6 (*“Conditions of the Exchange Offer”*) of the Offering Memorandum is incorporated herein by reference.

(d) Borrowed Funds.

Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) Securities Ownership.

The information set forth under Section 9 (*“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities”*) of the Offering Memorandum is incorporated herein by reference.

(b) Securities Transactions.

The information set forth under Section 9 (*“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities”*) of the Offering Memorandum is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) Solicitations or recommendations.

Not applicable.

Item 10. Financial Statements.

(a) Financial Information.

The information set forth under Section 8 (*“Information Concerning TCR²; Financial Information”*), including Schedule A, and Section 15 (*“Additional Information”*) of the Offering Memorandum is incorporated herein by reference.

(b) *Pro Forma Information.*

Not applicable.

Item 11. Additional Information.

(a) *Agreements, Regulatory Requirements and Legal Proceedings.*

- (1) The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.
- (2) The information set forth under Section 11 (“*Legal Matters; Regulatory Approvals*”) of the Offering Memorandum is incorporated herein by reference.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.

(c) *Other Material Information.*

Not applicable.

Item 12. Exhibits.

Exhibit Number	Description
(a)(1)(A)	Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022
(a)(1)(B)	Form of Announcement Email to All Employees
(a)(1)(C)	Form of Announcement Post to All Employees
(a)(1)(D)	Form of Exchange Offer Instructions Email to Eligible Employees with Eligible Options
(a)(1)(E)	Form of Email to Eligible Employees with Eligible Options to access Election Form via DocuSign
(a)(1)(F)	Election Form
(a)(1)(G)	Notice of Withdrawal of Election Form
(a)(1)(H)	Form of Reminder Email to Eligible Employees with Eligible Options Regarding the Exchange Offer Webinar
(a)(1)(I)	Form of Post to All Employees Regarding Availability of a Recorded Version of the Exchange Offer Webinar
(a)(1)(J)	Form of Reminder Email to Eligible Employees with Eligible Options Regarding the Expiration of the Exchange Offer
(a)(1)(K)	Form of Email to Eligible Employees with Eligible Options Regarding the Final Exchange Offer Webinar
(a)(1)(L)	Form of Post to All Employees Regarding Education Session
(a)(1)(M)	Form of Reminder Post to All Employees Regarding the Expiration of the Exchange Offer
(a)(1)(N)	Form of Final Reminder Email to Eligible Employees with Eligible Options Regarding the Expiration of the Exchange Offer
(a)(1)(O)	Form of Final Reminder Post to All Employees Regarding the Expiration of the Exchange Offer
(a)(1)(P)	Form of Email Notice Confirming Receipt of Election Form to Participate in the Exchange Offer

(a)(1)(Q)	Form of Email Notice Confirming Receipt of Election Form to Reject the Exchange Offer
(a)(1)(R)	Form of Email Notice Confirming Receipt of Notice of Withdrawal of Election Form
(a)(1)(S)	Form of Expiration Notice Email
(a)(1)(T)	Form of Email Notice Confirming Acceptance of Eligible Options
(a)(1)(U)	Form of Email Notice Confirming Rejection of Eligible Options
(a)(1)(V)	Form of New RSU Agreement (incorporated by reference to Exhibit 10.2 to the Company's Form S-1/A (File No. 333-229066), filed on February 1, 2019).
(a)(5)(A)	Option Exchange Presentations
(a)(5)(B)	Option Exchange Transcripts
(a)(5)(C)	Option Exchange Program Brochure
(a)(5)(D)	Option Exchange Education Session PPT
(a)(5)(E)	Option Exchange Education Session PPT Transcript
(a)(5)(F)	Option Exchange Company Meeting PPT
(a)(5)(G)	Option Exchange Company Meeting PPT Transcript
(b)	Not applicable
(d)(1)	2018 Stock Option and Incentive Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 10.2 to the Company's Form S-1/A (File No. 333-229066), filed on February 1, 2019).
(d)(2)	Amendment #1 to 2018 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-38811), filed on May 13, 2019).
(g)	Not applicable
(h)	Not applicable
107	Filing Fee Table

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: October 19, 2022

TCR² THERAPEUTICS INC.

By: /s/ Garry E. Menzel

Garry E. Menzel
President, Chief Executive Officer and Director
(Principal Executive Officer)

TCR² THERAPEUTICS INC.

100 BINNEY STREET, SUITE 710
CAMBRIDGE, MASSACHUSETTS 02142

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS

October 19, 2022

SUMMARY TERM SHEET—OVERVIEW

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS

This offer and withdrawal rights will expire at 11:59 p.m., Eastern Time, on November 16, 2022, unless extended

By this Offer to Exchange Eligible Options for New Restricted Stock Units (as the context requires, this document and the actions taken hereby, the “**Exchange Offer**”), TCR² Therapeutics Inc., which we refer to in this document as “**we**,” “**us**,” “**our**” or “**TCR²**”, is giving each Eligible Employee (as defined below) the opportunity to exchange one or more Eligible Options (as defined below) for New RSUs (as defined below), as discussed below and in the Offering Memorandum for the Exchange Offer beginning on page 19 (the “**Offering Memorandum**”).

The “**Expiration Time**” of the Exchange Offer is 11:59 p.m., Eastern Time, on November 16, 2022. If we extend the period of time during which this Exchange Offer remains open, the term “Expiration Time” will refer to the last time and date on which this Exchange Offer expires.

You are an “**Eligible Employee**” if:

- on the date the Exchange Offer commences, you are a current employee of TCR² and have not submitted a notice of resignation or termination, or been notified by TCR² that your employment is being terminated; and
- on or prior to the Expiration Time, you continue to be employed by TCR², and have not submitted a notice of resignation or termination, or been notified by TCR² that your employment is being terminated.

An “**Eligible Option**” is an outstanding option that:

- is held by an Eligible Employee;
- is outstanding as of the Expiration Time;
- has an exercise price per share greater than or equal to \$10.00 per share; and
- was granted under our 2018 Stock Option and Incentive Plan (the “**2018 Plan**”).

If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you an award of restricted stock units (each, a “**New RSU**”) with the following terms (collectively, the “**New RSU Terms**”):

- Each New RSU will not have an exercise price per share. Each New RSU will represent your right to receive one share of our common stock for each New RSU that vests in the future.
- The number of your New RSUs will be determined using an exchange ratio that takes into account the fair value of your tendered Eligible Option. The chart below sets forth the applicable exchange ratios, which are further discussed below:

Eligible Option Exercise Price Range	Exchange Ratio (Surrendered Eligible Options: New RSUs)*
\$10.00-18.00	3 to 1
\$18.01-\$25.00	4.5 to 1
\$25.01 and above	5.5 to 1

* Rounded up to the nearest share

- Your New RSUs will be granted under the 2018 Plan.
- Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become exercisable. Your New RSUs will vest in up to four annual installments beginning on December 1, 2022, subject to your continuous service with TCR² through the applicable vesting date and other relevant terms and conditions of the 2018 Plan. The vesting schedule of your New RSUs will be based on the original vesting start date of the Eligible Option you are tendering for exchange as outlined in the table below.

Vesting Start Date of Eligible Options Month/Year	New RSUs Vesting Schedule			
	December 1, 2022	December 1, 2023	December 1, 2024	December 1, 2025
January 2019	98%	2%	—	—
February 2019	96%	4%	—	—
March 2019	94%	6%	—	—
April 2019	92%	8%	—	—
May 2019	89%	11%	—	—
June 2019	87%	13%	—	—
July 2019	85%	15%	—	—
August 2019	83%	17%	—	—
September 2019	81%	19%	—	—
October 2019	79%	21%	—	—
November 2019	77%	23%	—	—
December 2019	75%	25%	—	—
January 2020	73%	25%	2%	—
February 2020	71%	25%	4%	—
March 2020	69%	25%	6%	—
April 2020	67%	25%	8%	—
May 2020	65%	25%	10%	—
June 2020	62%	25%	13%	—
July 2020	60%	25%	15%	—
August 2020	58%	25%	17%	—
September 2020	56%	25%	19%	—
October 2020	54%	25%	21%	—
November 2020	52%	25%	23%	—
December 2020	50%	25%	25%	—
January 2021	48%	25%	25%	2%
February 2021	46%	25%	25%	4%
March 2021	44%	25%	25%	6%
April 2021	42%	25%	25%	8%
May 2021	40%	25%	25%	10%
June 2021	37%	25%	25%	13%
July 2021	35%	25%	25%	15%
August 2021	33%	25%	25%	17%

The commencement date of the Exchange Offer is October 19, 2022. We are making the Exchange Offer upon the terms and subject to the conditions described in the Offering Memorandum and in the related Election Form distributed with the Offering Memorandum. The Exchange Offer is voluntary with respect to each Eligible Option you hold. You are not required to participate in the Exchange Offer. If you hold more than one option grant that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of the outstanding shares underlying any selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be cancelled, and your New RSUs will be granted with the New RSU Terms effective promptly following the Expiration Time (such date, the “**New RSU Grant Date**”).

See the "Risk Factors" section of this Exchange Offer beginning on page 16 for a discussion of risks and uncertainties that you should consider before agreeing to exchange your Eligible Options for New RSUs. You should consider, among other things, these risks and uncertainties before deciding whether to participate in the Exchange Offer.

Shares of our common stock are quoted on the Nasdaq Select Market ("*Nasdaq*") under the symbol "TCRR." On October 18, 2022, the closing price of our common stock as reported on Nasdaq was \$1.57 per share. We recommend that you obtain current market quotations for our common stock before deciding whether to elect to participate in the Exchange Offer.

You should direct any questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offering Memorandum, the Election Form, the Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to AskHR@TCR2.com.

IMPORTANT

If you choose to participate in the Exchange Offer, you must properly complete and submit your Election Form before 11:59 p.m. Eastern Time, on November 16, 2022 (or such later date as may apply if the Exchange Offer is extended). A link for your personalized Election Form has been sent to your TCR² email address. The Election Form should be completed, signed and returned using DocuSign.

You are responsible for making sure that the Election Form is delivered as indicated above. You must allow for sufficient time to complete, sign and deliver your Election Form to ensure that we receive your Election Form before the Expiration Time.

You do not need to return your stock option agreements for your Eligible Options to be cancelled and exchanged in the Exchange Offer. We will provide you with a written confirmation of the cancellation of any such options along with a restricted stock unit award agreement for your New RSUs shortly following the grant of your New RSUs.

Although our Board of Directors (the “**Board**”) has approved the Exchange Offer, consummation of the Exchange Offer is subject to the satisfaction or waiver of the conditions described in Section 6 of the Offering Memorandum (“**Conditions of the Exchange Offer**”). Neither we nor the Board makes any recommendation as to whether you should participate, or refrain from participating, in the Exchange Offer. You must make your own decision whether to participate. You should consult your personal financial and tax advisors if you have questions about your financial or tax situation as it relates to the Exchange Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the fairness or merits of this transaction or the accuracy or adequacy of the information contained in the Exchange Offer. Any representation to the contrary is a criminal offense.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD PARTICIPATE IN THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU.

WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED ELECTION FORMS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY TCR².

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUS

Set forth below are answers to some of the questions that you may have about the Exchange Offer. We encourage you to carefully read the remainder of this Offer to Exchange Eligible Options for New RSUs and the accompanying Election Form. Where appropriate, we have included references to the relevant sections of the Offering Memorandum where you can find a more complete description of the topics in this summary.

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Q1. Why is TCR² making the Exchange Offer?

We believe that the Exchange Offer is in the best interests of our stockholders and an important component of our strategy to maintain an equity compensation program that effectively motivates and retains our employees. Competition for many of these employees, particularly in the biopharmaceutical industry, is intense and many companies use stock options as a means of attracting, motivating, and retaining their employees. Stock options historically constituted a key part of our hiring, incentive, and retention programs because our Board believes that equity compensation encourages employees to act like owners of the business, motivating them to work toward our success and rewarding their contributions by allowing them to benefit from increases in the value of our common stock. When the compensation committee of our Board (the “**Compensation Committee**”) approves the grant of a stock option, it establishes the exercise price that the employee must pay to purchase shares of our common stock when the option is exercised. The per share exercise price is set at the closing price of a share of our common stock as reported by Nasdaq on the date the option is granted. Thus, an employee receives value only if the employee exercises an option and sells the purchased shares at a price that exceeds the stock option’s exercise price.

Since becoming a public company in 2019, the market price of our common stock has been subject to significant fluctuations. Many of our employees now hold stock options with exercise prices significantly higher than the current market price of our common stock. On October 18, 2022, the closing price of our common stock on The Nasdaq Select Market (“**Nasdaq**”) was \$1.57 per share and the weighted average exercise price of Eligible Options was \$19.27. Consequently, as of October 18, 2022, there were 2,574,615 outstanding shares underlying Eligible Options. Although we continue to believe that stock options are an important component of our employees’ total compensation, many of our employees view their existing options as having little or no value due to the difference between the exercise prices and the current market price of our common stock. As a result, for many employees, these options are ineffective at providing the incentives and retention value that our Board believes are necessary to motivate our employees to achieve our strategic, operational and financial goals. We believe that to enhance long-term stockholder value we need to maintain competitive employee incentive and retention programs. An equity stake in the success of our company is a critical component of these programs. We believe that it is essential to continue to retain and motivate our employees, including executives, and that the inherent value of the new RSUs and vesting periods of the RSUs may be more effective in retaining and incentivizing employees than the existing underwater options.

In addition, the Exchange Offer will allow us to reduce the number of shares subject to outstanding equity awards as compared to the total number of shares of our outstanding common stock, which we refer to as our equity award overhang, through the cancellation of outstanding stock options that currently provide no meaningful retention value to our employees. Outstanding stock options cannot be removed from our equity award overhang until they are exercised, expire or are terminated. Under the proposed Exchange Offer, Eligible Employees will receive fewer replacement RSUs in exchange for their surrendered stock options, which will reduce overall the number of shares underlying outstanding equity awards. We believe this will enable us to provide equity awards to new and existing employees and service providers in the future without the need to seek shareholder approval to increase the number of shares of common stock reserved under the 2018 Plan, which increase would result in dilution to our existing stockholders.

See Section 2 of the Offering Memorandum (“**Purpose of The Exchange Offer; Additional Considerations**”) for more information.

Q2. Who is eligible to participate in the Exchange Offer?

Only Eligible Employees are eligible to participate in the Exchange Offer. You are an “**Eligible Employee**” if:

- on the date the Exchange Offer commences, you are a current employee of TCR² and have not submitted a notice of resignation or termination, or been notified by TCR² that your employment is being terminated; and

- on or prior to the Expiration Time, you continue to be employed by TCR², and have not submitted a notice of resignation or termination, or been notified by TCR² that your employment is being terminated.

See Section 1 of the Offering Memorandum ("*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") for more information.

Q3. Which options are subject to the Exchange Offer?

Under the Exchange Offer, Eligible Employees will be able to elect to tender outstanding Eligible Options for exchange.

An "*Eligible Option*" is an outstanding option that:

- is held by an Eligible Employee;
- is outstanding as of the Expiration Time;
- has an exercise price per share greater than or equal to \$10.00; and
- was granted under our 2018 Plan.

See Section 1 of the Offering Memorandum ("*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") for more information.

Q4. How do RSUs differ from stock options?

The table below outlines some key differences between stock options and RSUs:

	Stock Options	RSUs
What they are	The right to purchase a fixed number of shares of TCR ² common stock at a fixed exercise price for a fixed period of time.	The right to receive a fixed number of shares of TCR ² common stock at a fixed time in the future at no exercise or purchase price.
How they work	<p>Once a stock option grant vests, you may exercise the vested portion at any time until the expiration date of that option. Exercising means you buy the stock at the exercise price set on the date of grant.</p> <p>If the price of our common stock is greater than the exercise price when you exercise and sell the shares, you receive the gain (after payment of applicable taxes).</p> <p>However, when our stock price is <i>less</i> than the exercise price, the stock option has no intrinsic value and is considered to be underwater.</p>	<p>Once an RSU vests, a share of TCR² common stock is issued to you and at no cost to you, other than withholding taxes associated with the RSU. The value you receive for an RSU upon issuance of the common stock will be based on the then-current TCR² stock price. Once our stock is issued to you following the vesting of the RSU, you can either keep it as an investment or sell it.</p>

Q5. How many New RSUs will I receive for the Eligible Options I exchange?

The number of New RSUs to be granted to you will be determined using an exchange ratio that takes into account the exercise price of your tendered Eligible Option. The chart below sets forth the applicable exchange ratios, which are further discussed below.

Eligible Option Exercise Price Range	Exchange Ratio (Surrendered Eligible Options: New RSUs)*
\$10.00-18.00	3 to 1
\$18.01-\$25.00	4.5 to 1
\$25.01 and above	5.5 to 1

* Rounded up to the nearest share

The exchange ratios were calculated, for accounting purposes, to approximate a “value-for-value” exchange, meaning that they were determined in a manner intended to result in the grant of a New RSU, for accounting purposes, with an aggregate fair value that is approximately the same as the aggregate fair value of the Eligible Options the New RSU replaces, calculated based on the closing price of our common stock on Nasdaq as of October 14, 2022.

The exchange ratios were determined with reference to the fair value of the eligible vested and unvested stock options (calculated using the Black-Scholes option valuation model) within the relevant grouping. In determining fair value, the Black-Scholes model takes into account many variables and estimates, such as our current stock price, the volatility of the price of our common stock, and the remaining term of an eligible stock option. Setting the exchange ratios in this manner was intended to result in the issuance of replacement New RSUs that have an aggregate fair value approximately equal to the aggregate fair value of the surrendered options they replace. This will minimize any additional compensation cost that we must recognize on the New RSUs, other than compensation expense that might result from fluctuations in our stock price after the exchange ratios have been set but before the exchange actually occurs.

Even if any Eligible Option that you tender for exchange is partially vested as of the Expiration Time, you will receive a New RSU that instead will vest in up to four annual installments beginning on December 1, 2022, subject to your continuous service with TCR² through the applicable vesting date and other relevant terms and conditions of the 2018 Plan.

Q6. Will my New RSUs have an exercise or purchase price?

Your New RSUs will not have an exercise or purchase price. Each New RSU will represent your right to receive a number of shares of our common stock upon vesting based on an exchange ratio.

See Section 1 of the Offering Memorandum (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information and Section 7 of the Offering Memorandum (“*Price Range of Our Common Stock*”) for information concerning the historical prices of our common stock.

Q7. When will my New RSUs vest?

Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become vested and exercisable. Your New RSUs will vest in up to four annual installments beginning on December 1, 2022, subject to your continuous service with TCR² through the applicable vesting date and other relevant terms and conditions of the 2018 Plan.

The vesting schedule of your New RSUs will be based on the original vesting start date of the Eligible Option you are tendering for exchange as outlined in the table below:

Vesting Start Date of Eligible Options <i>Month/Year</i>	New RSUs Vesting Schedule			
	December 1, 2022	December 1, 2023	December 1, 2024	December 1, 2025
January 2019	98%	2%	—	—
February 2019	96%	4%	—	—
March 2019	94%	6%	—	—
April 2019	92%	8%	—	—
May 2019	89%	11%	—	—
June 2019	87%	13%	—	—
July 2019	85%	15%	—	—
August 2019	83%	17%	—	—
September 2019	81%	19%	—	—
October 2019	79%	21%	—	—
November 2019	77%	23%	—	—
December 2019	75%	25%	—	—
January 2020	73%	25%	2%	—
February 2020	71%	25%	4%	—
March 2020	69%	25%	6%	—
April 2020	67%	25%	8%	—
May 2020	65%	25%	10%	—
June 2020	62%	25%	13%	—
July 2020	60%	25%	15%	—
August 2020	58%	25%	17%	—
September 2020	56%	25%	19%	—
October 2020	54%	25%	21%	—
November 2020	52%	25%	23%	—
December 2020	50%	25%	25%	—
January 2021	48%	25%	25%	2%
February 2021	46%	25%	25%	4%
March 2021	44%	25%	25%	6%
April 2021	42%	25%	25%	8%
May 2021	40%	25%	25%	10%
June 2021	37%	25%	25%	13%
July 2021	35%	25%	25%	15%
August 2021	33%	25%	25%	17%

Q8. Do I need to exercise my New RSUs in order to receive shares?

No. Unlike stock options, which you must exercise in order to receive the vested shares subject to the option, you do not need to exercise RSUs in order to receive shares. Subject to your continuous service with TCR² through the applicable vesting date and other relevant terms and conditions of the 2018 Plan, when your New RSUs vest in accordance with the vesting schedule described above and set forth in the applicable RSU agreement, you will automatically receive the shares subject to the New RSUs, subject to applicable withholding taxes. Generally, shares subject to New RSUs that do not vest will be forfeited to TCR², as determined in accordance with the 2018 Plan.

Q9. If I participate in the Exchange Offer, when will my New RSUs be granted?

Unless we amend or terminate the Exchange Offer in accordance with its terms, we will grant you New RSUs in exchange for Eligible Options with respect to which you properly made a valid election (and did not validly revoke that election), effective as of the New RSU Grant Date, which is currently expected to be November 17, 2022. The New RSUs will reflect the New RSU Terms.

Q10. What happens to my New RSUs if I terminate my employment with TCR²?

Vesting of your New RSUs will cease upon termination of your service with TCR². Your unvested New RSUs will be forfeited to us, and you will own any shares underlying vested New RSUs as of such date.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain employed by TCR². The terms of your employment with TCR² remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain employed by TCR² until the expiration of the Exchange Offer, the grant date for the New RSUs or thereafter during the vesting period of the New RSUs. In addition, we cannot provide any assurance that your employment with TCR² will continue until or past the vesting date of any New RSU issued in exchange for an Eligible Option that would have been vested and exercisable as of your termination date had the Eligible Option not been exchanged for a New RSU.

See Section 1 of the Offering Memorandum ("*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") and Section 5 of the Offering Memorandum ("*Acceptance of Eligible Options for Exchange; Grant of New RSUs*") for more information.

Q11. Must I participate in the Exchange Offer?

No. Participation in the Exchange Offer is completely voluntary. If you hold more than one option grant that qualifies as an Eligible Option and would like to participate in the Exchange Offer, you will be allowed to elect to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of the shares underlying any selected Eligible Option grant. If you choose not to participate in the Exchange Offer, then your Eligible Options will remain outstanding and subject to their current terms.

Q12. How should I decide whether or not to participate in the Exchange Offer?

We are providing substantial information to assist you in making your own informed decision. Please read all the information contained in the various sections of the Offering Memorandum below, including the information in Section 2 ("*Purpose of The Exchange Offer; Additional Considerations*"), Section 7 ("*Price Range of Our Common Stock*"), Section 8 ("*Information Concerning TCR²; Financial Information*"), Section 9 ("*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*"), Section 12 ("*Material United States Tax Consequences*") and Section 15 ("*Additional Information*") of the Offering Memorandum. You should seek further advice from your legal counsel, accountant and financial advisor. Participation in the Exchange Offer is entirely your decision and should be made based on your personal circumstances. No one from TCR² is, or will be, authorized to provide you with legal, tax, financial or other advice or recommendations regarding whether you should participate in the Exchange Offer.

In addition to reviewing the materials provided, please note the following:

- The Exchange Offer is not a one-for-one exchange. You will receive fewer shares subject to your New RSUs than your Eligible Options.
- Options provide value upon exercise only if the price of our common stock increases after the grant date. RSUs provide value upon vesting even if our common stock price does not increase after its grant date. However, because the exchange ratios for the Exchange Offer are value-based, and will be less than or equal one-for-one approximately, it is possible that, at some point in the future, Eligible Options you choose to exchange could have been economically more valuable than the New RSUs you receive pursuant to the Exchange Offer.

- You should carefully consider the potential tax consequences of your exchange of Eligible Options for New RSUs. In general, the New RSUs will be taxed when they vest and shares are issued to you. You are strongly encouraged to consult with your personal legal counsel, accountant, financial and/or tax advisor(s) for advice on these matters.

Please also review the “Risk Factors” that appear on page 16.

Q13. How do I find out how many Eligible Options I have and what their exercise prices are?

