

OH2 LABORATORIES, LLC
PRIVATE PLACEMENT OF FUNDING UNITS
MANAGEMENT DISCUSSION AND RISK FACTORS

NOVEMBER 1, 2014

THE UNITS DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), NOR HAVE THEY BEEN REGISTERED UNDER ANY STATE SECURITIES LAW. THE TRANSFER OR PLEDGE OF SUCH UNITS IS PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION D OR S OF THE SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. CERTAIN OTHER RESTRICTIONS ON THE TRANSFER OF UNITS ARE DESCRIBED IN THE COMPANY'S OPERATING AGREEMENT.

THERE IS NO, AND THERE IS NOT EXPECTED TO BE A, PUBLIC MARKET FOR THE UNITS. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

Special Warning Regarding Forward Looking Statements

Some of the statements made in the Subscription Package constitute forward-looking statements. These statements are related to future performance of the Company and are identified by words such as "may", "will", "should", "expect", "scheduled", "plan", "intend", "anticipate", "believe", "estimate", "potential", "continue", etc., or the negative of such terms or other similar words. You should read these statements carefully because they discuss future expectations. While it is important to communicate these expectations to you, these statements are only estimates of future performance. Actual performance or events may not meet such expectations and may, in fact, differ materially. In evaluating these forward-looking statements, you should consider various factors, including the factors discussed under "Risk Factors" below and any cautionary or qualifying statements made along with such forward-looking statements. Such factors may cause actual results to differ materially from those expressed in any forward-looking statements made in the Subscription Package. Although the Company believes that the expectations reflected in the forward-looking statements made herein are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements. Moreover, the Company does not assume any responsibility for the accuracy and completeness of such forward-looking statements in the future. The Company may update any of the forward-looking statements made hereinafter the date hereof to conform such statements to actual results.

MANAGEMENT DISCUSSION

A total of up to 6,300,000 Funding Units (the "Funding Units") in OH2 laboratories LLC (the "Company") may be offered (the "Offering") by the Company. The current purchase price is \$1.50 per Funding Unit and offered upon the terms and conditions set forth in the following documents that have been provided to you for your review in connection with making an investment in the Funding Units: (i) a Subscription Agreement; (ii) this Management Discussion and Risk Factors; (iii) the Company's Amended and Restated Operating Agreement effective as of April 30, 2013 (the "Operating Agreement"; capitalized terms used in the Subscription Package shall have the meanings ascribed to such terms in the Operating Agreement unless otherwise indicated); and (iv) the Premier Membership Agreement, dated June 1, 2012, between the Company and the Massachusetts Institute of Technology ("MIT") that is attached as Exhibit 1 to the Operating Agreement (the "MIT Agreement") (collectively, the "Subscription Package"). You should read the Subscription Package in its entirety before making an investment decision.

The sole mission of the Company shall be to fund research and development carried out by MIT through its research center known as the Center for Bits and Atoms (the "CBA") pursuant to the MIT Agreement. Funding will support research activities of MIT students, post-docs, professors, resident scientists and others at MIT. The Company has had discussions with the CBA regarding the anticipated research projects that will be funded through the Company and the Company expects that Dr. Shuguang Zhang and his team's research in molecular manufacturing will be supported by the CBA with funds from Company. The MIT Agreement requires that the Company make annual contributions of \$1,000,000 per year for five (5) years, provided that the Company will have an option to terminate the MIT Agreement upon one (1) year advance notice at the end of the 3rd contract year. Pursuant to the MIT Agreement, the Company will be granted the following rights at no additional cost: (a) a non-exclusive commercial license to the intellectual property ("IP"), if any, developed at the CBA by, and during the period of, funding by Company and (b) a non-exclusive internal research and evaluation license to any IP developed at the CBA during the period of funding by the Company, whether specifically funded or not by the Company. The Company may also have the opportunity to purchase, at additional cost, certain exclusive licensing rights as set forth in the MIT Agreement. If the CBA develops IP in collaboration with other MIT labs, the Company will have the right to license such IP as well subject to the terms and conditions set forth in the MIT Agreement.

You should read the MIT Agreement in its entirety regarding the licensing rights and funding obligations of the Company. The proceeds of the Offering are not sufficient to fully fund the Company's obligations under the MIT Agreement. Your ownership in the Company may be diluted or MIT may have the right to terminate the MIT Agreement before any IP is developed if the Company is unable to raise additional funds during the term of the MIT Agreement.

The Company expects to collect sublicensing fee(s), milestone payments, and royalties from sublicensing as one-time payments or as ongoing payments from pharmaceutical, biotechnology,

or technology companies to which the Company expects to sublicense the IP licensed by the Company from MIT and the CBA. The Company's revenues will be used to: (i) pay all expenses related to the prosecution of patents to the extent that the Company is responsible for such expenses under the MIT Agreement or to the extent that incurring expenses are otherwise in the best interest of the Company; (ii) pay all expenses related to management of the sublicenses such as legal, royalty monitoring, traveling, and entertainment, which the Company does not anticipate will exceed 10% of the Company's revenues annually; (iii) establish reasonable reserves for the Company's ongoing business operations; and (iv) make distributions to the Members of the Company pursuant to the terms of the Company's Operating Agreement.

In addition to, or in lieu of, sublicensing the IP (if any), the Company also may contribute the IP (if any) to one or more start-up(s) that will either initially be wholly-owned by the Company, or spun-off into one or more separately formed entities with ownership structures similar to the ownership structure of the Company (each such start-up shall be referred to hereafter as a "Spin-Off Entity"). The Company expects that the Spin-Off Entities will be managed by experienced entrepreneurs and the former MIT students/post-docs that worked on the development of the IP who will also be granted