The Election Form distributed along with the Exchange Offer includes a list of your Eligible Options as of October 19, 2022. At any time during the Exchange Offer, you may contact us via email at AskHR@TCR2.com to confirm the number of option grants that you have and the grant dates, remaining term, exercise prices, vesting schedule and other information regarding such option grants.

Q14. Can I tender for exchange stock options that I have already fully exercised?

No. The Exchange Offer applies only to outstanding Eligible Options. An option that has been fully exercised is no longer outstanding and is therefore not an Eligible Option.

Q15. Can I tender for exchange the remaining unexercised portion of an Eligible Option that I have already partially exercised?

Yes. If you exercised an Eligible Option in part before October 19, 2022, the remaining unexercised portion of the Eligible Option can be tendered for exchange in the Exchange Offer.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q16. Can I tender for exchange a portion of an Eligible Option?

No partial exchange of an Eligible Option grant will be permitted. If you elect to tender an Eligible Option for exchange, you must tender all shares of the outstanding (i.e., unexercised) portion of that Eligible Option. You may elect to tender as few or as many of your Eligible Option grants as you wish. If you attempt to tender a portion but not all of an outstanding Eligible Option grant, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Option grants that you have properly tendered for exchange.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q17. What if I am on an authorized leave of absence during the Exchange Offer?

Any Eligible Employee who is on an authorized leave of absence (excluding garden leave) will be eligible to participate in the Exchange Offer.

See Section 1 of the Offering Memorandum (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

Q18. What happens if my employment with TCR² terminates before the Expiration Time?

If you have tendered Eligible Options under the Exchange Offer and your employment with TCR² terminates for any reason prior to the Expiration Time, you will no longer be eligible to participate in the Exchange Offer. In addition, if you have tendered Eligible Options under the Exchange Offer and you submit a notice of resignation

or termination, or been notified by TCR² that your employment will be terminated, you will no longer be eligible to participate in the Exchange Offer. Accordingly, we will not accept your Eligible Options for exchange, and you will not be eligible to receive New RSUs. In such a case, you may be able to exercise the vested portion of your existing Eligible Options for a limited time after your termination date, subject to and in accordance with their original terms.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain an employee of TCR². The terms of your employment with TCR² remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in our service until the Expiration Time, the New RSU Grant Date or thereafter. In addition, we cannot provide any assurance that your employment with TCR² will continue until or past the vesting date of any New RSU granted in exchange for an Eligible Option that would have been vested and exercisable as of your termination date had the Eligible Option not been exchanged for a New RSU.

See Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) and Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”) of the Offering Memorandum for more information.

Q19. Will I owe taxes if I participate in the Exchange Offer?

Neither the acceptance of your Eligible Options for exchange nor the grant of any New RSUs will be a taxable event for U.S. federal income tax purposes.

You should consult with your tax advisor to determine the personal tax consequences of participating in the Exchange Offer. If you are an Eligible Employee who is subject to the tax laws of a country other than the United States or of more than one country, you should be aware that there may be additional or different tax consequences that may apply to you. We advise all Eligible Employees who may consider tendering their Eligible Options for exchange to consult with their own tax advisors with respect to the federal, state, local and foreign tax consequences of participating in the Exchange Offer.

See Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information regarding the tax aspects of the Exchange Offer.

Q20. Will I owe taxes if I do not participate in the Exchange Offer?

In general, your rejection of the Exchange Offer will not be a taxable event for U.S. federal income tax purposes.

See Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information.

Q21. What will happen to my Eligible Options if I participate in the Exchange Offer?

We will cancel all Eligible Options tendered by you and accepted by TCR² for exchange in the Exchange Offer.

Q22. Is it possible for my New RSUs to be or become underwater?

No. Since New RSUs do not have an exercise or purchase price, New RSUs will never become underwater, but the value of the New RSUs will change with fluctuations in our stock price.

Q23. What happens to Eligible Options that I choose not to tender or that are not accepted for exchange in the Exchange Offer?

Generally, there will be no impact to Eligible Options that you choose not to tender for exchange prior to the original Expiration Time. However, if (1) any of your Eligible Options is currently treated as an incentive stock

option (“**ISO**”), and (2) we extend the Exchange Offer beyond the original Expiration Time on November 16, 2022, and the Exchange Offer remains outstanding for more than 29 calendar days, then your Eligible Options may cease to be treated as ISOs, unless the fair market value of our common stock as of the Expiration Time is less than the exercise price currently in effect for your Eligible Options. However, in that event, your holding period under your Eligible Options (as further described below in the section called “**Taxation of Incentive Stock Options**”) will start over on the Expiration Time.

Q24. How long do I have to decide whether to participate in the Exchange Offer?

The Exchange Offer expires at 11:59 p.m., Eastern Time, on November 16, 2022 (or such later date as may apply if the Exchange Offer is extended). *We will not make any exceptions to this deadline.* However, although we do not currently intend to do so, we may, in our sole discretion, extend the expiration date of the Exchange Offer at any time. If we extend the Exchange Offer, we will publicly announce the extension and the new expiration date no later than 9:00 a.m., Eastern Time, on the next business day after the last previously scheduled or announced expiration date.

See Section 13 of the Offering Memorandum (“**Extension of Exchange Offer; Termination; Amendment**”) for more information.

Q25. How do I tender my Eligible Options for exchange?

If you are an Eligible Employee, you may tender your Eligible Options for exchange at any time before the Exchange Offer expires at 11:59 p.m., Eastern Time, on November 16, 2022 (or such later date as may apply if the Exchange Offer is extended). A link for your personalized Election Form has been sent to your TCR² email address.

To validly tender your Eligible Options, you must complete, sign and submit your Election Form Via DocuSign.

You do not need to return your stock option agreements relating to any tendered Eligible Options as they will be automatically cancelled effective as of the New RSU Grant Date if we accept your Eligible Options for exchange. We will separately provide to you the grant documents relating to your New RSUs through the Fidelity NetBenefits portal following the New RSU Grant Date.

Your Eligible Options will not be considered tendered until we receive your properly completed and signed Election Form. We must receive your properly completed and signed Election Form before 11:59 p.m., Eastern Time, on November 16, 2022 (or such later date as may apply if the Exchange Offer is extended). If you miss this deadline, you will not be permitted to participate in the Exchange Offer.

You are responsible for making sure that the Election Form is completed and submitted as indicated above. You must allow for sufficient time to complete and deliver your Election Form to ensure that we receive your Election Form before the Expiration Time.

We reserve the right to reject any or all tenders of Eligible Options that we determine are not in appropriate form or that we determine would be unlawful to accept. Further, we will not accept for exchange any options that are tendered that do not qualify as Eligible Options. If you tender an option that is not accepted for exchange, we will send you a separate email following the Expiration Time notifying you that your tendered option was not accepted for exchange.

Subject to our rights to extend, terminate and amend the Exchange Offer, we expect to accept all properly tendered Eligible Options on November 16, 2022 immediately following the Expiration Time.

See Section 3 of the Offering Memorandum (“**Procedures for Tendering Eligible Options**”) for more information.

Q26. Can I withdraw previously tendered Eligible Options?

Yes. You may withdraw your tendered Eligible Options at any time during the period the Exchange Offer remains open, and unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options that have not been accepted at any time after 11:59 p.m., Eastern Time, on November 16, 2022 and until 11:59 p.m., on December 15, 2022 (the “*Withdrawal Expiration Time*”).

To withdraw tendered Eligible Options, you must revoke your Election Form by delivering a properly completed and signed Notice of Withdrawal of Election Form (a “*Notice of Withdrawal*”) with the required information via email to AskHR@TCR2.com prior to the Withdrawal Expiration Time.

If you miss the deadline to withdraw but remain an Eligible Employee, any previously tendered Eligible Options will be exchanged pursuant to the Exchange Offer. You may change your mind as many times as you wish, but you will be bound by the last properly submitted Election Form or Notice of Withdrawal that we receive before the Withdrawal Expiration Time.

You are responsible for making sure that you properly submit a Notice of Withdrawal for any tendered Eligible Option that you wish to subsequently withdraw. You must allow sufficient time to complete, sign and deliver your Notice of Withdrawal to ensure that we receive it before the Withdrawal Expiration Time.

Once you have withdrawn Eligible Options, you may re-tender such Eligible Options by submitting a new Election Form and following the procedures for validly tendering Eligible Options in the Exchange Offer described in Question 25 above.

See Section 4 of the Offering Memorandum (“*Withdrawal Rights*”) for more information.

Q27. How will I know whether you have received my Election Form or my Notice of Withdrawal?

We will send you an email or other form of communication, as appropriate, to confirm receipt of your Election Form or Notice of Withdrawal, as applicable, shortly after we receive it. However, it is your responsibility to ensure that we receive your Election Form or Notice of Withdrawal, as applicable, prior to the Expiration Time, in the case of the Election Form, and prior to the Withdrawal Expiration Time, in the case of the Notice of Withdrawal.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q28. What will happen if I do not return my Election Form by the deadline?

If we do not receive an Election Form from you by the Expiration Time, then all of your Eligible Options will remain outstanding at their original exercise price and subject to their original terms. If you prefer not to tender any of your Eligible Options for exchange in the Exchange Offer, you do not need to do anything. However, if we extend the Exchange Offer beyond the original Expiration Time on November 16, 2022 and it remains outstanding for more than 29 calendar days, and you wish to avoid the possible impact on the ISO status of any of your Eligible Options, you must reject this Exchange Offer by completing and submitting the Election Form on or prior to 11:59 p.m. Eastern Time on November 16, 2022.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q29. What if I have any questions regarding the Exchange Offer?

You should direct questions about the Exchange Offer (including requests for additional or paper copies of the Exchange Offer and other Exchange Offer documents which we will promptly furnish to you at our expense) by email to AskHR@TCR2.com.

RISK FACTORS

Participation in the Exchange Offer involves a number of potential risks and uncertainties, including those described below. You should consider, among other things, these risks and uncertainties before deciding whether or not to request that we exchange your Eligible Options in the manner described in the Exchange Offer. You should carefully review the risk factors set forth below and those contained in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission (the “SEC”) on March 22, 2022, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, filed with the SEC on May 12, 2022, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed with the SEC on August 8, 2022, as well as the other information provided in the Exchange Offer and the other materials that we have filed with the SEC, before making a decision as to whether or not to tender your Eligible Options. See Section 15 of the Offering Memorandum (“**Additional Information**”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review these reports.

Risks Related to the Exchange Offer

The exchange ratio used in the Exchange Offer may not accurately reflect the value of your Eligible Options at the time of their exchange.

The calculation of the exchange ratio for the Eligible Options in the Exchange Offer is based on the Black-Scholes option pricing model and relies on numerous assumptions. If a different method or different assumptions are used, or if the exchange ratio is calculated as of a different date, the exchange ratio may vary from the exchange ratio in this Exchange Offer. The valuation method that we use for establishing the exchange ratio is designed to estimate a fair value of options as of the date the exchange ratio is calculated and is not a prediction of the future value that might be realized through Eligible Options or New RSUs.

You should be aware that option valuation is inherently difficult to estimate and imprecise. Although the Black-Scholes model is a standard and accepted model for determining the value of options, the utilization of different assumptions in the Black-Scholes option pricing model can produce significantly different results for the ultimate value of an option.

Moreover, even experts can disagree on the correct assumptions to use for any particular option valuation exercise. The assumptions we use for purposes of this Exchange Offer may not be the same as those used by others and, therefore, our valuation of the Eligible Options, the New RSUs and/or the exchange ratio may not be consistent with those obtained using other valuation techniques or input assumptions and may not reflect the actual value of these options.

Your cancelled Eligible Options may be worth more than the New RSUs that you receive in exchange.

Because you will receive fewer shares under the New RSUs than the number of shares outstanding under your Eligible Options, it is possible that, at some point in the future, due to increases in our stock price, those Eligible Options would have been more economically valuable than the New RSUs granted pursuant to the Exchange Offer.

Whether you will be in a better position if you surrender your Eligible Options for New RSUs instead of retaining your Eligible Options depends on many factors, including the number of Eligible Options you hold, the number of New RSUs that you would receive in exchange for your Eligible Options, the exercise price of your Eligible Options, the value of our common stock in the future, how long you remain employed by TCR² and the expiration date of your Eligible Options. We encourage you to consult with your financial, tax, legal and other advisors when determining whether to participate in the Exchange Offer.

If your service with TCR² terminates before your New RSUs vest, you will not be able to receive value for your unvested New RSUs, but you may have been able to receive value for the Eligible Options you exchanged for the New RSUs.

The New RSUs will be subject to a new vesting schedule that differs from the vesting schedules of the Eligible Options that you exchange. The New RSUs will vest in up to four annual installments beginning on December 1, 2022, subject to your continuous service with TCR² through the applicable vesting date and other relevant terms and conditions of the 2018 Plan and therefore, none of the New RSUs will be vested on the New RSU Grant Date even if your Eligible Options are fully or partially vested. Accordingly, if your service with TCR² terminates after you exchange your Eligible Options for New RSUs, you may not be able to realize as much value from your New RSUs as you could have realized from the Eligible Options you exchanged. For example, if you do not exchange your vested Eligible Options for New RSUs, and your service with TCR² terminates, if our stock price increases above the exercise price per share of your vested Eligible Options, you would still be able to exercise and sell the underlying shares of common stock for these vested Eligible Options at a gain. However, if you exchange your vested Eligible Options for New RSUs, and your service with TCR² terminates after you receive New RSUs but before such New RSUs have vested, you will receive no value from being granted the New RSUs.

You may incur additional taxes in connection with the New RSUs for U.S. tax purposes.

For more detailed information regarding the tax treatment of stock options, see Section 12 of the Offering Memorandum (“***Material United States Tax Consequences***”).

The offer currently is expected to remain open for less than 30 days. However, if we extend the offer so that it remains open for 30 or more days, U.S. employees will be required to restart the measurement periods necessary to qualify incentive stock options for favorable tax treatment, even if they choose not to exchange the options in the offer.

Generally, your incentive stock option qualifies for favorable tax treatment if you hold the option for more than two years after the grant date and for more than one year after the date of exercise. We do not expect that the Exchange Offer will affect the eligibility of any incentive stock options that are not tendered for exchange for favorable tax treatment under U.S. tax laws. Thus, if you do not tender your Eligible Option, the holding periods will continue to be measured from your original grant date.

However, if the Exchange Offer period lasts for 30 days or more, then any Eligible Options that are incentive stock options that you have not exchanged may be deemed modified, and the holding period for such options will restart. As a result, in order to qualify for favorable tax treatment, you would not be able to sell or otherwise dispose of any shares received upon exercise of such options until more than two years from the date this offer commenced, and more than one year after the date you exercise such options, whichever date is later.

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUS

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OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUS

Section 1. Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer.

TCR² Therapeutics Inc. (“**TCR²**,” “**we**,” “**us**” or “**our**”) is offering Eligible Employees the opportunity to exchange certain outstanding stock options for new restricted stock units. As described in this Section 1 of this Offering Memorandum—Offer to Exchange Eligible Options for New RSUs (this “**Offering Memorandum**”), Eligible Options that are validly tendered prior to the Expiration Time will be exchanged for New RSUs in exchange for an Eligible Employee’s agreement to accept the New RSUs. Each capitalized term that is used in this paragraph without being defined has the meaning set forth below.

We are making the offer on the terms and subject to the conditions described in this Offering Memorandum, as they may be amended from time to time, and these terms and conditions constitute the “**Exchange Offer**.” The Exchange Offer is not conditioned on the acceptance of the Exchange Offer by a minimum number of optionholders or the tender of elections to exchange options covering a minimum number of shares.

Eligible Employees

All Eligible Employees who, as of the date the Exchange Offer commences and as of the Expiration Time, hold Eligible Options, may participate in the Exchange Offer. To be an “**Eligible Employee**,” you must be a current employee of TCR², and must not have submitted a notice of resignation or termination or received a notice of termination, as of the date the Exchange Offer commences and at any time prior to the Expiration Time.

You will not be eligible to tender Eligible Options for exchange in the Exchange Offer if you cease to be an Eligible Employee for any reason prior to or as of the Expiration Time, including due to your voluntary resignation, retirement, involuntary termination, layoff or death. An individual who is on an authorized leave of absence (excluding garden leave) and is otherwise an Eligible Employee on the Expiration Date will be eligible to tender Eligible Options in the Exchange Offer. A leave of absence is considered “authorized” if it was approved in accordance with TCR²’s policies.

Your employment with TCR² will remain at will, regardless of your participation in the Exchange Offer, and can be terminated by you or TCR² at any time. Nothing in the Exchange Offer should be construed to confer upon you the right to remain employed by or otherwise in a service relationship with TCR². The terms of your employment or consulting relationship with TCR² remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain employed by or in a service relationship with TCR² until the grant date for the New RSUs or any vesting date of your New RSUs in the future.

Non-employees, including non-employees who are members of our Board of Directors (our “**Board**”), are not eligible to participate in the Exchange Offer.

Eligible Options

An “**Eligible Option**” is an outstanding option that:

- is held by an Eligible Employee;
- is outstanding as of the Expiration Time;
- has an exercise price per share greater than or equal to \$10.00; and
- was granted under our 2018 Plan.

The Proposed Exchange

If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you new restricted stock units (each, a “**New RSU**”) with the following terms (collectively, the “**New RSU Terms**”):

- Each New RSU will not have an exercise price per share. Each New RSU will represent your right to receive one share of our common stock for each New RSU that vests in the future.
- The number of your New RSUs will be determined using an exchange ratio that takes into account the fair value of your tendered Eligible Option. The chart below sets forth the applicable exchange ratios, which are further discussed below.

Eligible Option Exercise Price Range	Exchange Ratio (Surrendered Eligible Options: New RSUs)*
\$10.00-18.00	3 to 1
\$18.01-\$25.00	4.5 to 1
\$25.01 and above	5.5 to 1

* Rounded up to the nearest share.

- Your New RSUs will be granted under the 2018 Plan.
- Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become exercisable. Your New RSUs will vest in up to four annual installments beginning on December 1, 2022, subject to your continuous service with TCR² through the applicable vesting date and other relevant terms and conditions of the 2018 Plan.

You are not required to participate in the Exchange Offer. If you hold more than one option grant that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of the shares underlying any selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by TCR² for exchange will be cancelled and your New RSUs will be granted effective on a date on or promptly following the Expiration Time (such date, the “**New RSU Grant Date**”).

Expiration and Extension of the Exchange Offer

The Exchange Offer is scheduled to expire at 11:59 p.m., Eastern Time, on November 16, 2022, unless we, in our sole discretion, extend the expiration date of the Exchange Offer (such time and date referred to herein as the “**Expiration Time**”). See Section 13 (“**Extension of Exchange Offer; Termination; Amendment**”) for a description of our rights to extend, terminate and amend the Exchange Offer.

If you do not elect to tender your Eligible Options before the Expiration Time, such Eligible Options will remain subject to their current terms, including the current exercise prices and vesting schedules.

Section 2. Purpose of the Exchange Offer; Additional Considerations.

We believe that the Exchange Offer is in the best interests of our stockholders and an important component of our strategy to maintain an equity compensation program that effectively motivates and retains our employees (including our executive officers). Competition for many of these employees, particularly in the biopharmaceutical industry, is intense and many companies use stock options as a means of attracting, motivating, and retaining their employees. Stock options historically constituted a key part of our hiring, incentive, and retention programs because our Board believes that equity compensation encourages employees to act like owners of the business, motivating them to work toward our success and rewarding their contributions by

allowing them to benefit from increases in the value of our common stock. When the compensation committee of our Board (the “*Compensation Committee*”) approves the grant of a stock option, it establishes the exercise price that the employee must pay to purchase shares of our common stock when the option is exercised. The per share exercise price is set at the closing price of a share of our common stock as reported by Nasdaq on the date the option is granted. Thus, an employee receives value only if the employee exercises an option and sells the purchased shares at a price that exceeds the stock option’s exercise price.

In recent years, the market price of our common stock has been subject to significant fluctuations. Many of our employees now hold stock options with exercise prices significantly higher than the current market price of our common stock. On October 18, 2022, the closing price of our common stock on The Nasdaq Select Market (“*Nasdaq*”) was \$1.57 per share and the weighted average exercise price of Eligible Options was \$19.27. Consequently, as of October 18, 2022, there were 2,574,615 outstanding shares underlying Eligible Options. Although we continue to believe that stock options are an important component of our employees’ total compensation, many of our employees view their existing options as having little or no value due to the difference between the exercise prices and the current market price of our common stock. As a result, for many employees, these options are ineffective at providing the incentives and retention value that our Board believes are necessary to motivate our employees to achieve our strategic, operational and financial goals. We believe that to enhance long-term stockholder value we need to maintain competitive employee incentive and retention programs. An equity stake in the success of our company is a critical component of these programs. We believe that it is essential to continue to retain and motivate our employees, and that the inherent value of the new RSUs and extended vesting periods of the RSUs may be more effective in retaining and incentivizing employees than the existing underwater options.

We have decided that executive officers should be eligible to participate in the Exchange Offer, as they currently hold approximately 72% of outstanding Eligible Options. As such, if we were to exclude them, we may not fully achieve the intentions of the program with respect to retention and dilution. In addition, during this critical time for the Company, we need to keep our executive officers incentivized in order to maintain continuity and to increase the likelihood of achieving significant milestones that would bring value to the Company and our stockholders.

Our Compensation Committee considered alternatives to the Exchange Offer to provide meaningful performance and retention incentive to our employees. After careful consideration, our Compensation Committee determined that, compared to certain other alternatives, the Exchange Offer provides better performance and retention incentives and approved the final structure of the option exchange program.

Subject to the foregoing and except as otherwise disclosed in the Exchange Offer or in our filings with the Securities and Exchange Commission (the “*SEC*”), we currently have no plans, proposals or negotiations that relate to or would result in:

- any extraordinary corporate transaction, such as a material merger, reorganization or liquidation, involving TCR²;
- any purchase, sale or transfer of a material amount of our assets;
- any material change in our present dividend policy or our indebtedness or capitalization;
- any material change in our Board or executive management team, including any plans to change the number or term of our directors or to change the material terms of any executive officer’s employment;
- any other material change in our corporate structure or business;
- our common stock not being traded on a national securities exchange;
- our common stock becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”);

- the suspension of our obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- the acquisition by any person of any of our securities or the disposition of any of our securities, other than in the ordinary course of business or pursuant to existing agreements, options or other rights; or
- any change in our certificate of incorporation or bylaws, or any actions that may impede the acquisition of control of us by any person.

WE DO NOT MAKE ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU SHOULD EVALUATE CAREFULLY ALL OF THE INFORMATION IN THE EXCHANGE OFFER AND CONSULT YOUR OWN FINANCIAL AND TAX ADVISORS. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR ELIGIBLE OPTIONS FOR EXCHANGE.

Section 3. Procedures for Tendering Eligible Options.

If you wish to tender your Eligible Options for exchange, you must complete and submit your Election Form via DocuSign before the Expiration Time.

Except as described in the following sentence, the Election Form must be signed by the Eligible Employee who holds the Eligible Options to be tendered using the same name for such Eligible Employee as appears on the applicable stock option agreement. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer's full title and proper evidence of the authority of such person to act in such capacity must be identified on the Election Form.

Your Eligible Options will not be considered tendered until we receive the properly completed and signed Election Form. We must receive your properly completed and signed Election Form before the Expiration Time. If you miss this deadline or submit an Election Form that is not properly completed as of the deadline, you will not be permitted to participate in the Exchange Offer.

You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled in exchange for New RSUs if we accept your Eligible Options for exchange.

Determination of Validity; Rejection of Eligible Options; Waiver of Defects; No Obligation to Give Notice of Defects.

To validly tender your Eligible Options pursuant to the Exchange Offer, you must remain an Eligible Employee and must not have given a notice of resignation or termination, must not have received a notice of termination and your employment or service relationship with us must not have terminated for any other reason, including due to your voluntary resignation, retirement, involuntary termination, layoff or death, as of the date the Exchange Offer commences and at any time prior to the Expiration Time.

If you hold multiple option grants that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be able to elect to tender as few or as many of your Eligible Option grants as you wish. However, if you elect to tender an Eligible Option for exchange, you must tender the entire outstanding (i.e., unexercised) portion of that Eligible Option. If you attempt to tender a portion but not all of an outstanding Eligible Option grant, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Options that you have properly tendered for exchange.

We will determine all questions as to form of documents and the validity, eligibility, time of receipt and acceptance of any tender of Eligible Options. Neither TCR² nor any other person is obligated to give notice of any defects or irregularities in tenders. No tender of Eligible Options will be deemed to have been properly made until all defects or irregularities have been cured by the tendering Eligible Employee or waived by TCR². Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding on all parties.

The Exchange Offer is a one-time offer, and we will strictly enforce the offer period, subject only to any extension of the Expiration Time that we may grant in our sole discretion. Subject to Rule 13e-4 under the Exchange Act, we also reserve the right to waive any of the conditions of the Exchange Offer or any defect or irregularity in any tender with respect to any particular Eligible Option or any particular Eligible Employee.

Our Acceptance Constitutes an Agreement.

Your tender of Eligible Options pursuant to the procedures described above constitutes your acceptance of the terms and conditions of the Exchange Offer and will be controlling, absolute and final, subject to your withdrawal rights under Section 4 (“**Withdrawal Rights**”) and our acceptance of your tendered Eligible Options in accordance with Section 5 (“**Acceptance of Eligible Options for Exchange; Grant of New RSUs**”). Our acceptance for exchange of Eligible Options that you tender pursuant to the Exchange Offer will constitute a binding agreement between TCR² and you upon the terms and subject to the conditions of the Exchange Offer.

Subject to our rights to terminate and amend the Exchange Offer in accordance with Section 6 (“**Conditions of the Exchange Offer**”), and as described in Section 1 of this Offering Memorandum, on the New RSU Grant Date, we expect to accept for exchange all properly tendered Eligible Options that have not been validly withdrawn by the Expiration Time, and we expect to cancel the Eligible Options that we accept in exchange for the grant of New RSUs with the New RSU Terms. We expect the New RSU Grant Date to occur the day after the Expiration Time. If the Expiration Time is extended, then the New RSU Grant Date will be similarly extended.

Section 4. Withdrawal Rights.

If you elect to accept the Exchange Offer with respect to some or all of your Eligible Options and later change your mind, you may withdraw any tendered Eligible Options by following the procedure described in this Section 4. Just as you may not tender only part of an Eligible Option grant, you also may not withdraw your election with respect to only a portion of an Eligible Option grant. If you elect to withdraw a previously tendered Eligible Option grant, you must withdraw the entire Eligible Option, but you are not required to withdraw any other tendered Eligible Options.

We will permit any Eligible Options tendered in the Exchange Offer to be withdrawn at any time during the period the Exchange Offer remains open, and unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options that have not been accepted at any time after 11:59 p.m., Eastern Time, on November 16, 2022 and until 11:59 p.m., on December 15, 2022. Please note that, upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time.

To validly withdraw tendered Eligible Options, you must deliver to us (using the same delivery method described in Section 3) a properly completed and signed Notice of Withdrawal prior to the Withdrawal Expiration Time. Your tendered Eligible Options will not be considered withdrawn until we receive your properly completed and signed Notice of Withdrawal. If you miss the deadline for withdrawal but remain an Eligible Employee, we will exchange any previously tendered Eligible Options pursuant to the Exchange Offer and your previously submitted Election Form.

You are responsible for making sure that, if you wish to withdraw tendered Eligible Options, the Notice of Withdrawal is delivered as indicated in Section 3 above. The Notice of Withdrawal must specify the Eligible

Options to be withdrawn. Except as described in the following sentence, the Notice of Withdrawal must be signed by the Eligible Employee who holds the Eligible Options to be tendered using the same name for such Eligible Employee as appears on the applicable stock option agreement and the previously submitted Election Form. If the signature is by an attorney-in-fact, another person acting in a fiduciary or representative capacity or a person whose name has changed since receiving the Eligible Option, the signer's full title and proper evidence of the authority of such person to act in such capacity must be identified on the Notice of Withdrawal and, in the case of a name change, evidence of such person's name change must be provided. We have filed a form of the Notice of Withdrawal as an exhibit to the Tender Offer Statement on Schedule TO filed by TCR² with the SEC on October 19, 2022 (the "**Schedule TO**"). We will deliver a copy of the Notice of Withdrawal form to all Eligible Employees.

You may not rescind any withdrawal, and any Eligible Options you withdraw will thereafter be deemed not properly tendered for purposes of the Exchange Offer unless you properly re-tender those Eligible Options before the Expiration Time by following the procedures described in Section 3 of this Offering Memorandum.

Neither we nor any other person is obligated to give notice of any defects or irregularities in any Notice of Withdrawal, nor will anyone incur any liability for failing to give notice of any defects or irregularities. We will determine all questions as to the form and validity, including time of receipt, of Notices of Withdrawal. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determinations of these matters will be final and binding.

Section 5. Acceptance of Eligible Options for Exchange; Grant of New RSUs.

Upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn (i) by the Expiration Time, unless extended, or (ii) as by 11:59 p.m., on December 15, 2022, if we have not accepted such Eligible Options by such time. On the New RSU Grant Date, we expect to cancel the Eligible Options we have accepted in exchange for the grant of the New RSUs with the New RSU Terms. If the Expiration Time is extended, then the New RSU Grant Date will be similarly extended.

Even if any Eligible Option that you tender for exchange is partially vested as of the Expiration Time, you will receive a New RSU that will vest in up to four annual installments beginning on December 1, 2022, subject to your continued service.

Promptly after we grant the New RSUs, we will send each tendering Eligible Employee a confirmation email with respect to the Eligible Options that we have accepted for exchange. In addition, we will separately provide to each tendering Eligible Employee via the Fidelity NetBenefits portal the stock option documentation relating to the Eligible Employee's New RSUs. We have filed a form of such confirmation email as an exhibit to the Schedule TO.

If you have tendered Eligible Options under the Exchange Offer and your employment terminates for any reason, or if you submit a notice of resignation or termination or receive a notice of termination, before the Expiration Time, you will no longer be eligible to participate in the Exchange Offer, and we will not accept your Eligible Options for exchange. In that case, you may be able to exercise your existing vested Eligible Options for a limited time after your termination date in accordance with and subject to their terms.

Section 6. Conditions of the Exchange Offer.

Notwithstanding any other provision of the Exchange Offer, we will not be required to accept any Eligible Options tendered for exchange, and we may terminate or amend the Exchange Offer, in each case subject to Rule 13e-4(f)(5) under the Exchange Act, if at any time on or after the date hereof and prior to the Expiration Time,

any of the following events has occurred, or if we have determined, in our reasonable judgment, that any of the following events has occurred:

- there shall have been threatened or instituted any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or other person, domestic or foreign, before any court, authority, agency or tribunal that (i) directly or indirectly challenges the making of the Exchange Offer or the exchange of some or all of the Eligible Options tendered for exchange, (ii) otherwise relates in any manner to the Exchange Offer, or (iii) in our reasonable judgment, could materially affect our business, condition (financial or other), assets, income, operations, prospects or stock ownership;
- there shall have been threatened, instituted or taken any action, or any approval, exemption or consent shall have been withheld, or any statute, rule, regulation, judgment, order or injunction shall have been proposed, sought, promulgated, enacted, entered, amended, interpreted, enforced or deemed to be applicable to the Exchange Offer or TCR², by or from any court or any regulatory or administrative authority, agency or tribunal that, in our reasonable judgment, would directly or indirectly make it illegal for us to accept some or all of the tendered Eligible Options for exchange, otherwise restrict or prohibit consummation of the Exchange Offer or otherwise relate in any manner to the Exchange Offer; delay or restrict our ability, or render us unable, to accept the tendered Eligible Options for exchange; or impair the contemplated benefits of the Exchange Offer to TCR²;
- there will have occurred: any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or automated quotation system or in the over-the-counter market; the declaration of a banking moratorium or any suspension of payments with respect to banks in the United States; any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, might affect the extension of credit to us by banks or other lending institutions in the United States; in our reasonable judgment, any extraordinary or material adverse change in United States financial markets generally, including a decline of at least 10% in either the Dow Jones Industrial Average or the Standard & Poor's 500 Index from the date of commencement of the Exchange Offer; the commencement or escalation of a war or other national or international calamity directly or indirectly involving the United States, which could reasonably be expected to affect materially or adversely, or to delay materially, the completion of the Exchange Offer; or any of the situations described above which existed at the time of commencement of the Exchange Offer, where such situation, in our reasonable judgment, deteriorates materially after commencement of the Exchange Offer;
- a tender or exchange offer (other than the Exchange Offer) with respect to some or all of our capital stock, or a merger or acquisition proposal for TCR², shall have been proposed, announced or publicly disclosed or we shall have learned that any person, entity or group (where "group" has the meaning given within Section 13(d)(3) of the Exchange Act) has acquired more than 5% of our outstanding common stock, other than a person, entity or group that had publicly disclosed such ownership with the SEC prior to the date of commencement of the Exchange Offer; any such person, entity or group that had publicly disclosed such ownership prior to such date has acquired additional common stock constituting more than 1% of our outstanding shares; or any new group has been formed that beneficially owns more than 5% of our outstanding common stock that, in our judgment in any such case, and regardless of the circumstances, makes it inadvisable to proceed with the Exchange Offer or with such acceptance of Eligible Options for exchange;
- any change, development, clarification or position taken in generally accepted accounting principles that could or would require us to record for financial reporting purposes compensation expense against our earnings in connection with the Exchange Offer, other than as contemplated as of the commencement date of this Exchange Offer (as described in Section 10 of this Offering Memorandum, "Accounting Consequences of this Exchange Offer");
- any change occurs in our business, financial condition, assets, income, operations, prospects or stock ownership that, in our reasonable judgment, is or may be material to TCR²;

- any event or events occur that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to TCR² (see Section 2 of this Offering Memorandum, “**Purpose of the Exchange Offer; Additional Consideration,**” for a description of the contemplated benefits of the Exchange Offer to TCR²); and
- any rules or regulations by any governmental authority, Nasdaq, or other regulatory or administrative authority or any national securities exchange have been enacted, enforced, or deemed applicable to us that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to TCR² (see Section 2 of this Offering Memorandum, “**Purpose of the Exchange Offer; Additional Consideration,**” for a description of the contemplated benefits of the Exchange Offer to TCR²).

The conditions to the Exchange Offer are for TCR²'s benefit. We may assert them prior to the Expiration Time regardless of the circumstances giving rise to them (other than circumstances caused by our action or inaction). We may waive the conditions, in whole or in part, at any time and from time to time prior to our acceptance of your tendered Eligible Options for exchange, whether or not we waive any other condition to the Exchange Offer. Subject to any order or decision by a court or arbitrator of competent jurisdiction, any determination we make concerning the events described in this Section 6 will be final and binding upon all persons.

Section 7. Price Range of Our Common Stock.

The Eligible Options give Eligible Employees the right to acquire shares of our common stock. None of the Eligible Options are traded on any trading market. Our common stock trades on Nasdaq under the symbol “TCRR.”

The following table sets forth the high and low per share sales prices of our common stock on Nasdaq during the periods indicated.

	High	Low
Year Ending December 31, 2022		
First quarter	\$ 4.87	\$ 2.36
Second quarter	\$ 3.15	\$ 2.06
Third quarter	\$ 3.88	\$ 1.60
Year Ending December 31, 2021		
First quarter	\$35.10	\$19.39
Second quarter	\$25.22	\$16.19
Third quarter	\$19.03	\$ 8.34
Fourth quarter	\$ 8.82	\$ 4.52
Year Ending December 31, 2020		
First quarter	\$16.57	\$ 5.84
Second quarter	\$18.00	\$ 6.40
Third quarter	\$20.94	\$12.95
Fourth quarter	\$35.86	\$18.40

As of October 18, 2022, we had 14 stockholders of record, and 38,657,061 shares of our common stock were issued and outstanding. Because brokers and other institutions hold many of our shares on behalf of stockholders, we are unable to estimate the total number of beneficial stockholders represented by these record holders. On October 18, 2022, the closing price for our common stock as reported on Nasdaq was \$1.57 per share. We recommend that you obtain current market quotations for our common stock before deciding whether or not to

tender your Eligible Options for exchange. The price of our common stock has been, and in the future may be, volatile and could decline. The trading price of our common stock has fluctuated in the past and is expected to continue to do so in the future as a result of a number of factors, many of which are outside our control. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies and that have often been unrelated or disproportionate to the operating performance of those companies.

Section 8. Information Concerning TCR²; Financial Information.

Information Concerning TCR².

We are a clinical-stage cell therapy company developing a pipeline of novel T cell therapies for cancer patients suffering from solid tumors by powering the T cell receptor (TCR) with our proprietary, first-in-class TCR Fusion Construct T cells (TRuC-T cells). Designed to overcome the limitations of current cell therapy modalities, our TRuC-T cells specifically recognize and kill cancer cells by harnessing the entire TCR signaling complex, independent of human leukocyte antigens, which we believe is essential for T cell therapies to be effective in patients with solid tumors.

We were incorporated in Delaware in 2015.

Our principal executive offices are located at 100 Binney Street, Suite 710, Cambridge, MA 02142, and our telephone number is (617) 949-5200. Our website address is www.tcr2.com. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Exchange Offer.

Financial Information.

A summary of certain financial information is attached as Schedule A to this Offering Memorandum and should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K (File No. 001-38811) for the year ended December 31, 2021, filed with the SEC on March 22, 2021, our Quarterly Report on Form 10-Q (File No. 001-38811) for the quarter ended March 31, 2022, filed with the SEC on May 12, 2022 and our Quarterly Report on Form 10-Q (File No. 001-38811) for the quarter ended June 30, 2022, filed with the SEC on August 8, 2022 (the “**Quarterly Reports**”), which are incorporated herein by reference. The book value per share of our common stock as of June 30, 2022 was \$5.86 per share.

Additional Information.

For more information about TCR², please refer to our Annual Report, our Quarterly Reports and our other filings made with the SEC. We recommend that you review the materials that we have filed with the SEC before making a decision on whether or not to tender your Eligible Options. We will also provide without charge to you, upon your written or oral request, a copy of any or all of the documents to which we have referred you. See Section 15 (“**Additional Information**”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review such reports.

Section 9. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities.

Our executive officers are eligible to participate in the Exchange Offer on the same terms as all other Eligible Employees. Accordingly, our executive officers listed below are Eligible Employees and they hold Eligible Options.

Name	Title	Shares Underlying All Eligible
		Options
Garry E. Menzel	President, Chief Executive Officer and Director	899,106
Angela Justice	Chief People Officer	271,915
Peter Olagunju	Chief Technical Officer	286,367
Alfonso Quintás Cardama	Chief Medical Officer	384,402

Non-employee members of our Board are not Eligible Employees and do not hold any Eligible Options. Accordingly, they are not eligible to participate in the Exchange Offer.

Other than outstanding stock option and other equity awards granted to our directors, executive officers and other employees and consultants pursuant to our various equity incentive plans, which are described in the notes to our financial statements as set forth in our Annual Report and Quarterly Reports, neither TCR² nor, to our knowledge, any of our executive officers or directors, any person controlling TCR² or any executive officer or director of such control person is a party to any agreement, arrangement or understanding with respect to any of our securities, including any agreement, arrangement or understanding concerning the transfer or the voting of any of our securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

During the 60-day period prior to the date of this Offering Memorandum, we have not granted any options that are Eligible Options, and no Eligible Options have been exercised. During such 60-day period, neither we, nor, to the best of our knowledge, any member of our Board or any of our executive officers, nor any of our affiliates, has engaged in any transaction involving the Eligible Options.

Section 10. Accounting Consequences of the Exchange Offer.

We follow the provisions of the Financial Accounting Standard Board's *Accounting Standards Update 2014-12, Compensation—Stock Compensation (Topic 718)* ("**ASC Topic 718**") regarding accounting for share-based payments. Under ASC Topic 718, we will recognize compensation cost equal to the grant date fair value of the tendered Eligible Options plus the incremental compensation cost of the New RSUs. The incremental compensation expense associated with the Option Exchange will be measured as the excess, if any, of the fair value of each award of New RSUs granted to participants in the Option Exchange, measured as of the date the New RSUs are granted, over the fair value of the Eligible Options cancelled in exchange for the New RSUs, measured immediately prior to the cancellation. As the fair value will be determined at a later date, the impact of the incremental compensation expense is undeterminable. We will recognize any such incremental compensation expense immediately.

The amount of incremental compensation cost will depend on a number of factors, including the level of participation in the Exchange Offer and the exercise price per share of Eligible Options, as applicable, exchanged in the Exchange Offer. Since these factors cannot be predicted with any certainty as of the date of this Offering Memorandum and will not be known until the Expiration Time, we cannot predict the exact amount of the charge (if any) that will result from the Exchange Offer.

Section 11. Legal Matters; Regulatory Approvals.

The Exchange Offer is required to comply with the SEC's rules and regulations, including the requirements of Schedule TO. We are not aware of any material pending or threatened legal actions or proceedings relating to the Exchange Offer. We are not aware of any margin requirements or anti-trust laws applicable to the Exchange Offer. We are not aware of any license or regulatory permit that appears to be material to our business that might

be adversely affected by our acceptance of Eligible Options for exchange and grant of New RSUs as contemplated by the Exchange Offer, or of any regulatory requirements that we must comply with or approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the completion of the Exchange Offer as contemplated herein. Should any such compliance or approval or other action be required, we currently contemplate that we will use commercially reasonable efforts to comply with such requirements or seek such approval or take such other action. We cannot assure you that any such compliance or approval or other action, if needed, would be achieved or obtained or would be achieved or obtained without substantial conditions or that the failure to achieve such compliance or obtain any such approval or other action would not adversely affect our business. Our obligation under the Exchange Offer to accept tendered Eligible Options for exchange and to grant New RSUs with the New RSU Terms would be subject to achieving such compliance or obtaining any such governmental approval or other action.

Section 12. Material United States Tax Consequences.

The following is a summary of the anticipated material United States federal income tax consequences of the Exchange Offer. This tax summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to apply in all respects to all categories of Eligible Employees. The tax consequences for individuals who are subject to the tax laws of a country other than the United States or of more than one country may differ from the United States federal income tax consequences summarized herein. The rules governing the tax treatment of stock options are complex. ***You should consult with your tax advisor to determine the personal tax consequences to you of rejecting or participating in the Exchange Offer.***

Tax Effects of Rejecting the Offer

In general, your rejection of the Exchange Offer will not be a taxable event for United States federal income tax purposes. However, if (1) any of your Eligible Options are currently treated as ISOs and (2) the Exchange Offer remains outstanding for more than 29 days (that is, if we extend the Exchange Offer beyond the original Expiration Time on November 16, 2022), your Eligible Options may cease to be treated as ISOs as of the Expiration Time on November 16, 2022 unless the fair market value of our common stock as of the Expiration Time is less than the exercise price currently in effect for your Eligible Options. However, in that event, your 2-Year Holding Period (as defined below) under your Eligible Options (as further described below in the section called "Taxation of Incentive Stock Options") will start over on the Expiration Time.

Tax Effects of Accepting the Offer

Neither your acceptance of the Exchange Offer nor the exchange of your Eligible Options will be a taxable event for United States federal income tax purposes. You will not recognize any income, gain or loss as a result of the exchange and cancellation of your Eligible Options for New RSUs for United States federal income tax purposes.

Taxation of Incentive Stock Options

The following summarizes the general tax treatment relating to the grant and exercise of ISOs and the subsequent sale of shares acquired upon exercise of an ISO. Generally, an optionholder will not recognize any income, gain or loss on the granting of an ISO. Upon the exercise of an ISO, an optionholder is typically not subject to United States federal income tax except for the possible imposition of alternative minimum tax. Rather, the optionholder is taxed for United States federal income tax purposes at the time he or she disposes of the stock subject to the option.

Following the exercise of an ISO, if the date upon which the optionholder disposes of the stock subject to an ISO is more than two years from the date on which the ISO was granted (the "**2-Year Holding Period**") and more than one year from the date on which the optionholder exercised the option (the "**1-Year Holding Period**"), then the optionholder's entire gain or loss is characterized as long-term capital gain or loss, rather than as ordinary

income. However, if the optionholder fails to satisfy both the 2-Year Holding Period and the 1-Year Holding Period, then a portion of the optionholder's profit from the sale of the stock subject to the ISO will be characterized as ordinary income and a portion may be short-term capital gain if the 1-Year Holding Period has not been satisfied. The portion of the profit that is characterized as ordinary income will be equal to the lesser of (a) the excess of the fair market value of the stock on the date of exercise over the exercise price of the option and (b) the excess of the sales price over the exercise price of the option. This deferral of the recognition of tax until the time of sale of the stock, as well as the possible treatment of the "spread" as long-term capital gain, are the principal advantages of your options being treated as ISOs.

If you tender your Eligible Options for exchange in the Exchange Offer, your New RSUs will be subject to different tax treatment, as described below.

Taxation of Non-Qualified Stock Options ("NSOs")

The following summarizes the general tax treatment relating to the grant and exercise of NSOs and the subsequent sale of shares acquired upon exercise of an NSO. Generally, an optionholder will not recognize any income, gain or loss on the granting of an NSO. Upon the exercise of an NSO, an optionholder will recognize ordinary income on each purchased share equal to the difference between the fair market value of the stock on the date of exercise and the exercise price of the NSO.

Following the exercise of an NSO, if and when an optionholder sells the stock purchased upon the exercise of an NSO, any additional increase or decrease in the fair market value on the date of sale, as compared to the fair market value on the date of exercise, will be treated as a capital gain or loss. If the optionholder has held those shares for more than one year from the date of exercise, such gain or loss will be a long-term capital gain or loss. If the optionholder has held those shares for not more than one year from the date of exercise, such gain or loss will be a short-term capital gain or loss.

Taxation of Restricted Stock Units

Generally, an individual will not recognize any income, gain or loss on the granting of an RSU. Upon the vesting of an RSU and the issuance of the vested RSU shares, an individual will recognize ordinary income on each issued share equal to the fair market value of the shares on the date of issuance.

If and when an individual sells the stock issued upon the vesting of an RSU, any additional increase or decrease in the fair market value on the date of sale, as compared to the fair market value on the date of issuance, will be treated as a capital gain or loss. If the individual has held those shares for more than one year from the date of issuance, such gain or loss will be a long-term capital gain or loss. If the individual has held those shares for not more than one year from the date of issuance, such gain or loss will be a short-term capital gain or loss.

Withholding

We will withhold all required local, state, federal and other taxes and any other amount required to be withheld by any governmental authority or law with respect to ordinary compensation income recognized with respect to the exercise of a stock option or the issuance of vested RSU shares by an Eligible Employee. We will satisfy all tax withholdings obligations through the sale of shares as permitted under the 2018 Plan.

Section 13. Extension of the Exchange Offer; Termination; Amendment.

We may decide to extend the period of time during which the Exchange Offer is open and delay accepting any Eligible Options tendered to us by disseminating notice of the extension to Eligible Employees by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by Rule 13e-4(e)(3) under the Exchange Act. If the Exchange Offer is extended, we will provide appropriate notice of the extension and the new Expiration Time no later than 9:00 a.m. Eastern Time on the next business day.

following the previously scheduled Expiration Time. For purposes of the Exchange Offer, a “business day” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:00 a.m. through 11:59 p.m., Eastern Time.

We also expressly reserve the right, in our reasonable judgment, prior to the Expiration Time, to terminate or amend the Exchange Offer upon the occurrence of any of the conditions specified in Section 6 (“*Conditions of the Exchange Offer*”), by disseminating notice of such termination or amendment to Eligible Employees by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by applicable law.

Subject to compliance with applicable law, we further reserve the right, in our discretion, and regardless of whether any event set forth in Section 6 (“*Conditions of the Exchange Offer*”) has occurred or we deem any such event to have occurred, to amend the Exchange Offer in any respect prior to the Expiration Time. We will promptly disseminate any notice of such amendment required pursuant to the Exchange Offer or applicable law to Eligible Employees in a manner reasonably designed to inform Eligible Employees of such change and will file such notice with the SEC as an amendment to the Schedule TO.

If we materially change the terms of the Exchange Offer or the information concerning the Exchange Offer, or if we waive a material condition of the Exchange Offer, we will extend the Exchange Offer to the extent required by Rules 13e-4(d)(2) and 13e-3 under the Exchange Act. Under these rules, the minimum period during which a tender or Exchange Offer must remain open following material changes in the terms of or information concerning a tender or Exchange Offer, other than a change in price or a change in percentage of securities sought, will depend on the facts and circumstances, including the relative materiality of such terms or information.

In addition, we will publicly notify or otherwise inform Eligible Employees in writing if we decide to take any of the following actions and will keep the Exchange Offer open for at least 10 business days after the date of such notification:

- we increase or decrease the amount of consideration offered for the Eligible Options; or
- we increase or decrease the number of Eligible Options that may be tendered in the Exchange Offer.

Section 14. Consideration; Fees and Expenses.

Each Eligible Employee who properly tenders an Eligible Option to be exchanged and accepted by TCR² pursuant to this Exchange Offer will receive a New RSU calculated using an exchange ratio based on the exercise price of your tendered Eligible Options, as described in Section 1 of this Offering Memorandum. New RSUs will be unvested as of the New RSU Grant Date, as described in Section 1 of this Offering Memorandum. New RSUs will be fully unvested as of the New RSU Grant Date and will be subject to a new vesting schedule, as described in Section 1 of this Offering Memorandum.

If we receive and accept tenders from Eligible Employees of all Eligible Options (comprising a total of options to purchase 2,574,615 shares outstanding as of October 19, 2022) subject to the terms and conditions of this Exchange Offer, we will grant New RSUs covering a total of approximately 756,679 shares of common stock.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Eligible Options pursuant to the Exchange Offer. You will be responsible for any expenses that you incur in connection with your election to participate in the Exchange Offer, including mailing, faxing and telephone expenses, as well as any expenses associated with any tax, legal or other advisor that you consult or retain in connection with the Exchange Offer.

Section 15. Additional Information.

With respect to the Exchange Offer, we have filed the Schedule TO, as may be amended, of which the Exchange Offer is a part. The Exchange Offer document does not contain all of the information contained in the Schedule

TO and the exhibits to the Schedule TO. Before making a decision on whether or not to tender your Eligible Options, we highly recommend that you review the Schedule TO, as may be amended, including its exhibits, and the following materials that we have filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 22, 2022;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 filed with the SEC on May 12, 2022, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 filed with the SEC on August 8, 2022;
- our Current Reports on Form 8-K filed with the SEC on June 27, 2022, September 28, 2022 and October 14, 2022; and
- the description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on February 12, 2019, and as set forth by the description of common stock set forth in Exhibit 4.4 to our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 22, 2022, including any amendments or reports filed for the purpose of updating such description.

Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. We also make available on or through our corporate website, free of charge, copies of these reports as soon as reasonably practicable after we electronically file or furnish them to the SEC.

We will also promptly provide without charge to each Eligible Employee to whom we deliver a copy of the Exchange Offer, upon written or oral request, a copy of any or all of the documents to which we have referred you, other than exhibits to such documents (unless specifically incorporated by reference into such documents). Written requests should be directed to AskHR@tcr2.com.

The information about us contained in the Exchange Offer should be read together with the information contained in the documents to which we have referred you.

Section 16. Miscellaneous.

The Exchange Offer and our SEC reports referred to above include forward-looking statements. Words such as "believes," "will," "should," "could," "expects," "anticipates," "estimates," "plans," "objectives," and other similar statements of expectation identify forward-looking statements. These forward-looking statements involve risks and uncertainties, including those described in this Offering Memorandum, our Annual Report and our Quarterly Reports, that could cause actual results to differ materially from those expressed in the forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. While we believe our plans, intentions and expectations reflected in these forward-looking statements are reasonable, these plans, intentions or expectations may not be achieved.

WE ENCOURAGE YOU TO REVIEW THE RISK FACTORS CONTAINED IN OUR ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021, OUR QUARTERLY REPORT FOR THE QUARTER ENDED MARCH 31, 2022 AND OUR QUARTERLY REPORT FOR THE QUARTER ENDED JUNE 30, 2022 BEFORE YOU DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS PURSUANT TO THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED DOCUMENTS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

Selected Financial Data

The following financial information should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 22, 2022, and in our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2022 filed with the SEC on August 8, 2022, all of which are incorporated herein by reference. The selected consolidated statements of operations data for the fiscal years ended December 31, 2021 and December 31, 2020 and the selected consolidated balance sheets data as of December 31, 2021 and December 31, 2020 are derived from our audited consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. The selected condensed consolidated statements of operations data for the three and six months ended June 30, 2022 and June 30, 2021 and the selected consolidated balance sheets data as of June 30, 2022 and June 30, 2021 are derived from our unaudited consolidated financial statements included in our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2022. Our interim results are not necessarily indicative of results for the full fiscal year, and our historical results are not necessarily indicative of the results to be expected in any future period. You should refer to Section 15 of the Offering Memorandum, “Additional Information,” for information on how you can obtain copies of our SEC filings.

Statement of Operations Data (in thousands, except share and per share data)	For the Six Months Ended June 30,		Years Ended December 31,	
	2022	2021	2021	2020
Operating expenses:				
Research and development	\$ 48,650	\$ 34,551	\$ 77,239	\$ 51,980
General and administrative	12,324	11,334	22,503	16,720
Total operating expenses	60,974	45,885	99,742	68,700
Loss from operations	(60,974)	(45,885)	(99,742)	(68,700)
Interest income, net	415	148	224	1,737
Loss before income tax expense	(60,559)	(45,737)	(99,518)	(66,963)
Income tax expense	164	87	289	161
Net loss	\$ (60,723)	\$ (45,824)	\$ (99,807)	\$ (67,124)
Net loss per share of common stock, basic and diluted	\$ (1.58)	\$ (1.22)	\$ (2.63)	\$ (2.40)
Weighted average shares outstanding, basic and diluted	38,540,178	37,622,390	37,935,554	27,990,564
Balance Sheet Data (in thousands)	As of June 30,		As of December 31,	
	2022	2021	2021	2020
Cash and cash equivalents	\$ 44,211	\$248,793	\$222,564	\$ 94,155
Short Term Investments	162,027	68,553	43,029	133,831
Working Capital ⁽¹⁾	177,258	310,282	257,522	226,698
Total Assets	308,044	368,140	323,371	246,195
Total Liabilities	81,781	39,249	41,894	9,647
Total Stockholders’ equity	226,263	328,891	281,477	236,548

(1) Working capital is current assets less current liabilities

Form of Announcement Email to All Employees

From: Garry Menzel
Subject: TCR2 Therapeutics Stock Option Exchange Program
To: All Employees
Date: October 19, 2022

TRuCers,

I am pleased to share with you that our Board of Directors has approved a voluntary stock option exchange program that will begin *today, October 19, 2022. Please join me at the company meeting at 12 PM to learn more.*

Equity in TCR², granted in the form of stock options or restricted stock units (RSUs), is a critical component of your total rewards package. This aligns you with other shareholders as an owner in TCR² and allows you to share in our progress. While our ultimate measure of progress is saving the lives of people with cancer, equity ownership may also give you the opportunity to benefit from your hard work and commitment through potential increases in the value of our stock. Due to the significant decline of the biotechnology index and our stock price over the past two years, many of you now hold stock options with exercise prices significantly higher than the current market price of our common stock. These are known as “underwater” stock options and we recognize the negative impact they can have on motivation.

Therefore, later today TCR² will file a Tender Offer Statement with the Securities and Exchange Commission (SEC) summarizing the terms of this exchange program. The offer will allow certain employees who hold stock options with an exercise price of \$10.00 or more the ability to exchange some or all of these options for fewer restricted stock units (RSUs). The RSUs will be approximately equal in value from an accounting standpoint. Please note that until the Tender Offer Statement is filed with the SEC, the exchange program remains confidential and you should not disclose the existence of the exchange program to anyone outside of TCR².

The offer to exchange (which is called a “tender offer”) is open from *October 19, 2022*, until 11:59 p.m., Eastern Time on *November 16, 2022*.

If you hold stock options with an exercise price of \$10.00 or more, you will receive an email this afternoon from Sarah Sardella with details and instructions on how to participate in this exchange opportunity. If you have any questions, please reach out to AskHR@tcr2.com.

I’m grateful to the Board for their understanding of current market conditions and their desire to restore incentives for achieving TCR²’s long-term success. On behalf of the Board and the ECM, we sincerely thank you for all you are doing for TCR² and our patients.

Garry

This communication does not constitute an offer to holders of TCR2 Therapeutics Inc.’s outstanding stock options to exchange those options. Persons who are eligible to participate in any such program should read the Tender Offer Statement on Schedule TO and other related materials when those materials become available because they will contain important information about the program and the related tender offer. TCR2 will file the Tender Offer Statement on Schedule TO with the SEC at the close of business today. TCR2 stockholders and option holders will be able to obtain these written materials and other documents filed by TCR2 with the SEC at <https://investors.tcr2.com/sec-filings> or from the SEC’s website at www.sec.gov.

Form of Announcement Post to All Employees

From: Sarah Sardella
To: All Employees
Date: October 19, 2022

As you saw in Garry's note, our Board of Directors has approved a voluntary stock option exchange program that will begin *today, October 19, 2022*. If you hold stock options with an exercise price of \$10.00 or more, you have an opportunity to exchange some or all of these options for a new grant of restricted stock units (RSUs). **Please attend the company meeting at 12 PM to learn more!**

Form of Exchange Offer Instructions Email to Eligible Employees with Eligible Options

From: Sarah Sardella
Subject: TCR2 Therapeutics Inc. Offer to Exchange Eligible Options for New Restricted Stock Units
To: All Eligible Employees with Eligible Options
Date: October 19, 2022

TRuCers,

TCR² Therapeutics Inc. (“TCR²,” “we,” “us” or “our”) is introducing an Offer to Exchange Eligible Options for New Restricted Stock Units (the “Exchange Offer”) today, October 19, 2022. **You are receiving this email because you are eligible to participate and exchange certain outstanding stock options for restricted stock unit awards.**

The Exchange Offer will expire at 11:59 p.m., Eastern Time, on November 16, 2022 (the “Expiration Time”). At our discretion, we may decide to extend this expiration date and time, in which case references to the “Expiration Time” will refer to the extended date and time.

Exchange Offer Details

The Exchange Offer allows certain employees who hold stock options with an exercise price of \$10.00 or more the ability to exchange some or all of these options for fewer restricted stock units (RSUs). The RSUs will be approximately equal in value from an accounting standpoint.

The terms of the Exchange Offer are described in detail in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022 (the “Offer Documents”), that will be filed with the U.S. Securities and Exchange Commission later today. These documents are linked below and will be made available at <https://investors.tcr2.com/sec-filings> and the SEC website at www.sec.gov.

Please carefully review **all** of the Offer Documents before making any decisions regarding this Exchange Offer. The materials include:

- Offer to Exchange Eligible Options for New Restricted Stock Units document [link]
- *Your TCR² Option Exchange Program Brochure* (Adobe Reader recommended) [link]
- Educational Videos:
 - [TCR² Therapeutics’ Option Exchange Program Overview](#)
 - [Option Exchange Example](#)
 - [The Tender Offering](#)

Making Your Decision

You are not required to participate in the Exchange Offer. You have the choice to either keep your Eligible Options as is with their current terms or to exchange them for RSUs. Please understand that we cannot advise you on whether or not to participate in the Exchange Offer. Participation in the Exchange Offer is entirely your decision and at your discretion, and you should make the decision about whether to participate based on your personal circumstances. TCR² recommends that you consult your tax and financial advisors to address questions regarding your decision.

To aid in the decision-making process, however, the company will be offering live webinars to all eligible employees. Please accept the invitation to one of these meetings:

Education Sessions: *October 20th at 11 AM ET and October 25th at 2 PM ET*

A recording of the webinar will be made available for on-demand viewing. Informational videos are also available regarding the Exchange Offer and process. An Excel-based modeling tool (embedded in the brochure) can also help by illustrating the hypothetical breakeven point for each of your existing option grants—meaning how much the price of TCR² common stock would have to rise for your existing options to be more valuable than a replacement grant of RSUs. These materials are linked above and can also be found under “Resources” on Namely.

Electing to Participate

This afternoon, you will receive a personalized Election Form via DocuSign listing your “*Eligible Options*,” which includes all outstanding stock options granted to you with an exercise price equal to or greater than \$10.00 per share. Please notify us immediately if you find any discrepancy or have any questions regarding the Eligible Options listed in your Election Form.

Please complete this form to either: 1) participate in the Exchange Offer or, 2) reject the Exchange Offer and retain all of your Eligible Options. TCR² must receive your properly completed and signed Election Form via DocuSign by 11:59 p.m., Eastern Time, on November 16, 2022. *After submitting this form, you will receive an email confirmation within 1-2 business days.*

If you make no election, or do not return the Election Form before the Expiration Time, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

If you elect but later decide to withdraw your election, please deliver a completed and signed Notice of Withdrawal [link] to AskHR@tcr2.com by the Expiration Time.

Questions

If you have any questions, please refer to the Offer Documents or reach out to AskHR@tcr2.com.

This communication does not constitute an offer to holders of TCR² Therapeutics Inc.'s outstanding stock options to exchange those options. Persons who are eligible to participate should read the Tender Offer Statement on Schedule TO and other related materials because they contain important information about the program and the related tender offer. These documents may be accessed on the “Resources” section of Namely, our TCR² website at <https://investors.tcr2.com/sec-filings>, or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Email to Eligible Employees with Eligible Options to access Election Form via DocuSign

From: Sarah Sardella
Subject: Please DocuSign: TCR2 Therapeutics Inc. Exchange Offer Election Form
To: All Eligible Employees with Eligible Options
Date: October 19, 2022

As you know, TCR2 Therapeutics Inc. is introducing an Offer to Exchange Eligible Options for New Restricted Stock Units (the “*Exchange Offer*”) today, October 19, 2022. You are receiving this email because you are eligible to participate and exchange certain outstanding stock options for restricted stock unit awards.

Click “Review Document” to access your personalized Election Form via DocuSign. This form lists your “*Eligible Options*,” which includes all outstanding stock options granted to you with an exercise price equal to or greater than \$10.00 per share.

If you wish to participate in the Exchange Offer with respect an Eligible Option, please select “Yes, exchange Eligible Option(s) for New Restricted Stock Unit(s) as indicated below” and choose the grants you wish to exchange.

If you wish to reject the Exchange Offer and retain all of your Eligible Options, please select “No, reject the Exchange Offer and retain all Eligible Options.”

Please sign this form via DocuSign by 11:59 p.m., Eastern Time, on November 16, 2022. *After submitting this form, you will receive an email confirmation within 1-2 business days.*

If you make no election, or do not return this Election Form before the Expiration Time, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you. We cannot accept late submissions.

If you later decide to withdraw your election, please deliver a completed and signed Notice of Withdrawal to AskHR@tcr2.com by 11:59 p.m., Eastern Time, on November 16, 2022. This form is available on Namely under Resources > Stock Option Exchange Program.



OPTION EXCHANGE—ELECTION FORM

THIS OFFER AND YOUR WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., EASTERN TIME, ON WEDNESDAY, NOVEMBER 16, 2022, UNLESS EXTENDED

Before completing and signing this Election Form, we encourage you to read the documents that make up this tender offer, including (1) the Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022, filed with the U.S. Securities and Exchange Commission and separately delivered to you by email from TCR² Therapeutics Inc. (“TCR²”), describing the terms of the Exchange Offer (the “Offer Documents”); (2) the email from TCR² on October 19, 2022 announcing the commencement of the Exchange Offer; and (3) this Election Form. The Exchange Offer is subject to the terms set forth in the Offer Documents, as they may be amended from time to time. The Exchange Offer expires at 11:59 p.m., Eastern Time, on Wednesday, November 16, 2022, unless extended. All capitalized terms used in this Election Form but not defined herein shall have the meanings given in the Offer Documents.

PLEASE CAREFULLY REVIEW AND FOLLOW THE INSTRUCTIONS BELOW.

If you wish to participate in the Exchange Offer with respect to an Eligible Option, please select “Yes, exchange Eligible Option(s) for New Restricted Stock Unit(s) as indicated below.” Select “Yes” next to each applicable grant in order to tender such Eligible Option in exchange for the grant of New RSU(s) under the terms of the Exchange Offer. Each Eligible Option you elect to tender for exchange must be tendered in whole.¹ If you select “No” under “Exchange Eligible Options for New RSUs?”, such Eligible Option will remain outstanding subject to its original terms, and no New RSUs will be granted to you in exchange for such Eligible Option.

If you wish to reject the Exchange Offer and retain all of your Eligible Options, please select “No, reject the Exchange Offer and retain all Eligible Options.”

Please sign this form via DocuSign by 11:59 p.m., Eastern Time, on Wednesday, November 16, 2022, unless the Expiration Time for the Exchange Offer is extended. If you make no election, or do not return this Election Form before the Expiration Time, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

Name:

☐ No, reject the Exchange Offer and retain all Eligible Options

☐ Yes, exchange Eligible Option(s) for New Restricted Stock Unit(s) as indicated below:

Grant ID	Grant Date	ELIGIBLE OPTIONS				NEW RSUs		Exchange Eligible Options for New RSUs?
		Grant Type	Vesting Start Date	Exercise Price	Outstanding Shares	Ratio	RSUs	
								<input type="radio"/> Yes <input type="radio"/> No
								<input type="radio"/> Yes <input type="radio"/> No
								<input type="radio"/> Yes <input type="radio"/> No
								<input type="radio"/> Yes <input type="radio"/> No
								<input type="radio"/> Yes <input type="radio"/> No
								<input type="radio"/> Yes <input type="radio"/> No

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Cambridge, MA 02142

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617-949-5200

1. Note: "Split" grants with the same Grant ID that contain both incentive stock options (ISOs) and non-qualified stock options (NQSOs) are treated as a single grant. You must make the same election for both.

Eligible Options that you elect to exchange will be cancelled and exchanged in the Exchange Offer. We will provide you with a written confirmation of the cancellation of any such options along with a restricted stock unit agreement for your New RSUs shortly following the grant of your New RSUs.

New RSUs grants that you receive in the exchange will vest in up to four annual installments following the New RSU Grant Date, subject to the Eligible Employee's continuous service with TCR² and other relevant terms and conditions of the 2018 Plan. These installments are illustrated in the table below for your reference:

Vesting Start Date of Eligible Options <i>Month/Year</i>	New RSUs Vesting Schedule			
	December 1, 2022	December 1, 2023	December 1, 2024	December 1, 2025
January 2019	98%	2%	—	—
February 2019	96%	4%	—	—
March 2019	94%	6%	—	—
April 2019	92%	8%	—	—
May 2019	89%	11%	—	—
June 2019	87%	13%	—	—
July 2019	85%	15%	—	—
August 2019	83%	17%	—	—
September 2019	81%	19%	—	—
October 2019	79%	21%	—	—
November 2019	77%	23%	—	—
December 2019	75%	25%	—	—
January 2020	73%	25%	2%	—
February 2020	71%	25%	4%	—
March 2020	69%	25%	6%	—
April 2020	67%	25%	8%	—
May 2020	65%	25%	10%	—
June 2020	62%	25%	13%	—
July 2020	60%	25%	15%	—
August 2020	58%	25%	17%	—
September 2020	56%	25%	19%	—
October 2020	54%	25%	21%	—
November 2020	52%	25%	23%	—
December 2020	50%	25%	25%	—
January 2021	48%	25%	25%	2%
February 2021	46%	25%	25%	4%
March 2021	44%	25%	25%	6%
April 2021	42%	25%	25%	8%
May 2021	40%	25%	25%	10%
June 2021	37%	25%	25%	13%
July 2021	35%	25%	25%	15%
August 2021	33%	25%	25%	17%



YOUR SIGNATURE AND SUBMISSION OF THIS ELECTION FORM INDICATES THAT YOU AGREE TO ALL TERMS OF THE EXCHANGE OFFER AS SET FORTH IN THE OFFER DOCUMENTS, AS WELL AS THE AGREEMENT TO THE TERMS OF THE ELECTION ATTACHED HERETO.

You may change your election by submitting a new properly completed and signed Election Form prior to the expiration time, which is 11:59 p.m., Eastern Time, on Wednesday, November 16, 2022, unless extended. The last valid election submitted to TCR² prior to the expiration of the Exchange Offer shall be effective and supersede any prior Election Forms you submit.

Employee Name:

Employee Signature:

Date Signed:

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Cambridge, MA 02142

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OPTION EXCHANGE—NOTICE OF WITHDRAWAL OF ELECTION FORM

THE EXCHANGE OFFER AND YOUR WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., EASTERN TIME, ON WEDNESDAY, NOVEMBER 16, 2022, UNLESS EXTENDED

Return via email (by PDF or similar imaged document file) to: AskHR@tcr2.com

I previously received from TCR² Therapeutics Inc. the Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022, and the Election Form. I signed and returned the Election Form, in which I elected to tender some or all of my Eligible Options in exchange for New RSUs. By submitting this Notice of Withdrawal of Election Form (this "Notice of Withdrawal"), I am revoking that election and hereby withdraw from the Exchange Offer with respect to the Eligible Options listed below:

ELIGIBLE OPTIONS						Withdrawal of election to tender Eligible Option for New RSU(s)
Grant ID	Grant Date	Grant Type	Vesting Start Date	Exercise Price	Outstanding Shares	
		<input type="checkbox"/> ISO				<input type="checkbox"/> Revoke election
		<input type="checkbox"/> NQSO				
		<input type="checkbox"/> ISO				<input type="checkbox"/> Revoke election
		<input type="checkbox"/> NQSO				
		<input type="checkbox"/> ISO				<input type="checkbox"/> Revoke election
		<input type="checkbox"/> NQSO				
		<input type="checkbox"/> ISO				<input type="checkbox"/> Revoke election
		<input type="checkbox"/> NQSO				
		<input type="checkbox"/> ISO				<input type="checkbox"/> Revoke election
		<input type="checkbox"/> NQSO				
		<input type="checkbox"/> ISO				<input type="checkbox"/> Revoke election
		<input type="checkbox"/> NQSO				

I understand that, by signing this Notice of Withdrawal and delivering it to TCR² Therapeutics Inc., I withdraw my acceptance of the Exchange Offer with respect to the Eligible Options listed above. By rejecting the Exchange Offer with respect to the Eligible Options listed above, I understand that such Eligible Options will not be cancelled in exchange for the grant of New RSUs, and I will retain these Eligible Options subject to their existing exercise price, term, vesting schedule and other terms and conditions. I agree that TCR² Therapeutics Inc. has made no representations or warranties to me regarding my rejection of the Exchange Offer. The withdrawal of the Eligible Options listed above is at my sole and exclusive discretion.

100 Binney Street, Suite 710
Cambridge, MA 02142

Confidential

www.tcr2.com
617-949-5200



By signing below, I hereby revoke my prior election to tender the Eligible Options listed above.

Employee Name (print): _____ **Employee Signature:** _____
Date Signed: _____

In the event that you wish to make a new election, a new Election Form will be sent to your TCR2 email address from DocuSign. You may make a new election by submitting a new properly completed and signed Election Form prior to the expiration time, which is 11:59 p.m., Eastern Time, on November 16, 2022, unless extended. The last valid election submitted to TCR2 prior to the expiration of the Exchange Offer shall be effective and supersede any prior Election Forms you submit.

The Exchange Offer is subject to the terms set forth in the Offer Documents, as they may be amended from time to time. All capitalized terms used in this Election Form but not defined herein shall have the meanings given in the Offer Documents.

Please sign this form and return by 11:59 p.m., Eastern Time, on November 16, 2022.

100 Binney Street, Suite 710
Cambridge, MA 02142

Confidential

www.tcr2.com
617-949-5200

Form of Reminder Email to Eligible Employees with Eligible Options Regarding the Exchange Offer Webinar

From: Sarah Sardella
 Subject: Reminder! Stock Option Exchange Program Webinar TODAY
 To: All Eligible Employees with Eligible Options
 Date: October 20, 2022

As you know, TCR² Therapeutics Inc. is offering you the opportunity to exchange your outstanding underwater stock options for restricted stock unit awards. This opportunity expires at 11:59 p.m., Eastern Time, on November 16, 2022.

This is just a reminder that we will be hosting a live information session **today** about the Exchange Offer and we encourage you to attend. A recording of the webinar will be made available for on-demand viewing and a second live session will be held on Tuesday, 10/25/2022.

Education Sessions:
TODAY! October 20th at 11 AM ET
 October 25th at 2 PM ET

Please carefully review ***all*** of the Offer Documents before making any decisions regarding this Exchange Offer. The materials include:

- Offer to Exchange Eligible Options for New Restricted Stock Units document [link]
- *Your TCR² Option Exchange Program Brochure* (Adobe Reader recommended) [link]
- Educational Videos:
 - [TCR² Therapeutics' Option Exchange Program Overview](#)
 - [Option Exchange Example](#)
 - [The Tender Offering](#)

This communication does not constitute an offer to holders of TCR² Therapeutics Inc.'s outstanding stock options to exchange those options. Persons who are eligible to participate should read the Tender Offer Statement on Schedule TO and other related materials because they contain important information about the program and the related tender offer. These documents may be accessed on the "Resources" section of Namely, our TCR² website at <https://investors.tcr2.com/sec-filings>, or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Post to All Employees Regarding Availability of a Recorded Version of the Exchange Offer Webinar

From: Sarah Sardella
To: All Employees
Date: October 20, 2022

If you are eligible to participate in the Stock Option Exchange Program, the recorded version of the educational webinar [link] is now available on Namely, under "Resources > Stock Option Exchange Program." You'll find all the Offer Documents posted under Resources:

- Offer to Exchange Eligible Options for New Restricted Stock Units document [link]
- *Your TCR² Option Exchange Program* Brochure (Adobe Reader recommended) [link]
- Educational Videos:
 - [TCR² Therapeutics' Option Exchange Program Overview](#)
 - [Option Exchange Example](#)
 - [The Tender Offering](#)

If you were not able to attend the live webinar, we will be holding a second session on Tuesday, October 25th at 2 PM.

**Form of Reminder Email to Eligible Employees with Eligible
Options Regarding the Expiration of the Exchange Offer**

From: Sarah Sardella
 Subject: Reminder! Stock Option Exchange Program Form Due in [—] days
 To: All Eligible Employees with Eligible Options
 Date: [DATE], 2022

As you know, TCR² Therapeutics Inc. is offering you the opportunity to exchange your outstanding underwater stock options for restricted stock unit awards, should you wish to do so.

This is just a reminder that the Exchange Offer and your withdrawal rights will expire at 11:59 p.m., Eastern Time, on November 16, 2022, unless extended by the Company. TCR² must receive your properly completed and signed Election Forms and/or Notices of Withdrawal by the Expiration Time. *We cannot accept late submissions.*

Your personalized election form was sent via DocuSign to your TCR² email address on October 19, 2022. Please complete this form to either: 1) participate in the Exchange Offer or, 2) reject the Exchange Offer and retain all of your Eligible Options. *After submitting this form, you will receive an email confirmation within 1-2 business days.*

If you make no election, or do not return the Election Form before the Expiration Time, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

If you elect but later decide to withdraw your election, please deliver a completed and signed Notice of Withdrawal [link] to AskHR@tcr2.com by 11:59 p.m., Eastern Time, on November 16, 2022.

Please carefully review **all** of the Offer Documents before making any decisions regarding this Exchange Offer. The materials include:

- Offer to Exchange Eligible Options for New Restricted Stock Units document [link]
- *Your TCR² Option Exchange Program Brochure* (Adobe Reader recommended) [link]
- Educational Videos:
 - [TCR² Therapeutics' Option Exchange Program Overview](#)
 - [Option Exchange Example](#)
 - [The Tender Offering](#)
- [Webinar recording](#) [link]
- Live webinar: [DATE] [link]

This communication does not constitute an offer to holders of TCR² Therapeutics Inc.'s outstanding stock options to exchange those options. Persons who are eligible to participate should read the Tender Offer Statement on Schedule TO and other related materials because they contain important information about the program and the related tender offer. These documents may be accessed on the "Resources" section of Namely, our TCR² website at <https://investors.tcr2.com/sec-filings>, or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

**Form of Email to Eligible Employees with Eligible
Options Regarding the Final Exchange Offer Webinar**

From: Sarah Sardella
 Subject: Reminder! Stock Option Exchange Program Webinar TODAY
 To: All Eligible Employees with Eligible Options
 Date: October 25, 2022

As you know, TCR² Therapeutics Inc. is offering you the opportunity to exchange your outstanding underwater stock options for restricted stock unit awards. This offer expires at 11:59 p.m., Eastern Time, on November 16, 2022.

This is just a reminder that we will be hosting the **final live information session** about the Exchange Offer **today** and we encourage you to attend. A recording of the first webinar is available here [link].

Education Session:
 TODAY! October 25th at 2 pm ET—[link]

Please carefully review **all** of the Offer Documents before making any decisions regarding this Exchange Offer. The materials include:

- Offer to Exchange Eligible Options for New Restricted Stock Units document [link]
- *Your TCR² Option Exchange Program* Brochure [link]
- Educational Videos:
 - TCR² Therapeutics' Option Exchange Program Overview
 - Option Exchange Example
 - The Tender Offering
- Webinar recording [link]

This communication does not constitute an offer to holders of TCR² Therapeutics Inc.'s outstanding stock options to exchange those options. Persons who are eligible to participate should read the Tender Offer Statement on Schedule TO and other related materials because they contain important information about the program and the related tender offer. These documents may be accessed on the "Resources" section of Namely, our TCR² website at <https://investors.tcr2.com/sec-filings>, or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Post to All Employees Regarding Education Session

From: Sarah Sardella
To: All Employees
Date: October 25, 2022

If you are eligible to participate in the Stock Option Exchange Program, the final live information session is **TODAY at 2 pm ET!** We encourage you to attend. A recording of the first webinar is available here. [\[link\]](#).

Education Session:
October 25th at 2 pm ET—[\[link\]](#)

For more information about the Option Exchange Program, please click on “Resources > Stock Option Exchange Program.”

Form of Reminder Post to All Employees Regarding the Expiration of the Exchange Offer

From: Sarah Sardella
To: All Employees
Date: November 2, 2022 & November 10, 2022

If you are eligible to participate in the Stock Option Exchange Program, remember that the **Exchange Offer and your withdrawal rights will expire at 11:59 p.m., Eastern Time on November 16, 2022**, unless extended by the Company.

TCR² must receive your properly completed and signed Election Forms and/or Notices of Withdrawal by the Expiration Time. *We cannot accept late submissions.*

Your personalized election form was previously sent to your TCR² email address. You may complete and sign this form via DocuSign. If you wish to withdraw your election, please complete and sign a Notice of Withdrawal [link] and email to AskHR@tcr2.com.

If you make no election, or do not return the Election Form before the deadline, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

**Form of Final Reminder Post to Eligible Employees with Eligible Options
Regarding the Expiration of the Exchange Offer**

From: Sarah Sardella
 Subject: *Final Reminder!* Stock Option Exchange Program Form Due TODAY by 11:59 pm ET
 To: All Eligible Employees with Eligible Options
 Date: November 16, 2022

Today is the last day to complete your Election Form (or withdraw your election) for the Stock Option Exchange Program. **The Exchange Offer and your withdrawal rights will expire at 11:59 p.m., Eastern Time tonight**, unless extended. TCR² must receive your properly completed and signed Election Forms and/or Notices of Withdrawal by the Expiration Time. *We cannot accept late submissions.*

Your personalized election form was sent via DocuSign to your TCR² email address on October 19, 2022. Please complete this form to either: 1) participate in the Exchange Offer or, 2) reject the Exchange Offer and retain all of your Eligible Options. *After submitting this form, you will receive an email confirmation within 1-2 business days.*

If you make no election, or do not return the Election Form before the Expiration Time, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

If you wish to withdraw your election, please deliver a completed and signed Notice of Withdrawal [link] to AskHR@tcr2.com by 11:59 p.m., Eastern Time **tonight**.

Please carefully review ***all*** of the Offer Documents before making any decisions regarding this Exchange Offer. The materials include:

- Offer to Exchange Eligible Options for New Restricted Stock Units document [link]
- *Your TCR² Option Exchange Program Brochure* (Adobe Reader recommended) [link]
- Educational Videos:
 - [TCR² Therapeutics' Option Exchange Program Overview](#)
 - [Option Exchange Example](#)
 - [The Tender Offering](#)
- [Webinar recording](#) [link]

This communication does not constitute an offer to holders of TCR² Therapeutics Inc.'s outstanding stock options to exchange those options. Persons who are eligible to participate should read the Tender Offer Statement on Schedule TO and other related materials because they contain important information about the program and the related tender offer. These documents may be accessed on the "Resources" section of Namely, our TCR² website at <https://investors.tcr2.com/sec-filings>, or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Final Reminder Post to All Employees Regarding Expiration of the Exchange Offer

From: Sarah Sardella
To: All Employees
Date: November 16, 2022

If you are eligible to participate in the Stock Option Exchange Program, *today is the last day* to complete your Election Form (or withdraw your election). **The Exchange Offer and your withdrawal rights will expire at 11:59 p.m., Eastern Time TONIGHT**, unless extended by the Company.

TCR² must receive your properly completed and signed Election Forms and/or Notices of Withdrawal by the Expiration Time. *We cannot accept late submissions.*

Your personalized election form was previously sent to your TCR2 email address. You may complete and sign this form via DocuSign. If you wish to withdraw your election, please complete and sign a Notice of Withdrawal [link] and email to AskHR@tcr2.com.

If you make no election, or do not return the Election Form before the deadline, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

Form of Email Notice Confirming Receipt of Election Form to Participate in the Exchange Offer

From: Sarah Sardella
 Subject: Confirmation of Receipt of Option Exchange Election Form
 To: Eligible Employee (after election)
 Date: [DATE SENT]

This message confirms that TCR² Therapeutics, Inc. ("TCR²") has received your Stock Option Exchange Program Election Form. If you did not submit this form and believe you are receiving this email in error, please contact AskHR@tcr2.com for assistance.

Your Election is as follows: [paste screenshot from received form -- example below]

- ☐ No, reject the Exchange Offer and retain all Eligible Options
- ☒ Yes, exchange Eligible Option(s) for New Restricted Stock Unit(s) as indicated below:

Grant ID	ELIGIBLE OPTIONS					NEW RSUs		Exchange Eligible Options for New RSUs?	
	Grant Date	Grant Type	Vesting Start Date	Exercise Price	Outstanding Shares	Ratio	RSUs	<input type="checkbox"/> Yes	<input type="checkbox"/> No
FIDKW3GJR8D68	7/30/21	ISO	7/30/21	\$12.44	20,000	3 to 1	6,667	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Your Election may be changed or withdrawn at any time before **11:59 p.m., Eastern Time, on November 16, 2022**, unless the Exchange Offer is extended by the Company ("Expiration Time"). To withdraw your Election, please deliver a completed and signed Notice of Withdrawal [link] to AskHR@tcr2.com before the Expiration Time. If you withdraw your current election, a new Election Form will be sent to your TCR² email address.

If your Election Form has been properly completed and signed, all eligibility requirements are met, and you do not deliver a signed Notice of Withdrawal before the Expiration Time, we expect to accept the Eligible Options you have elected to exchange and to grant you New RSUs promptly following the Expiration Time, subject to the terms and conditions of the Exchange Offer.

In addition, we will separately provide you with a notice of grant of restricted stock unit award and a restricted stock unit award agreement for your New RSUs via the Company's online equity plan portal.

If you have any questions regarding these elections, the Exchange Offer in general, or to request assistance, please email AskHR@tcr2.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Email Notice Confirming Receipt of Election Form to Reject the Exchange Offer

From: Sarah Sardella
Subject: Confirmation of Receipt of Option Exchange Election Form
To: Eligible Employee (after election)
Date: [DATE SENT]

This message confirms that TCR² Therapeutics, Inc. (“TCR²”) has received your Stock Option Exchange Program Election Form. If you did not submit this form and believe you are receiving this email in error, please contact AskHR@tcr2.com for assistance.

You have elected to reject the Exchange Offer and retain all of your Eligible Options.

Your Election may be changed or withdrawn at any time before **11:59 p.m., Eastern Time, on November 16, 2022**, unless the Exchange Offer is extended by the Company (“*Expiration Time*”). To withdraw your Election, please deliver a completed and signed Notice of Withdrawal [link] to AskHR@tcr2.com before the Expiration Time. If you withdraw your current election, a new Election Form will be sent to your TCR² email address.

If you have any questions regarding these elections, the Exchange Offer in general, or to request assistance, please email AskHR@tcr2.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Email Notice Confirming Receipt of Notice of Withdrawal of Election Form

From: Sarah Sardella
Subject: Confirmation of Receipt of Notice of Withdrawal of Election Form
To: Eligible Employee (after form received)
Date: [DATE SENT]

This message confirms that TCR² Therapeutics Inc. ("TCR²") has received your Stock Option Exchange Program Notice of Withdrawal of Election Form. If you did not submit this form and believe you are receiving this email in error, please contact AskHR@tcr2.com for assistance.

You have revoked your prior election to exchange your Eligible Options as set forth in your previously submitted Election Form.

With respect to all Eligible Options, we will neither cancel nor exchange such awards for New RSUs, and you will retain your Eligible Options subject to their original terms, exercise price and vesting schedule.

In the event that you wish to make a new election, a new Election Form will be sent to your TCR² email address from DocuSign shortly. Please complete this form to either: 1) participate in the Exchange Offer or, 2) reject the Exchange Offer and retain all of your Eligible Options. TCR² must receive your properly completed and signed Election Form via DocuSign by 11:59 p.m., Eastern Time, on November 16, 2022. *After submitting this form, you will receive an email confirmation within 1-2 business days.*

If you make no election, or do not return the new Election Form before the Expiration Time, you will retain your Eligible Option(s) subject to their original terms, and no New RSUs will be granted to you.

If you have any questions regarding these elections, the Exchange Offer in general, or to request assistance, please email AskHR@tcr2.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Expiration Notice Email

From: Sarah Sardella
Subject: Expiration of the Exchange Offer
To: Eligible Employees with Eligible Options
Date: November 17, 2022

The Exchange Offer described in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022 (the “Offer Documents”), has expired, and no additional Election Forms or Notice of Withdrawal of Election Forms may be submitted.

If you are an Eligible Employee and have delivered a properly completed and signed Election Form to tender your Eligible Options before the Expiration Time, and did not subsequently deliver a Notice of Withdrawal, you will receive a separate email confirming our acceptance of your tendered Eligible Options.

Any Eligible Options you did not tender for exchange will remain outstanding and subject to their original terms.

If you have any questions, please contact AskHR@tcr2.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Email Notice Confirming Acceptance of Eligible Options

From: Sarah Sardella
Subject: Confirmation of Acceptance of Eligible Options
To: Eligible Participant
Date: November 17, 2022

Thank you for submitting your Election Form pursuant to the Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022 (the “*Offer Documents*”). With this letter, we confirm that TCR² Therapeutics Inc. (“TCR2”) has accepted the Eligible Options listed on your Election Form for exchange in the Exchange Offer.

Subject to the terms and conditions of the Exchange Offer, as described in the Offer Documents, your Eligible Options will be cancelled and New RSUs will be granted to you. Your New RSUs will appear shortly in the Company’s online stock option portal (Fidelity NetBenefits) and your restricted stock unit agreement(s) will be available for review.

If you have any questions, please contact AskHR@tcr2.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

Form of Email Notice Confirming Rejection of Eligible Options

From: Sarah Sardella
Subject: Notice of Rejection of Eligible Options
To: Eligible Participant
Date: November 17, 2022

Thank you for submitting your Election Form pursuant to the Offer to Exchange Eligible Options for New Restricted Stock Units, dated October 19, 2022 (the “*Offer Documents*”). With this letter, we are notifying you that TCR² Therapeutics Inc. (“TCR2”) has rejected for exchange the options listed on your Election Form.

Accordingly, your options will remain outstanding and subject to their original terms. For additional information regarding the rejection of your options for exchange, please contact AskHR@tcr2.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Exchange Offer documents.

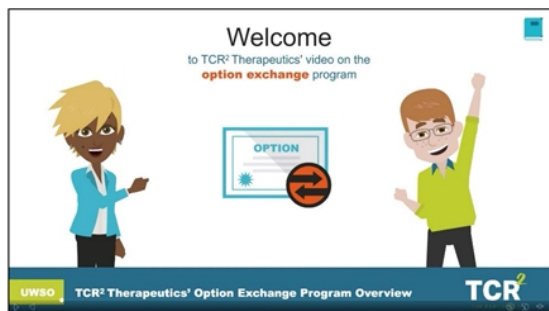


Scene 1 (00m00s - 00m06s)

Description:
[Link]

Words on screen:
TCR² Therapeutics' Option Exchange Program Overview

Scene 2 (00m06s - 00m16s)

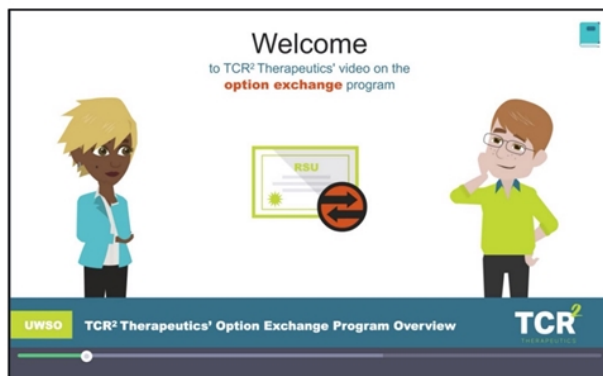


Script:

Welcome to TCR² Therapeutics' video on our option exchange program. We're excited to bring you this opportunity to exchange your underwater stock options

Words on-screen:

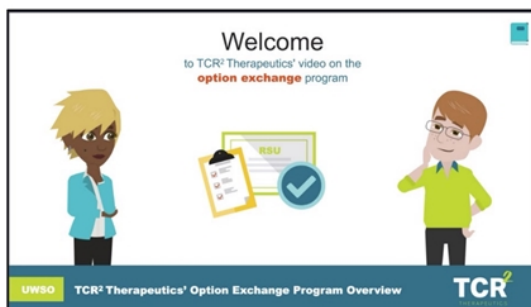
- Welcome to TCR²'s Video on the option exchange program
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 3 (00m16s – 00m20s)

Script:
for restricted stock units. This may be welcome to you...

- Words on-screen:
- Welcome to TCR²'s Video on the option exchange program
 - UWSO: TCR² Therapeutics' Option Exchange Program Overview



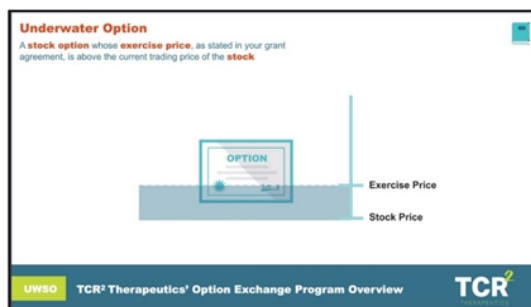
Scene 4 (00m20s - 00m28s)

Script:

... but you should be aware that option exchanges have certain requirements that are important to understand when deciding what's right for you.

Words on-screen:

- Welcome to TCR² Therapeutics' video on the option exchange program
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



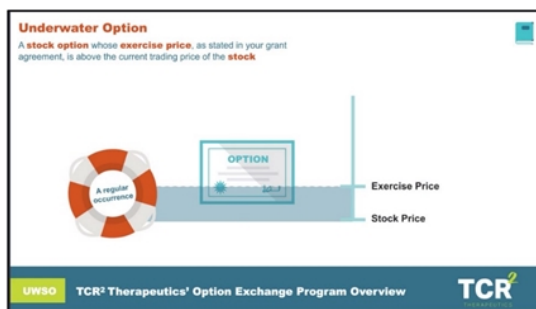
Scene 5 (00m28s - 00m39s)

Script:

First – let's define an underwater option. An underwater option is a stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock.

Words on-screen:

- Underwater Option: A stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock
- Exercise Price
- Stock Price
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



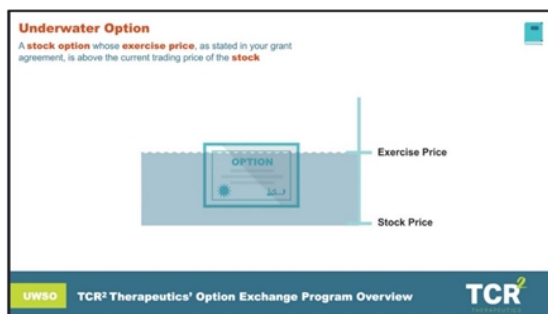
Scene 6 (00m39s - 00m43s)

Script:

Though this is a regular occurrence, when an option becomes significantly...

Words on-screen:

- Underwater Option: A stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock
- Exercise Price
- Stock Price
- A regular occurrence
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 7 (00m43s - 00m48s)

Script:

... employees often lose sight of the possibility that the stock could rebound...

Words on-screen:

- Underwater Option: A stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock
- Exercise Price
- Stock Price
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 8 (00m48s - 00m52s)

Script:

... making their options of real value again.

Words on-screen:

- Underwater Option: An option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock
- Exercise Price
- Stock Price
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



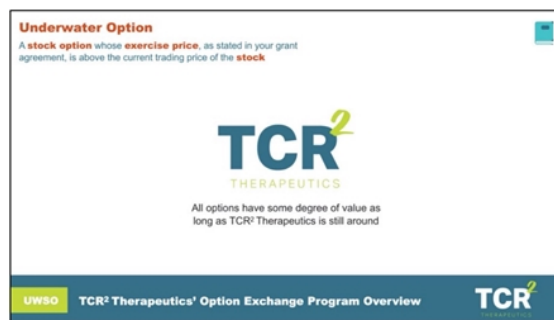
Scene 9 (00m52s - 00m57s)

Script:

Especially with options that have five or more years left, there is a lot of opportunity to make up for a drop in stock price...

Words on-screen:

- Underwater Option: A stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock
- 5+ Years
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 10 (00m57s - 1m05s)

Script:

... and with that, all options have some degree of value as long as TCR² Therapeutics is still around.

Words on-screen:

- Underwater Option: A stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock
- All options have some degree of value as long as TCR² Therapeutics is still around
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



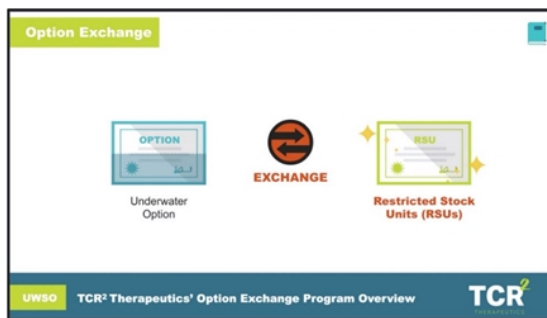
Scene 11 (1m05s - 01m12s)

Script:

But we also know it is important to many of you to see opportunity over shorter horizons.

Words on-screen:

- All options have some degree of value as long as TCR² Therapeutics is still around
- Opportunity
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



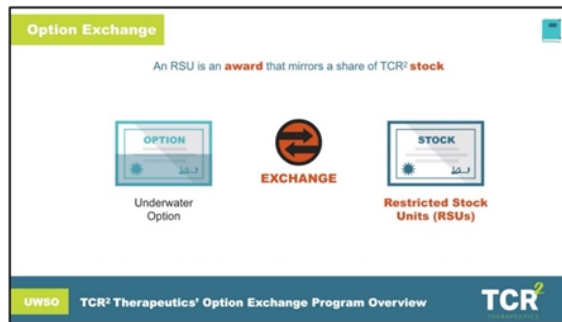
Scene 12 (1m12s - 1m23s)

Script:

An option exchange is an opportunity for eligible employees with eligible underwater option grants to exchange their options for restricted stock units or RSUs.

Words on-screen:

- Option Exchange
- Underwater Option
- Exchange
- Restricted Stock Units (RSUs)
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



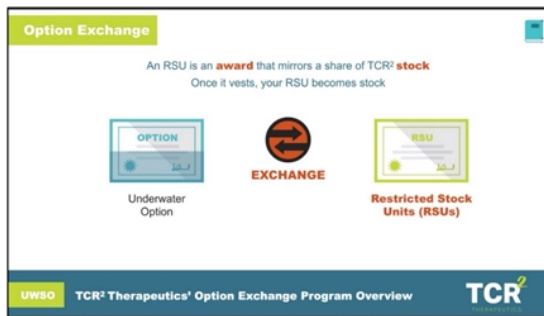
Scene 13 (01m23s - 01m27s)

Script:

An RSU is an award that mirrors a share of TCR² stock, but is not actually stock...

Words on-screen:

- Option Exchange
- An RSU is an award that mirrors a share of TCR² stock
- Underwater Option
- Exchange
- Restricted stock Units (RSUs)
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



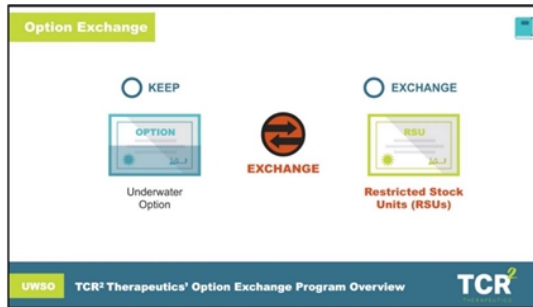
Scene 14 (01m27s-01m32s)

Script:

...until it vests. Once it vests, it becomes stock.

Words on-screen:

- Option Exchange
- An RSU is an award that mirrors a share of TCR² stock
- Once it vests, your RSU becomes stock
- Underwater Option
- Exchange
- Restricted stock Units (RSUs)
- UWSO: TCR² Therapeutics' Option Exchange Program Overview

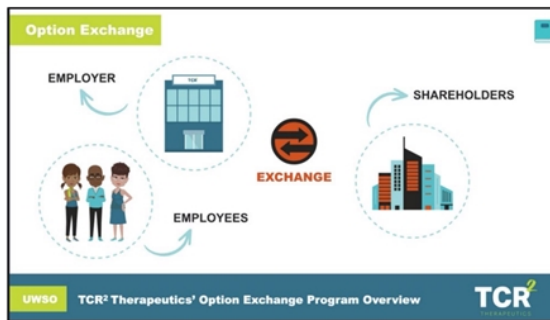


Scene 15 (01m32s - 01m39s)

Script:
This gives you a choice – keep what you have or exchange what you have for something new.

Words on-screen:

- Option Exchange
- Underwater Option
- Keep
- Exchange
- Restricted Stock Units (RSUs)
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 16 (01m39s - 01m49s)

Script:

There are rules around these types of exchanges that seek to protect both our interests as an employer and our employees' interests. We also need to assure our shareholders that we are acting in their best interests.

Words on-screen:

- Option Exchange
- Employer
- Employees
- Shareholders
- Exchange
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 17 (01m49s - 01m59s)

Script:

#1 in shareholders' views is assuring that this is not taken lightly and that it doesn't become a windfall for employees or executives.

Words on-screen:

- Option Exchange
- Underwater Options: and option exchanges are not taken lightly
- Windfall
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 18 (01m59s - 02m08s)

Script:

It is also important for you to understand that TCR² expects to only make this offering once during the life of these options, so it's important you make this evaluation now.

Words on-screen:

- Option Exchange
- Underwater Options and option exchanges are not taken lightly
- Tender Offering
- 1
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



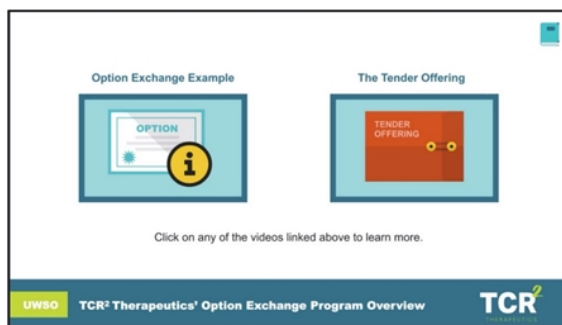
Scene 19 (02m08s - 02m21s)

Script:

It's also important to understand whether you are eligible for this offer. Only options with an exercise price of \$10 or more are eligible for the exchange.

Words on-screen:

- Eligibility
- \$10+
- Only options with an exercise price of \$10 or more are eligible for the exchange
- Tender Offering
- 1
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 20 (02m21s - 02m38s)

Script:

For an example on how exchanges work, click here. For more on the tender offering, click here.

Words on-screen:

- Option Exchange Example
- The Tender Offering
- Click on any of the videos linked above to learn more.
- UWSO: TCR² Therapeutics' Option Exchange Program Overview



Scene 1 (00m00s - 00m07s)

Description:
[Link]

Words on-screen:
• Option Exchange Example

Example NOTE: This example uses hypothetical prices and exchange ratios

TCR² Stock Price: \$3 per share

Option Card	Exercise Price	Option Grants	Exchange Ratio
OPTION	\$10	1,000	2:1
OPTION	\$20	1,000	3:1
OPTION	\$30	1,000	4:1

UWSO Option Exchange Example TCR²

Scene 2 (00m07s - 00m34s)

Script:

Let's look at an example that uses completely hypothetical prices and exchange ratios. If TCR² stock is trading at \$3, you may have options with exercise prices of \$10, \$20, and \$30. If you had 1,000 options granted at each of the three prices, and if you were offered an exchange at 2-1 for the \$10 options, 3-1 for the \$20 options, and 4-1 for the \$30 options, would it be worth it?

Words on-screen:

- Example
- Note: This example uses hypothetical prices and exchange rates
- TCR²'s Stock Price: \$3 per share
- Exercise Price: \$10; Option Grants: 1,000; Exchange Ratio: 2:1
- Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 3:1
- Exercise Price: \$30; Option Grants: 1,000; Exchange Ratio: 4:1
- UWSO: Option Exchange Example

Example NOTE: This example uses hypothetical prices and exchange ratios

TCR² Stock Price: \$3 per share

1,000 \$30 Options 250 \$3 RSUs

Exercise Price	Option Grants	Exchange Ratio
\$10	1,000	2:1
\$20	1,000	3:1
\$30	1,000	4:1

UWSO: Option Exchange Example

TCR²

Scene 3 (00m34s - 00m40s)

Script:

Would you trade 1,000 options with an exercise price of \$30 for 250 RSUs worth \$3?

Words on-screen:

- Example
- Note: This example uses hypothetical prices and exchange rates
- TCR²'s Stock Price: \$3 per share
- 1,000 \$30 Options
- 250 \$3 RSUs
- Exercise Price: \$10; Option Grants: 1,000; Exchange Ratio: 2:1
- Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 3:1
- Exercise Price: \$30; Option Grants: 1,000; Exchange Ratio: 4:1
- UWSO: Option Exchange Example

Example NOTE: This example uses hypothetical prices and exchange ratios

TCR² Stock Price: \$3 per share

1,000 \$10 Options 500 \$3 RSUs

Option Type	Exercise Price	Option Grants	Exchange Ratio
OPTION	\$10	1,000	2:1
OPTION	\$20	1,000	3:1
OPTION	\$30	1,000	4:1

UWSO Option Exchange Example **TCR²**

Scene 4 (00m40s - 00m49s)

Script:

What about trading 1,000 options with a price of \$10 options for 500 RSUs with a price of \$3?

- Example
- Note: This example uses hypothetical prices and exchange rates
- TCR²'s Stock Price: \$3 per share
- 1,000 \$10 Options
- 500 \$3 RSUs
- Exercise Price: \$10; Option Grants: 1,000; Exchange Ratio: 2:1
- Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 3:1
- Exercise Price: \$30; Option Grants: 1,000; Exchange Ratio: 4:1
- UWSO: Option Exchange Example

Example NOTE: This example uses hypothetical prices and exchange ratios

1,000 \$10 Options

500 \$3 RSUs

Option Card	Exercise Price	Option Grants	Exchange Ratio
OPTION	\$10	1,000	2:1
OPTION	\$20	1,000	3:1
OPTION	\$30	1,000	4:1

UWSO Option Exchange Example TCR²

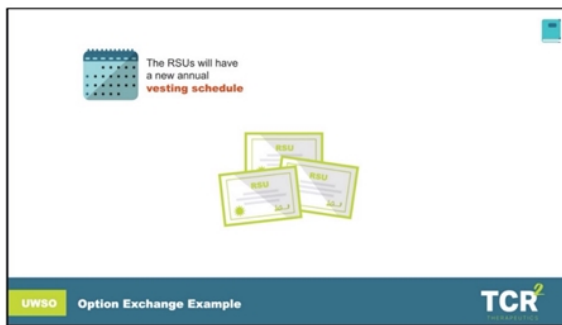
Scene 5 (00m49s - 1m03s)

Script:

Though choosing to exchange the old options may be the better deal if the stock stays below \$10, each grant has a break-even point that you need to be aware of, where your current option could be worth more than your new RSUs down the road.

Words on-screen:

- Example
- Note: This example uses hypothetical prices and exchange rates
- 1,000 \$10 Options
- 500 \$3 RSUs
- Exercise Price: \$10; Option Grants: 1,000; Exchange Ratio: 2:1
- Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 3:1
- Exercise Price: \$30; Option Grants: 1,000; Exchange Ratio: 4:1
- UWSO: Option Exchange Example



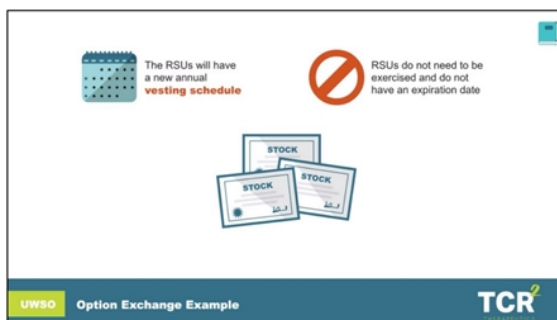
Scene 6 (1m03s - 01m08s)

Script:

Also, the RSUs will have a new annual vesting schedule.

Words on-screen:

- The RSUs will have a new annual vesting schedule
- UWSO: Option Exchange Example



Scene 7 (01m08s-01m16s)

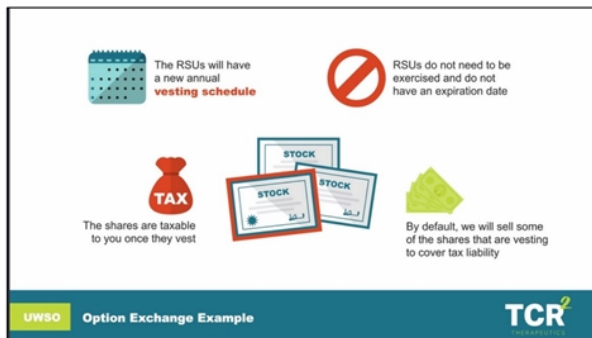
Script:

RSUs automatically turn into stock when they vest, so, unlike stock options, they do not need to be exercised and do not have an expiration date.

Words on-screen:

- The RSUs will have a new annual vesting schedule
- RSUs do not need to be exercised and do not have an expiration date
- UWSO: Option Exchange Example

Scene 8 (01m16s-01m28s)



Script:
Because you will own the shares outright, they are taxable to you when they vest. By default, we will sell some of the shares that are vesting to cover your tax liability. These features might also affect your decision.

- Words on-screen:
- The RSUs will have a new annual vesting schedule
 - RSUs do not need to be exercised and do not have an expiration date
 - The shares are taxable to you once they vest
 - You may choose to pay the tax withholding in cash
 - UWSO: Option Exchange Example

This example provides a basic understanding of how exchanges work

Option Card	Exercise Price	Option Grants	Exchange Ratio
OPTION	\$10	1,000	2:1
OPTION	\$20	1,000	3:1
OPTION	\$30	1,000	4:1

UWSO Option Exchange Example TCR²

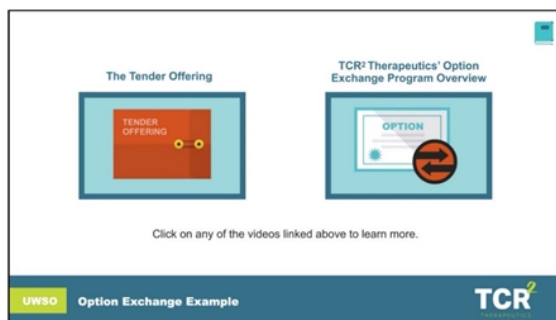
Scene 9 (01m28s-01m36s)

Script:

Though your exchange will look different than this example, this provides a basic understanding of how exchanges work.

Words on-screen:

- Example
- This example provides a basic understanding of how exchanges work
- Exercise Price: \$10; Option Grants: 1,000; Exchange Ratio: 2:1
- Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 3:1
- Exercise Price: \$30; Option Grants: 1,000; Exchange Ratio: 4:1
- UWSO: Option Exchange Example



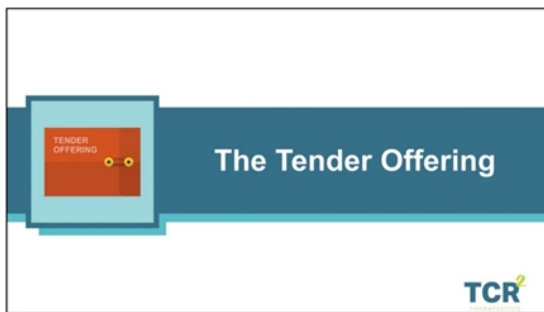
Scene 10 (01m37s - 01m50s)

Script:

For more on the tender offering, click here. To view the overview again, click here.

Words on-screen:

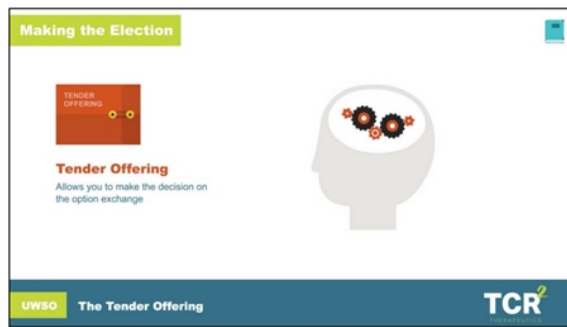
- The Tender Offering
- TCR² Therapeutics' Option Exchange Program Overview
- Click on any of the videos linked above to learn more.
- UWSO: Option Exchange Example



Scene 1 (00m00s - 00m06s)

Description:
[Link]

Words on-screen:
• The Tender Offering

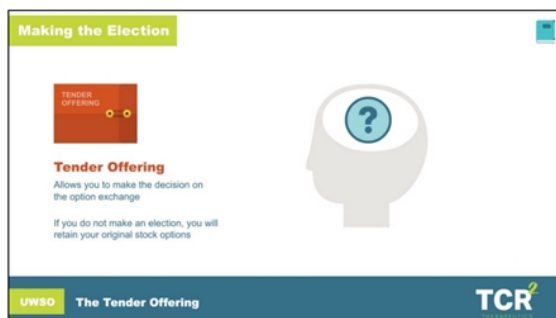


Scene 2 (00m06s - 00m11s)

Script:
TCR² will have a tender offering allowing you to make the decision on the option exchange.

Words on-screen:

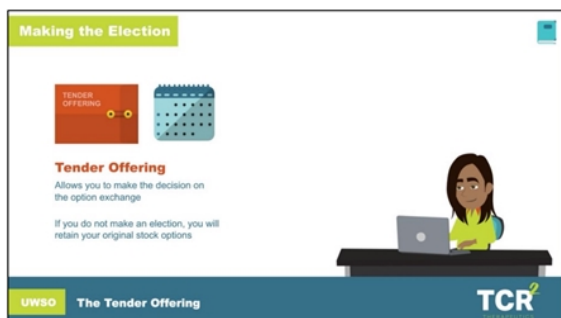
- Making the Election
- Tender Offering: Allows you to make the decision on the option exchange
- UWSO: The Tender Offering



Scene 3 (00m11s - 00m16s)

Script:
If you do not make an election, you will retain your original stock options.

- Words on-screen:
- Making the Election
 - Tender Offering: Allows you to make the decision on the option exchange
 - If you do not make an election, you will retain your original stock options
 - UWSO: The Tender Offering



Scene 4 (00m16s - 00m23s)

Script:

The tender offer period will last close to one month. We will provide you with details on how to make the election at the start of the tender offer.

Words on-screen:

- Making the Election
- Tender Offering: Allows you to make the decision on the option exchange
- If you do not make an election, you will retain your original stock options
- UWSO: The Tender Offering



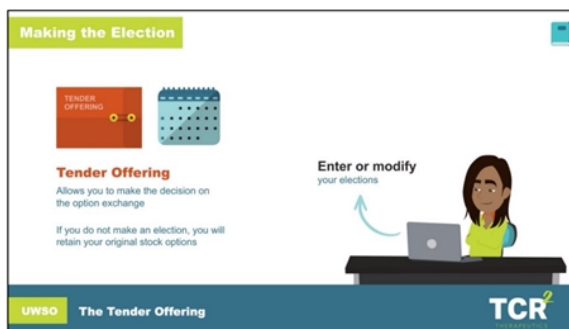
Scene 5 (00m23s - 00m29s)

Script:

If you have multiple grants, you can make different decisions for each grant.

Words on-screen:

- Making the Election
- Tender Offering: Allows you to make the decision on the option exchange
- If you do not make an election, you will retain your original stock options
- Have multiple grants? You can make different decisions for each one
- UWSO: The Tender Offering



Scene 6 (00m29s - 00m34s)

Script:

At any point during the tender offering, you can enter or even modify your elections.

Words on-screen:

- Making the Election
- Tender Offering: Allows you to make the decision on the option exchange
- If you do not make an election, you will retain your original stock options
- Enter or modify your elections
- UWSO: The Tender Offering



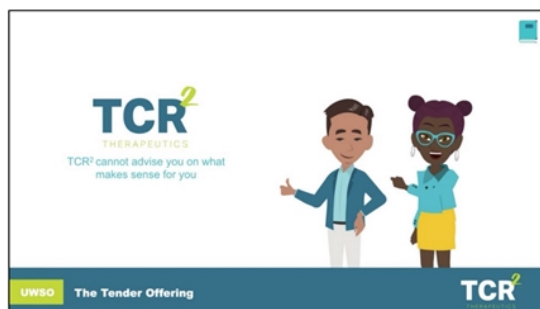
Scene 7 (00m34s - 00m46s)

Script:

Once the election period closes, you are locked into your final election. If you choose to exchange your options for RSUs, you will be notified of your new award details after the exchange.

Words on-screen:

- Making the Election
- Once the election period closes, you are locked into your final election
- Tender Offering: Allows you to make the decision on the option exchange
- If you do not make an election, you will retain your original stock options
- You will be notified of your new award details
- UWSO: The Tender Offering



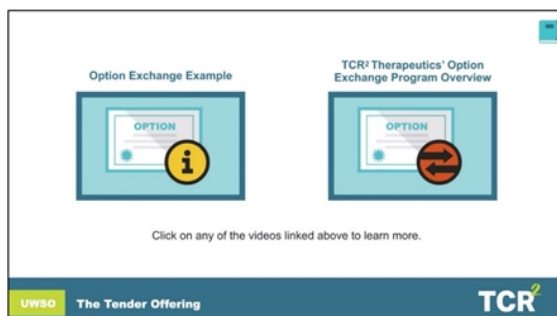
Scene 8 (00m46s - 01m01s)

Script:

Much more information will be made available as you go through the process. TCR² cannot advise you on what makes sense for you, but ask as many questions as needed, so you feel confident you have the information you need to make the right decision for you.

Words on-screen:

- TCR² cannot advise you on what makes sense for you
- UWSO: The Tender Offering



Scene 9 (01m01s - 01m15s)

Script:

For an example on how exchanges work, [click here](#). To view the overview [again](#), [click here](#).

Words on-screen:

- Option Exchange Example
- TCR² Therapeutics' Option Exchange Program Overview
- Click on any of the videos linked above to learn more.
- UWSO: The Tender Offering

Underwater Stock Options (834 words)

- TCR² Therapeutics' Option Exchange Program Overview
- Option Exchange Example
- The Tender Offering

Title: TCR² Therapeutics' Option Exchange Program Overview (381 words)

Welcome to TCR² Therapeutics' [Pronunciation: T-C-R-Squared Therapeutics] video on our option exchange program. We're excited to bring you this opportunity to exchange your underwater stock options for restricted stock units. This may be welcome to you, but you should be aware that option exchanges have certain requirements that are important to understand when deciding what's right for you.

First – let's define an underwater option. An underwater option is a stock option whose exercise price, as stated in your grant agreement, is above the current trading price of the stock. Though this is a regular occurrence, when an option becomes significantly underwater, employees often lose sight of the possibility that the stock could rebound, making their options of real value again. Especially with options that have five or more years left, there is a lot of opportunity to make up for a drop in stock price, and with that, all options have some degree of value as long as TCR² Therapeutics is still around. But we also know it is important to many of you to see opportunity over shorter horizons.

An option exchange is an opportunity for eligible employees with eligible underwater option grants to exchange their options for restricted stock units or RSUs. An RSU is an award that mirrors a share of TCR Squared stock, but is not actually stock until it vests. Once it vests, it becomes stock.

This gives you a choice – keep what you have or exchange what you have for something new. There are rules around these types of exchanges that seek to protect both our interests as an employer and our employees' interests. We also need to assure our shareholders that we are acting in their best interests. #1 in shareholders' views is assuring that this is not taken lightly and that it doesn't become a windfall for employees or executives. It is also important for you to understand that TCR Squared expects to only make this offering once during the life of these options, so it's important you make this evaluation now.

It's also important to understand whether you are eligible for this offer. Only options with an exercise price of \$10 or more are eligible for the exchange.

For an example of how exchanges work, [click here](#). For more on the tender offering, [click here](#).

Title: Option Exchange Example (264 words)

Let's look at an example that uses completely hypothetical prices and exchange ratios. If TCR Squared stock is trading at \$3, you may have options with exercise prices of \$10, \$20, and \$30. If you had 1,000 options granted at each of the three prices, and if you were offered an exchange at 2-1 for the \$10 options, 3-1 for the \$20 options, and 4-1 for the \$30 options, would it be worth it? Would you trade 1,000 options with an exercise price of \$30 for 250 RSUs worth \$3? What about trading 1,000 options with a price of \$10 options for 500 RSUs with a price of \$3?

Though choosing to exchange the old options may be the better deal if the stock stays below \$10, each grant has a break-even point that you need to be aware of, where your current option could be worth more than your new RSUs down the road. Also, the RSUs will have a new annual vesting schedule. RSUs automatically turn into stock when they vest, so, unlike stock options, they do not need to be exercised and do not have an expiration date. Because you will own the shares outright, they are taxable to you when they vest. By default, we will sell some of the shares that are vesting to cover your tax liability.

These features might also affect your decision. Though your exchange will look different than this example, this provides a basic understanding of how exchanges work.

For more on the tender offering, [click here](#). To view the overview again, [click here](#).

Title: The Tender Offering *(184 words)*

TCR Squared will have a tender offering allowing you to make the decision on the option exchange. If you do not make an election, you will retain your original stock options. The tender offer period will last close to one month. We will provide you with details on how to make the election at the start of the tender offer. If you have multiple grants, you can make different decisions for each grant. At any point during the tender offering, you can enter or even modify your elections. Once the election period closes, you are locked into your final election. If you choose to exchange your options for RSUs, you will be notified of your new award details after the exchange.

Much more information will be made available as you go through the process. TCR² cannot advise you on what makes sense for you, but ask as many questions as needed, so you feel confident you have the information you need to make the right decision for you.

For an example on how exchanges work, [click here](#). To view the overview again, [click here](#).

Your TCR² Option Exchange Program



Your TCR² Option Exchange Program offers employees who hold stock options with an exercise price of \$10 or more the chance to exchange those options for fewer restricted stock units (RSU). The new RSU grant will be approximately equal in value from an accounting standpoint. The offer to exchange (which is called a "tender offer") is open from October 19, 2022, until 11:59 p.m. Eastern Time on November 16, 2022.

This Q&A is intended to help explain the program. The formal offer to exchange contains all details of the offer, and you should review it in full before deciding whether to participate. Ultimately, the choice to participate is up to you.

Why are we doing this?

Our employees are our most important asset and the key to our success. Equity in TCR², granted in the form of stock options or restricted stock units (RSUs), is a critical component of your Total Rewards package. These grants serve to incentivize, motivate, and reward performance so we deliver on our strategic, operational, and financial goals as an organization. Currently, most of the stock options held by employees are under water. Considerably underwater options may present no meaningful value to you.

To remedy this, we are offering you the choice to exchange your significantly underwater options for fewer, but approximately equal-in-value, RSUs. Because RSUs do not have a fixed exercise price like stock options, they can never go under water. If you decide to participate in the exchange, your original stock options will be canceled, and in their place you will receive RSUs with different terms and conditions, including a different vesting schedule. The number of new RSUs that you will receive is based on a set, upfront rate of exchange intended to be approximately equal in value to your underwater stock options.

Underwater Option

A stock option whose exercise price is greater than the market price of the underlying stock. For example, options granted at \$10 a share are under water if the stock is trading at \$2 a share.

Who is eligible?

To participate, you must be actively employed by TCR² Therapeutics and hold outstanding stock options with an exercise price of \$10 per share or more, granted under the TCR² Therapeutics Inc. 2018 Stock Option and Incentive Plan. An employee who has submitted a notice of resignation or has been notified by TCR² Therapeutics that their employment is being terminated, on or before the end of the tender offer period, is not eligible.

What is an option exchange?

An option exchange is an opportunity (but not a requirement) for eligible employees with eligible underwater options to agree to have their option grants canceled in exchange for RSUs of TCR² stock. An option exchange is conducted through a tender offer, which is a formal process for a company to offer its securities to existing holders. Complete information regarding the option exchange and the tender offer can be found in the document titled "Offer to Exchange Eligible Options for New Restricted Stock Units," dated October 19, 2022 (or the "Offer to Exchange"). The tender offer has a deadline for completion, but you can change your election as many times as you like during the offering period, which is currently expected to expire on November 16, 2022.

Will TCR² offer option exchanges on a regular basis?

No. This is a unique opportunity largely driven by external market conditions. Given current circumstances, we believe this program is in the best interests of our employees and our shareholders. It provides our employees with appropriate incentives to achieve their performance goals so that we can achieve our overarching corporate goals.

What is an RSU?

An RSU is a right to receive a fixed number of shares of common stock at a fixed time in the future, as long as you remain continuously employed by TCR². Once you reach the vest date, shares of TCR² common stock are issued at no cost to you, other than withholding taxes associated with the RSU. The value you receive for an RSU upon issuance of the common stock will be based on the then-current TCR² stock price. For more information on how RSUs work, see the example below or view [these videos in Fidelity's Stock Plan Resource Center](#).

How do RSUs differ from stock options?

A stock option is the right to purchase a fixed number of shares of common stock at a fixed price (known as the "exercise price," "strike price," or "grant price") for a fixed period of time. Options also vest, which means that you must remain continuously employed by TCR² Therapeutics through fixed vesting dates for options to become exercisable.

Unlike an option, an RSU is worth the full value of a share of TCR² common stock. You don't pay a price as the recipient. An RSU does not need to be exercised and does not have an expiration date. Since you do not have to pay anything up front to get value from an RSU, RSU grants are typically smaller than option grants. One other difference is that RSUs do not allow you to control the timing of taxation the way options do. Specifically, RSUs are taxed when they vest while nonqualified stock options are taxed when you choose to exercise them. There are other differences between RSUs and options, which are discussed in the Offer to Exchange document and other materials furnished to you in connection with the tender offer.

Comparison: Options vs. RSUs

Grant of Nonqualified Stock Options				RSU Grant		
Size	Exercise Price	Stock Price on Exercise Date	Taxable income on exercise date	Size	Vest Date Share Price	Taxable Income on Vest Date
500 Options	\$15	\$25	\$5,000	200 RSUs	\$25	\$5,000

Note: If these were tax-qualified incentive stock options, no income tax would be recognized on the exercise date

How many RSUs would I get if I were to exchange my options?

The RSUs are expected to be granted on or around November 17, 2022. The number of RSUs you will be granted depends on the exercise price of your option grant. Each individual grant will be exchanged at the associated ratio. Use the calculator below to see how many RSUs you'd get for each of your option grants.

For example, if you are an eligible employee and you have a grant of 600 outstanding options with an exercise price of \$15, you could elect to exchange those 600 options for 200 RSUs. Alternatively, you could elect to retain your 600 options. You are not required to participate in the exchange.

Eligible Option Exercise Price Range	Exchange Ratio (Surrendered Eligible Options: RSUs)
\$10.00 to \$18.00	3 to 1
\$18.01 to \$25.00	4.5 to 1
\$25.01 and above	5.5 to 1

Calculator Note: To use this modeler, open the document with Adobe Reader.

Original Option (input)		Exchanged RSU	
Number of Options	750	Exchange Ratio	3.0 for 1
Exercise Price	\$ 15.00	Number of RSUs awarded upon exchange	250

Understanding Your Breakeven: Your breakeven point for this award is defined as the TCR² stock price that would need to be obtained for the current options to be worth approximately the same value as the RSU.



How were the exchange ratios determined?

Eligible stock options were valued using a model that considers many variables and estimates, such as our current stock price, the volatility of the price of our common stock, and the remaining term of an eligible stock option. We used those values to establish exchange ratios that will result in RSU grants with an aggregate fair value approximately equal to the aggregate fair value of the options they replace. Overall, the exchange is not intended to deliver less value or create a financial windfall.

How do I know the exercise prices of my eligible options?

If you are an eligible employee, you have been sent a link to a personalized election form. This form will list all eligible option grants, including grant prices and vesting start dates. You may also view your grants in the [Fidelity NetBenefits](#) portal.

Will my RSUs have the same vesting schedule as my options did?

No. The new RSUs will vest annually and will be unvested on the grant date even if the options you exchange were vested. We have, however, designed the vesting schedule so that the new RSUs will vest close to the same time your exchanged options would have vested. The specific vesting schedule of your new RSU is based on the original vesting start date of the eligible option(s) you are tendering for exchange.

The first vesting date for all new RSUs will be December 1, 2022. Subsequent vests will happen each December. The Offer to Exchange document includes the vesting schedules applicable to the new RSUs.

How are RSUs taxed?

When RSUs vest and turn into actual stock, the value of the shares is taxable to you for both income and payroll taxes, such as Social Security and Medicare. By default, a certain number of shares from your vested RSUs will be sold to cover your tax withholding. You will receive the remaining net shares. If you choose to exchange your options for RSUs, more information about taxes will be made available to you prior to your first vesting date.

How do I decide what to do?

Many factors go into the decision-making process. It can help to look at the breakeven point for each of your grants—meaning how much the price of TCR² common stock would have to rise for your existing options to be more valuable than a replacement grant of RSUs. The following provides some examples.

The first example shows a scenario where the options remain under water.

Eligible Option Exercise Price Range

Original Options				RSUs			
Grant Price	Your Awards	Future TCRR Stock Price	Value	Grant Price	Your Awards	Future TCRR Stock Price	Value
\$15	750 Options	\$10	—	—	250 RSUs	\$10	\$2,500

The second example shows a scenario where the stock price rises enough that the original options become approximately as valuable as the RSU grant. In this scenario, the options will become more valuable than the RSUs if the stock price rises to more than \$22.50.

Original Options				RSUs			
Grant Price	Your Awards	Future TCRR Stock Price	Value	Grant Price	Your Awards	Future TCRR Stock Price	Value
\$15	750 Options	\$22.50	\$5,625	—	250 RSUs	\$22.50	\$5,625

» **[I have more than one eligible grant. If I decide to participate, do I need to exchange all of them?](#)**

No. The election is made on a grant-by-grant basis. If you hold more than one eligible option grant and elect to participate in the exchange offer, you may exchange as few or as many of your eligible option grants as you wish. Grants that contain both incentive stock options (ISOs) and non-qualified stock options (NQSOs) are treated as a single grant.

» **[Can I split up a grant and only exchange a portion of it?](#)**

No. You must tender all outstanding shares underlying any selected eligible option grant.

» **[Am I required to exchange my options for RSUs?](#)**

No, you are not required to participate in this option exchange program. You have the choice to either keep your current options as is with their current conditions or to exchange them for RSUs. We encourage you to read the Offer to Exchange document carefully and to speak to your personal financial and tax advisors if you want help deciding what to do.

Have more questions? If so, please read the Offer to Exchange document, review the employee presentation, and watch the videos. After doing so, if you still have questions, please reach out to AskHR@tcr2.com any time during the offering period.

TCR² Option Exchange Program

October 2022



Agenda

- Introductions and Overview
- The Basics
- How an Option Exchange Works
- Eligibility
- RSU Terms
- Considering Your Choice
- Important Disclaimers
- Q&A



[REDACTED AS NOT RELEVANT TO EXCHANGE OFFER]

Offer to Exchange Overview

- Equity is an important component of your Total Rewards package at TCR²
- Many stock options granted before October 2021 are “under water”
 - That means the exercise price is lower than the current TCR² stock price
- Significantly underwater stock options may not effectively incentivize, motivate and reward – and *you* are our most important asset
- **The Exchange Offer is an opportunity to trade underwater options for a smaller number of restricted stock units (RSUs)**
 - Applies to options with \$10 or higher exercise price
- The current fair value of the new RSUs will be approximately equal to the current fair value of the exchanged stock options
- You decide whether to keep or exchange





The Basics

Understanding Types of Equity

What is a Stock Option?

Definition: A stock option is an option to purchase TCR² stock in the future.

*"Option price, exercise price, grant price and strike price –
4 terms that mean the same thing – the price you pay for the option."*



Price: The price is set at the grant date and equals stock price at that time



Value: The value is "how much do we grow from here?"



Vesting: The process of earning the right to exercise

- Time and continued service



Exercise: The process of turning your options into shares



Taxation: Gain only realized upon exercise

- Tax event



Expiration: 10 years from grant date

- The last day you can **exercise** your option

What is a Restricted Stock Unit?

Definition: A grant valued in TCR² stock that becomes stock at vest.

Because RSUs do not have a fixed exercise price like stock options, they can never go under water.



Price: Full-value shares. There is no price you pay as a recipient



Value: The value is the full value of TCR² stock



Vesting: The process of turning units into shares

- ◆ Time and continued service



Release: Shares are released at vest automatically. There is no exercise or decision



Taxation: Taxable at vest



Expiration: Doesn't really apply. Unvested RSUs canceled if you leave the company

Examples: Options vs. RSUs



Ethan has a grant of 500 stock options with a \$15 exercise price. What does this mean?

- He has the right to purchase up to 500 shares of common stock at \$15 each, once the options are vested
- This right ends on the grant expiration date (or when he leaves the company)
- To exercise all 500 vested options, he would pay \$7,500 ($500 \times \15)
- Options are valuable if the actual share price surpasses the exercise price
- For example, if Ethan sells the shares when the stock is trading at \$25 (a \$10 increase per share), his gain would be \$5,000 ($500 \times \10)
- Taxes are due at exercise (on the difference between the stock price at exercise and the exercise price) and when sold (on investment gain)



Ellie has a grant of 200 RSUs. What does this mean?

- She will receive 200 shares of common stock at the current stock price, once the RSUs are vested
- Once vested, the RSUs convert to shares of stock and will belong to Ellie
- For example, if the stock is trading at \$25 when the RSUs vest, the grant will be valued at \$5,000 ($200 \times \25) at that time
- Ellie may sell or hold onto the stock
- Taxes are due at vest (on stock price at vest) and when sold (on investment gain)



How an Option Exchange Works

Offer to Exchange Options for RSUs

How an Option Exchange Works

- Opportunity to exchange existing underwater options for restricted stock units (RSUs)
 - Eligible employees and eligible grants
 - Not required – you can retain all or some of your existing option grants
 - No one right answer
- An underwater option is an option whose exercise price is above the current trading price of the stock
 - Yes – underwater options have 'value'
 - Stock could rebound above exercise price
- The replacement RSUs are worth the full value of a share of TCR² stock
 - Will result in change of terms and fewer RSUs
 - One RSU becomes one share of stock at vesting
- The option exchange rate is set up front
 - Exchange ratios were finalized as of the start of the tender offer based on the stock price at that time
 - Different levels of exercise prices have different exchange rates
 - Overall, the exchange is not intended to deliver less value or create a financial windfall



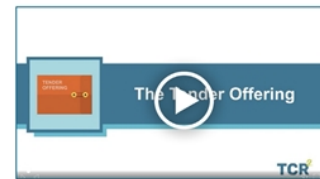
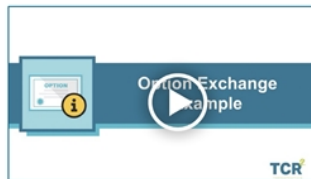
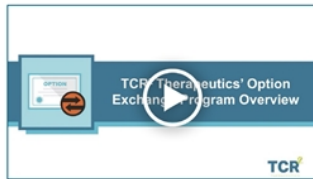
How an Option Exchange Works

- The offer to exchange is managed through a formal process called a “tender offer”
- Offer is open from October 19th – November 16th
- **All elections must be made by 11:59 pm ET on November 16, 2022**
- If you choose to exchange
 - When the tender offer is completed, your original award is canceled, and you receive the new award
 - New grant(s) will be effective on or around November 17th
 - First vesting opportunity is December 1st
- If you do not elect to exchange
 - Your original award will remain with original terms and conditions
- **Important:** You can change your election as often as you want until the tender period closes. When it closes, your decision is locked. *There will be no exceptions.*



Option Exchange Materials

- Offer to Exchange Eligible Options for New Restricted Stock Units document
- *Your TCR² Option Exchange Program Brochure*
- Education sessions (recording will be available)
 - **October 20 at 11 a.m. ET**
 - **October 25 at 2 p.m. ET**
- Educational videos:
 - [TCR² Therapeutics' Option Exchange Program Overview](#)
 - [Option Exchange Example](#)
 - [The Tender Offering](#)





Eligibility

Eligible Employees

Whose Options Can Be Exchanged?

■ Eligible participants

- Active employees who hold grants with an exercise price of \$10 or more
- Including employees on leave of absence

■ Ineligible participants

- Employees who resign or receive a notice of termination prior to the end of offer period
- Non-employees, including non-employee board members
- Employees who only hold grants with exercise prices less than \$10



Eligible Options



Held by an eligible employee



Outstanding as of the end of the tender offering



Have a grant date strike price of \$10 or greater



Granted under the 2018 Stock Option and Incentive Plan



RSU Terms

RSU Terms



Exchange ratio depends on stock price at the start of the tender offer



RSUs unvested on grant date, even if exchanged options were vested



Annual vest dates (first vest December 1, 2022)



RSU vesting cadence depends on the original vesting start date of the eligible option

See Tender Offer document for schedule for your grants



Shares taxable on vesting date

By default, Fidelity will sell the shares needed to cover tax withholding

Ratios and Examples

Eligible Option Exercise Price Range	Exchange Ratio (Surrendered Eligible Options: RSUs)*
\$10.00 to \$18.00	3 to 1
\$18.01 to \$25.00	4.5 to 1
\$25.01 and above	5.5 to 1

**Ratios in your tender offer document*

Why are there different exchange ratios?

If the stock is trading at \$2, an option with a \$10 price is worth more than an option with a \$20 price.

EXAMPLE 1

Current:
900 eligible options at
\$12 exercise price

Offer to Exchange:
Would receive 300 RSUs

($900 \div 3 = 300$)

EXAMPLE 2

Current:
900 eligible options at
\$32 exercise price

Offer to Exchange:
Would receive 164 RSUs

($900 \div 5.5 = 164$)

RSU Vesting and Example

Vesting Start Date of Eligible Options	New RSUs Vesting Schedule			
	December 1, 2022	December 1, 2023	December 1, 2024	December 1, 2025
Month/Year				
January 2019	98%	2%	—	—
February 2019	96%	4%	—	—
March 2019	94%	6%	—	—
April 2019	92%	8%	—	—
May 2019	89%	11%	—	—
June 2019	87%	13%	—	—
July 2019	85%	15%	—	—
August 2019	83%	17%	—	—
September 2019	81%	19%	—	—
October 2019	79%	21%	—	—
November 2019	77%	23%	—	—
December 2019	75%	25%	—	—
January 2020	73%	25%	2%	—
February 2020	71%	25%	4%	—
March 2020	69%	25%	6%	—
April 2020	67%	25%	8%	—
May 2020	65%	25%	10%	—
June 2020	62%	25%	13%	—
July 2020	60%	25%	15%	—
August 2020	58%	25%	17%	—
September 2020	56%	25%	19%	—
October 2020	54%	25%	21%	—
November 2020	52%	25%	23%	—
December 2020	50%	25%	25%	—
January 2021	48%	25%	25%	2%
February 2021	46%	25%	25%	4%
March 2021	44%	25%	25%	6%
April 2021	42%	25%	25%	8%
May 2021	40%	25%	25%	10%
June 2021	37%	25%	25%	13%
July 2021	35%	25%	25%	15%
August 2021	33%	25%	25%	17%



EXAMPLE:

Edgar has eligible options from a grant that originally began vesting January 1, 2020. He would be 68.75% vested in October at the time of the exchange. If he exchanged all these options, they would become 0% vested until December 1, 2022, when they would become 73% vested. The remaining shares would vest in two annual installments in December 2023 and December 2024.

SIDE-BY-SIDE VESTING		
	Options	RSUs
Oct-22	68.75%	
Nov-22	2.08%	
Dec-22	2.08%	73%
Jan-23	2.08%	
Feb-23	2.08%	
Mar-23	2.08%	
Apr-23	2.08%	
May-23	2.08%	
Jun-23	2.08%	
Jul-23	2.08%	
Aug-23	2.08%	
Sep-23	2.08%	
Oct-23	2.08%	
Nov-23	2.08%	
Dec-23	2.08%	25%
Jan-24	2.08%	
Feb-24		
Mar-24		
Apr-24		
May-24		
Jun-24		
Jul-24		
Aug-24		
Sep-24		
Oct-24		
Nov-24		
Dec-24		2%

RSU Tax Basics

Taxes happen when you make money



Vest

- **Normal wages**
 - TCR² withholds U.S. taxes
- **General taxation – may vary country to country**
 - RSUs taxed at vest/release
 - Options taxed at exercise
 - Income and social tax
- **RSU big difference** – Unlike options, you don't control tax timing



Sale

- **Capital gains/losses**
 - RSUs: Stock price change since vesting
 - Options: Stock price change since exercise
- **Cost basis**
 - When you sell stock – pay attention to cost basis reporting on your taxes the next year

Exchange Example



Elizabeth is an eligible employee with two eligible option grants. How many RSUs would she receive?

- Grant 1: 600 outstanding stock options, \$16 exercise price, vesting start date of December 2020
- Grant 2: 1,350 outstanding stock options, \$24 exercise price, vesting start date of May 2021

- Grant 1:
 - Could be exchanged for **200 RSUs** ($600 \div 3$)
 - All RSUs would be unvested as of the new RSU grant date
 - 100 RSUs (50%) would vest on December 1, 2022
 - 50 RSUs (25%) would vest on December 1, 2023
 - 50 RSUs (25%) would vest on December 1, 2024
- Grant 2:
 - Could be exchanged for **300 RSUs** ($1,350 \div 4.5$)
 - All RSUs would be unvested as of the new RSU grant date
 - 120 RSUs (40%) would vest on December 1, 2022
 - 75 RSUs (25%) would vest on December 1, 2023
 - 75 RSUs (25%) would vest on December 1, 2024
 - 30 RSUs (10%) would vest on December 1, 2025

Elizabeth will owe ordinary income taxes on the value of the shares when they vest. Fidelity will automatically sell some shares to cover the taxes.

Alternatively, Elizabeth may choose to exchange one grant and not the other. Or she may choose to keep her options and not participate in the exchange.

Timeline for Exchange



Process

- Personalized Election Form emailed to your TCR² email address via DocuSign
- If you wish to participate, complete the election form, sign it, and return using DocuSign
- If you change your mind, you can submit a Notice of Withdrawal at any time (form available on Namely)
- If you submit a Notice of Withdrawal, you will be issued a new Election Form through DocuSign
- Your current election is locked when the tender offer period closes
- Final exchange statements will be sent out by November 23
- You will be notified of your new award details when delivered via Fidelity system





Considering Your Choice

Consider Your Choice

- You can keep your current options or exchange them for RSUs
- There is a breakeven point you may want to examine for each of your grants
- For example:

Eligible Option Exercise Price Range	Original Options	RSUs
Grant Price	\$15	--
Your Awards	600 options	200 RSUs
Future TCRR Stock Price	\$10	\$10
Value	--	\$2,000

At a TCRR stock price of \$10, the original options are still underwater and do not have any realizable value, however the RSUs are now worth \$2,000.

Eligible Option Exercise Price Range	Original Options	RSUs
Grant Price	\$15	--
Your Awards	600 options	200 RSUs
Future TCR2 Stock Price	\$22.50	\$22.50
Value	\$4,500	\$4,500

TCR²'s stock price would need to be \$22.50 for your original options to break even with the value of your new exchanged RSUs.

Important Disclaimers

TCR² Therapeutics cannot advise you on what to do – this is a financial decision that is entirely yours

- A tender offer is regulated by the SEC and there are strict guidelines
- If you ask for advice, we are required to say 'read through your materials' / 'talk to your advisor'
- If you have questions, email AskHR@tcr2.com



You must complete your tender offer on time

- Return your Election Form by 11:59 pm ET on November 16, 2022
- You will receive an e-mail confirmation with your elections – keep it for documentation
- This is a one-time event and is only 20 business days long – make time to review the materials



Q&A

Send all questions to AskHR@tcr2.com

Q&A

■ **Q: How were the exchange ratios determined?**

A: Eligible stock options were valued using a model that takes into account many variables and estimates, such as our current stock price, the volatility of the price of our common stock, and the remaining term of an eligible stock option. We used those values to establish exchange ratios that will result in RSU grants with an aggregate fair value approximately equal to the aggregate fair value of the options they replace. Overall, the exchange is not intended to deliver less value or create a financial windfall.

■ **Q: How do I know the exercise price(s) of my eligible option(s)?**

A: If you are an eligible employee, you have been sent a link to a personalized election form. This form will list all eligible option grants, including their respective grant prices and vesting start dates. You may also view your grants in the Fidelity NetBenefits web portal.

■ **Q: I have more than one eligible grant. If I decide to participate, do I need to exchange all of them?**

A: No. The election is made on a grant-by-grant basis. If you hold more than one eligible option grant and elect to participate in the exchange offer, you may exchange as few or as many of your eligible option grants as you wish. Grants that contain both Incentive Stock Options (ISOs) and Non-Qualified Stock Options (NQSOs) are treated as a single grant.

■ **Q: Can I split up a grant and only exchange a portion of it?**

A: No. You must tender all of the outstanding shares underlying any selected eligible option grant.

■ **Q: Am I required to exchange my options for RSUs?**

A: No, you are not required to participate in this option exchange program. You have the choice to either keep your current options as is with their current conditions or to exchange them for RSUs. We encourage you to read the Offer to Exchange document carefully and to speak to your personal financial and tax advisors if you want help deciding what to do.

■ **Q: What happens if I participate in the exchange and then leave the company?**

A: If you tender options in the exchange and leave the company before December 1, 2022, you will forfeit the grant, since no shares will be vested. On December 1, 2022, some portion of the RSUs will vest and will belong to you, even if you leave the company. Subsequent vest dates are on December 1, 2023, December 1, 2024, and December 1, 2025. See the Offer to Exchange document for the vesting schedule.

TCR2– Option Exchange Tender Offer Presentation

- Slide 1: Welcome everyone to the TCR-squared option exchange program presentation. My name is []. I am from Aon, and today we will be walking through the option exchange program that is occurring this month. Here is your agenda for today.
- Slide 2: First we have Introductions and an overview. We'll go over the basics, how an option exchange works, the eligibility, terms and considering your choice. Important disclaimers, and then questions and answers after that. As a reminder, the terms and existence of the option exchange program remain confidential until TCR-squared files its tender offer documents with the Securities and Exchange Commission, and you should not disclose the existence of the exchange program to anyone outside of TCR-squared until that time.
- Slide 3: Quick intro as to who I am. You might wonder why I'm involved. [] I have done several of these presentations where we talk about exchange programs. I have a degree of expertise. However, it's important to note that does not mean that I can provide you any advice. It's actually part of the reason that I am here. I can't provide advice, but I do have expertise and the ability to answer questions on this type of exchange and answer questions that you have as long as it relates to the awards involved or materials that TCR-squared has provided for you.
- Slide 4: Equity is a very important part of your total rewards package at TCR-squared. Many stock options that were granted before October of last year are underwater. Underwater means that the exercise price is lower than the current stock price of TCR-squared. It is fairly normal for stock options to fluctuate in value and become "underwater." They are granted at the current stock price – it's a 50-50 shot they will be underwater in the next couple days. However, options that are more significantly underwater may not motivate you as an incentive. There's still some value in the options – a wall street guy could calculate that value with a mathematical model, but since your core expertise is not option valuation and you have to wait for the stock to go up to realize that value, you may not appreciate the full value of your options. But it's very important that you appreciate your incentives from TCR-squared. You are our most important asset in this.
- This exchange is an offer to trade your underwater options for a smaller number of restricted stock units or RSUs. We'll go through why it's smaller and how all of this works in this presentation. The exchange offer only applies to options with a \$10 or higher strike price. So anything that's lower than \$10 is not covered by this exchange program. But the grants above \$10, you have the opportunity to consider an exchange. The value of the RSU will be approximately equal to the current fair value of your exchanged options. That fair value was calculated by those math people who can look at all the future possibilities and figure out its worth. You decide whether you want to keep the options or exchange them for RSUs.
- Slide 5: Let's go over the basics and make sure you understand the types of stock awards that we're talking about. Let's start with options.
- Slide 6: What is a stock option? A stock option is an option to purchase TCR-squared stock in the future. Your options have a 10-year life, which is a long time. The total time from the date of grant until they expire is 10 years. You must exercise your options before the 10 years is up, but it's that 10-year life that makes options so valuable.

You're going to see some things out there in this process and generally. Let's get one of them out of the way. Option price, exercise price, grant price, and strike price all mean the same thing. It's the price you pay for an option. So it's very important to understand that when you're talking about this type of a program, when we're talking about option prices and exercise prices and grant prices that are above \$10, those are the options that are eligible for this exchange. The ones that are below that are not eligible. The exercise price is set to the price of the stock on the grant date. That is how your options were given to you – at the price of the stock on the grant date.

The value of a stock option is "how much do we grow from here?" In this instance, we did not have the growth that we expected as of the time of the grant, and that is why we're having this conversation today. Vesting is the process of earning the right to exercise. Exercise, that's the process of turning your options into shares. Taxation on the gain is realized upon exercise -exercise is the tax event. Now, there are places on the planet where that is not the tax event, but we are talking about the United States, and here the exercise is the tax event. 10 years from the grant date is the last day you could exercise your stock option. That expiration we've been discussing. Let's go to a restricted stock unit.

Slide 7: An RSU is a grant valued in TCR-squared stock that becomes stock at vest. So it's a little bit different than an option. With options, we have an exercise process, but RSUs just turn into shares automatically. It's basically an automated transaction—you could say exercise, it's not quite the right term, but you can think of it as an automated exercise—the RSU automatically turns into shares as of the vest date. RSUs can never go underwater because they don't have an exercise price that you pay to the company. It is just the value of stock. They're called a full-value award because the value is the full value of TCR-squared stock. Shares are released at vest automatically. Because there's no exercise process, the only decision to be made is when to sell your shares after they have been vested. That's the only time a decision gets made. It does not have anything to do with turning your grant into shares. And for taxation, RSUs are taxable at vest, that is the transaction. That is when the shares become yours. Expiration doesn't really apply in this instance. The unvested RSUs are canceled if you leave the company – we're used to options with a 10-year expiration. Understanding your vest dates as they relate to your RSUs is very important.

Slide 8: Here's an example of options versus RSUs. Ethan has a grant of 500 stock options with a \$15 exercise price. What does that mean? He's got the right to purchase up to 500 shares at \$15 each once they're vested. That right ends on the grant expiration date—that 10-year timeframe from the grant date—or when he leaves the company. If he decided to exercise all 500 of the options, he would pay \$7,500 plus taxes.

Options are more noticeably valuable when the actual share price surpasses the exercise price. For example, if Ethan sells the shares when the stock is trading at \$25, his gain would be \$5,000. That's a \$10 gain times 500 shares. Taxes are due at exercise. And then any gain beyond that would be capital gains or loss. On the other hand, Ellie has a grant of 200 RSUs, so she would receive 200 shares of common stock on the vest dates. Typically, you have multiple vest dates with an award. Once the RSUs are vested, they convert to shares automatically. For example, if the stock is trading at \$25 when the RSUs vest, the grant would be valued at 200 times the \$25 share price, or \$5,000. She can sell or hold the stock as long as she wants. Taxes are due at vest and capital gains apply again when the shares are sold. Now let's talk about how an option exchange works.

Slide 9: How an Option Exchange Works: Your Offer to Exchange Options for RSUs

Slide 10: Your option exchange is an opportunity to exchange existing underwater options for restricted stock units. There are specific eligible employees and specific eligible grants. It's also not required. You can retain all of your existing option grants. The primary reason you do not have to exchange your award is there is not a right answer for everybody. It is not something where I'm going to recommend you exchange your options. That is something that you have to work out, and it is based on how you see the stock doing and how you feel about options versus RSU and the overall structure of your equity. An underwater option is an option whose exercise price is above the current trading price. But, yes, underwater options have value. The stock could rebound above the exercise price. The replacement RSUs are worth the full value of a share of TCR-squared stock, but that will result in a change in terms and fewer RSUs. One RSU becomes one share of stock at vesting. The option exchange rate is set up front. Exchange rates were finalized at the beginning and will not change at the end. Different levels of exercise prices have different exchange rates – we have three tiers we're going to talk about. Overall, the exchange is not intended to deliver less value or create a financial windfall. It's intended to be a break even on value. It's really important to understand that. And it should become clear that means if you turn in options, you'll get fewer RSUs back.

Slide 11: The offer is managed as a formal process called a tender offer. The offer is open from October 19th to November 16th. All elections must be made by 11:59 PM Eastern time on November 16th. If you choose to exchange, when it's completed, your original award is canceled and you receive the new award. The new grants will be effective on or around November 17th. The first RSU vesting opportunity is December 1st. If you do not elect to exchange, your original awards remain with the original terms and conditions. You can change your election as often as you want until the tender period closes. When it closes, that's when it's locked. There are no exceptions.

Slide 12: You have option exchange materials. The big one and the most official of the bunch is the Offer to Exchange Eligible Options for New Restricted Stock Units document. This details all of the rules and requirements of the program and serves as your primary source of information. I say most official in that all of these materials are filed with the SEC – the video and storyboard, the brochure, this deck and even the script I am reading from. Some of these additional materials are a little more 'approachable.' The TCR-squared option exchange program brochure has a simple modeler included. You've got some education sessions—I am here. The dates for the broad sessions are the 20th and 25th. We also have some brief educational videos. In the set is an exchange program overview, an example, and a discussion of the tender offering process.

Slide 13: Eligibility

- Slide 14: Eligible participants include active employees who hold grants with an exercise price of \$10 or more. This includes employees on leave of absence. Ineligible participants include employees who resign or receive a notice of termination prior to the end of the offering period; also non-employees, including non-employee board members; and employees who only hold grants with exercise prices less than \$10. Most of you with older options are eligible, but wanted to make sure we touched on this.
- Slide 15: Eligible options are options held by an eligible employee and that are outstanding as at the end of the tender offering, have a grant date exercise price of \$10 or greater, and were granted under the 2018 Stock Option and Incentive Plan.
- Slide 16: Let's understand your RSU terms – the terms of the awards you would be given in the exchange.
- Slide 17: The exchange ratio depends on the stock price at the start of the tender offer. We already know this answer since we've started, but they were only just established. If you agree to the exchange, your RSU will be unvested on the grant date, even if your exchanged options were vested. The first RSU vesting is December 1st, 2022. So it's actually coming up quite quickly. It'll be an annual December 1 vest date. Your new RSU vesting schedule depends on the original vesting start date of your exchanged option. You can look at your tender offer document for the schedules for your specific grants. Shares are taxable on the vesting date. By default, Fidelity will sell the shares needed to cover tax withholding with an RSU.
- Slide 18: This is an example of the exchange ratio. So this is important to understand and like I mentioned, we are working with the final numbers that were set before the exchange began. We have already explained we are dealing with options with an exercise price of \$10 or more that are eligible for this exchange. So if you have an option with an exercise price between under \$10 – hang on to it. You have a long period of time ahead of you with an opportunity for the option to come into the money. For options between \$10 and \$18, the exchange ratio is three to one; if your exercise price is between \$18.01 and \$25 the exchange ratio is 4.5 to 1; and if the exercise price is \$25.01 or above, the exchange ratio is 5.5 to 1.

So, why are there different exchange ratios? That amount that an option is underwater impacts that value so as an example, if the stock is trading at \$2, an option with an exercise price of \$10 is worth more than an option with an exercise price of \$20. I have farther to go for it to be in-the-money. The value is essentially how close is your exercise price to the current stock price – percentage-wise. At what point will you find value. Let's look at example 1. A participant who held 900 eligible options at a \$12 exercise price would receive 300 RSUs if they accepted the exchange offer. The math is simple—it's 900 eligible options just divided by three. Example 2—someone with the same 900 options but with an exercise price of \$32 would receive 164 RSUs—taking the 900 options and dividing by 5.5 equals 164. For those of you wondering about rounding, the exchange will round up fractional amounts. You can see the difference there, but it also should seem pretty logical. There is definitely a value difference of those options that is sizable as it relates to the current stock price.

- Slide 19: So here is an RSU vesting example and the chart on how all of this vesting works. You can see there was definitely a lot of thought put into the vesting elements of this program. If your eligible options had a vesting start date in January 2019 – looking at that top line — and you accepted the exchange offer, you’re going to see that 98% of your RSUs would vest on December 1st, 2022, and the remaining 2% would vest December 1st, 2023. And you can go through and look at the different vest start dates here. Now let’s look at Edgar’s example off to the right. He has eligible options from a grant that began vesting in January 2020. In October, at the time of the exchange, 68.75% of his options are vested. If he exchanged all of these options, his new RSUs would be 0% vested until December 1st. On December 1st, they would become 73% vested. The remaining shares would vest in two annual installments—another 25% of the RSUs would vest December 1, 2023, and the final 2% in 2024. So the numbers may feel arbitrary, but you can definitely tell exactly where they came from when you see what would vest on December 1st of this year if you choose to exchange. The vesting will occur in 2,3, or 4 installments depending on that grant timing and when they began vesting.
- Slide 20: Let’s talk a little bit about taxes. Taxes happen when you make money. And with an RSU vesting, that is when money is made. TCR-squared withholds U.S. taxes. General taxation varies from country to country. RSUs are taxed at vest—when shares are released. Options are taxed at exercise. That includes both income and social taxes. RSUs are a bit different in that unlike options, you don’t control tax timing. As for capital gains and losses you recognize when you sell the shares, for RSU’s that’s if stock price has changed since vesting – it usually will be different. For options, it’s how the stock price has changed since exercise. A lot of time people sell the stock at the same time as an exercise of an option so it is rarer to have capital gains with options since most people never hold the shares. Another important item with both options and RSUs — cost basis—when you sell the stock, pay attention to your cost basis. It’s just important to make sure your taxes are done properly so you don’t over-report income.
- Slide 21: Another example – let’s look at 2 awards this time. Elizabeth is eligible to exchange her two grants. How many RSUs would she receive if she chose to exchange each grant? Again – completely her call + she can even elect differently for the different awards if she chooses.
- Grant 1 is for 600 stock options with a \$16 exercise price and has a vesting start date of December 2020. Grant 2 is for 1,350 stock options with a \$24 exercise price and has a vesting start date of May 2021.
- Grant 1 could be exchanged for 200 RSUs—that’s 600 divided by three, which is that 3:1 ratio for the \$10 to \$18 exercise price range. All of the RSUs would be unvested as of the grant date. One hundred RSUs would vest on December 1st of this year, 50 next year, and 50 on the year after that.
- Grant 2 could be exchanged for 300 RSUs—that’s the 4.5:1 ratio. So 1,350 options divided by 4.5. All RSUs would be unvested as of the new grant date, then 120 would vest on December 1st of this year, 75 would vest in both 2023 and 2024, and then 30 would vest in 2025. So the vesting schedule would be 40%, 25%, 25%, 10%.

Alternatively, Elizabeth could exchange one grant and not the other. You do not have to exchange all eligible grants. She also can keep all of her options and not participate. If she does exchange her options, Elizabeth will owe ordinary income taxes when her RSUs vest. Fidelity automatically sells some of the shares to cover taxes. That ends up flowing through payroll. So it's not something that you report separately, it'll show up on your W-2 at the end of the year.

Slide 22: The timeline for the exchange looks like this. It's open now. It closes Wednesday, November 16th, at 11:59 p.m. Eastern time. The grant date is expected to be November 17th, and exchange confirmations will be sent out November 18th through 23rd. In December, Fidelity systems will update with the new grant paperwork.

Slide 23: Here's the process. A personalized election form will be emailed to your TCR-squared email account. If you wish to participate, complete the form, sign it and return using DocuSign. If you change your mind, you can submit a notice of withdrawal. That form is available on Namely. If you do submit the notice to withdraw, you'll be issued a new election form. Your current election is locked when the tender period closes. Final exchange statements will be sent out by November 23rd. You'll get a grant notification when it gets entered into Fidelity. You would also see your option canceled in the system if you elect to exchange.

Slide 24: Considering your choice

Slide 25: You can keep your current options or exchange them for RSUs. There's a breakeven point you may want to examine for each of your grants. For example, let's look at this chart. Say you have 600 original options with a \$15 exercise price. On the left – you can see the value of the option and the RSUs at a \$10 stock price. At a stock price of \$10, your original options still have no value – the RSUs are worth \$2,000.

Looking at a breakeven, just to give you an idea of what that looks like. Breakeven on this award ends up around \$22.50. For your 600 options, that would be a \$7.50 gain over the original exercise price. With that your options would be worth \$4,500. And 200 RSUs at \$22.50 would also be worth \$4,500. So TCR-squared's stock price would need to be \$22.50 for it to break even. Every exercise price and every ratio have different breakeven points. There is a simple breakeven modeler in the brochure.

Slide 26: Important disclaimers. TCR-squared Therapeutics cannot advise you on what to do. This is a financial decision that's entirely yours. Tender offers are regulated by the SEC, which has strict guidelines. If you ask for advice, we are required to say: Read through your materials, talk to your advisor. If you have questions, you can email Ask HR at TCR TWO dot com. We can answer questions as it relates to options and RSUs – taxes questions, etc. – but the exchange itself becomes the part where we need you to handle the process without our input.

And this is also very important: you must complete your tender offer on time. If you miss it, it's done. There is no way to modify or add an election after the close. You will receive an email confirmation with your election. Keep it for documentation. This is a one-time event – we won't be repeating this offer at a later time. It's only 20 business days long. Make time to review the materials as soon as possible. 20 business days goes quickly.

Slide 27: With those caveats, you can send questions to this email address if they come up. We will also open it up for questions at this time. Remember – nothing on what to do or what's right for you, but anything truly factual about the process or the award types we can definitely answer questions. On the next slide

Slide 28: We have answers to a few questions we know will come up, but I'll go back to slide 27 for the Q&A portion. Thank you very much for your time.

THE POWER OF tomorrow

Engaging the TCR to Transform
the Treatment of Solid Tumors

New Equity Programs

October 19, 2022

TCR²
THERAPEUTICS

New Equity Programs

- Equity is an important component of your Total Rewards package at TCR²
- Granted as **stock options** and more recently, **restricted stock units (RSUs)**
- Equity serves to incentivize, motivate, and reward performance so we deliver on our strategic, operational, and financial goals as an organization
- Aligns you with other shareholders as an owner in TCR² and allows you to share in our progress as a company
- Due to the significant decline of the biotechnology index and our stock price over the past two years, many employees now hold stock options with exercise prices significantly higher than the current market price of our common stock

2. *One-time Options-to-RSU Exchange Offer (for significantly underwater options)*

Equity-Based Compensation Types

Stock Options	Restricted Stock Units (RSUs)
<ul style="list-style-type: none">• A stock option is the right to purchase a fixed number of shares of TCR² common stock at a fixed price (known as the “exercise price” or “strike price”) for a fixed period of time• Once a stock option grant vests, you may “exercise” the vested portion until the expiration date of that option (exercising means you buy the stock at the exercise price set on the date of grant)• Taxes are due at exercise (on the difference between the stock price at exercise and the exercise price) and when sold (on investment gain)• If the current share price is more than the exercise price, options have value to you (“in the money”)• If the current share price is less than the exercise price, options have no present value to you (“under water”)	<ul style="list-style-type: none">• A restricted stock unit (RSU) is the right to receive a fixed number of shares of TCR² common stock at a fixed time in the future at no exercise or purchase price• Once an RSU vests, a share of TCR² common stock is issued to you• Taxes are due at vest (on stock price at vest) and when sold (on investment gain)• RSUs always have value (current share price x the number of RSUs)



TCR² Option-to-RSU Exchange

- Opportunity (not a requirement) to exchange significantly underwater outstanding options for RSUs
 - The new RSU grant will be approximately equal in value from an accounting standpoint
 - RSUs will be subject to a new vesting schedule
 - Not a one-for-one exchange; the number of RSUs you will be granted depends on the exercise price of your option grant
- To participate, you must be actively employed and hold outstanding stock options with an exercise price of **\$10 per share or more**
- One-time offer largely driven by external market conditions...not a routine event

The “Tender Offer” Period: October 19th - November 16th

- The offer to exchange is managed through a formal process called a “tender offer”
- Offer is open starting today through November 16th and eligible employees may elect to participate during that period
- **All elections must be made by 11:59 pm ET on November 16, 2022**
- This is voluntary – you are not required to exchange your options and this is a personal decision
- TCR² is not permitted to give advice

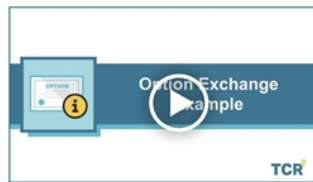


What Happens Next

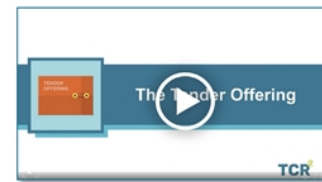
- **If you are an eligible employee holding one or more eligible option grants, you will receive emails this afternoon with details and instructions on how to participate in this exchange opportunity**
 - The election form will be sent from DocuSign and is personalized to you
- Please accept the invitation for one of the education sessions (recording will be available):
 - October 20 at 11 a.m. ET
 - October 25 at 2 p.m. ET
- Materials will include:
 - *Offer to Exchange Eligible Options for New Restricted Stock Units* document
 - *Your TCR² Option Exchange Program Brochure* (includes a modeler tool that requires Adobe Reader)
 - Educational videos:



[TCR² Therapeutics' Option Exchange Program Overview](#)



[Option Exchange Example](#)



[The Tender Offering](#)



Q&A

If you have questions, please email AskHR@TCR2.com

TCR²– October 19 Company Meeting Presentation

- Slide 1: Welcome everyone. Thanks for joining this special meeting about some new initiatives related to equity-based compensation that we are excited to announce to you.
- Slide 2: Equity is a very important part of your total rewards package at TCR-squared. *[REDACTED – not relevant to the tender offer]*. Equity is ownership in TCR-squared, which helps to aligns your interests with that of other shareholders and it allows you to share in our progress as a company. It means we're all in this together.
- The reality is, however, that many stock options that were granted before October of last year are underwater. Underwater means that the exercise price of the stock option is lower than the current stock price of TCR-squared. While this is a common occurrence for stock options, we recognize that more significantly underwater options may not motivate you as an incentive.
- As such, we are happy to announce two new initiatives that were recently approved by the Board that will provide opportunity to further diversify your equity-based compensation. *[REDACTED – not relevant to the tender offer]*. And second, we will be offering employees who hold significantly underwater options the opportunity to exchange those options for RSUs.
- This meeting is intended to inform you of what's coming, but we won't be going into a tremendous amount of detail today. There are opportunities to learn more as we go forward.
- Slide 3: Let's first quickly review the types of stock awards that we're talking about. We'll start with options. A stock option is an option to purchase TCR-squared stock in the future at a set price. This price is called the exercise price, grant price, or strike price. Your option to purchase the stock at that set price is for a fixed period of time – which is 10 years – and is subject to vesting – which usually means you need to wait until certain dates before you earn the right to exercise.
- Options are valuable when the stock price is higher than your exercise price. When the current stock price is lower than your exercise price, options have no intrinsic value. This is what we mean when we say options are “under water.”
- An RSU is a grant valued in TCR-squared stock that becomes stock at vest. You don't need to purchase RSUs – they just turn into shares automatically when they vest. RSUs can never go underwater because they are always worth the current value of stock.
- Slide 4: *[REDACTED - NOT RELEVANT TO THE TENDER OFFER]*
- Slide 5: The second initiative is an offer to trade your significantly underwater options for a smaller number of RSUs that are approximately equal in value from an accounting standpoint. This is not required and is completely a personal decision; you decide whether you want to keep the options or exchange them for RSUs. As we've discussed, there are differences between these two equity types and one may be more attractive than the other to you, based upon your own situation. To participate, you must be actively employed and hold outstanding stock options with an exercise price of \$10 per share or higher.

Please know that this is a unique opportunity largely driven by external market conditions. Given current circumstances, we believe this program is in the best interests of our employees and our shareholders. At this time we do not expect to offer this type of program again in the future.

Slide 6: The offer to exchange is managed as a formal process called a tender offer. The offer is open from today, October 19th through November 16th. So you have almost a month to review the offer, ask questions, and make your decision. All elections must be made by 11:59 PM Eastern time on November 16th. If you choose to exchange your options for RSUs, when the offer completed, your original award will be canceled and you will receive the new RSU award.

The terms and existence of this option exchange program remain confidential until the Company files its tender offer documents with the Securities and Exchange Commission later today, and you should not disclose the existence of the exchange program to anyone outside of the Company until that time.

Slide 7: So, what happens next? This afternoon, you will receive emails with details and instructions on how to participate in this exchange opportunity if you are eligible. An election form will be sent to you via DocuSign, so be on the lookout for that as well.

TCR-squared cannot advise you on what to do. This is a financial decision that's entirely yours. Tender offers are regulated by the SEC, which has strict guidelines. If you come to us and ask for advice, we are required to say: Read through your materials and talk to your advisor. That being said, to aid in the decision-making process, we have put together a number of educational materials and we will be offering live webinars to all eligible employees.

Please accept the invitation to one of the educational meetings and review the documents and videos that you receive in the emails this afternoon.

Slide 8: If you have questions, you can always email AskHR@TCR2.com. We want to ensure you understand these new initiatives so please don't hesitate to reach out. And stay tuned for more information!

Calculation of Filing Fee Tables

SC TO-1
(Form Type)TCR² Therapeutics Inc.
(Exact Name of Registrant as Specified in its Charter)

Table 1: Transaction Valuation

	Transaction Valuation (1)	Fee Rate	Amount of Filing Fee (2)
Fees to Be Paid	\$1,234,493	\$0.00011020	\$136.04
Fees Previously Paid	—		—
Total Transaction Valuation (1)	\$1,234,493		
Total Fees Due for Filing (2)			\$136.04
Total Fees Previously Paid			—
Total Fee Offsets			—
Net Fee Due			\$136.04

- (1) Estimated solely for purposes of calculating the amount of the filing fee. The calculation of the transaction valuation assumes that all stock options to purchase shares of the issuer's common stock that may be eligible for repricing in the offer will be tendered pursuant to this offer. This calculation assumes stock options to purchase an aggregate of 2,574,615 shares of the issuer's common stock, having an aggregate value of \$1,234,493 as of October 18, 2022, calculated based on the average values using the Black-Scholes option pricing model, will be exchanged or cancelled pursuant to this offer.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$110.20 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or 0.011020% of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.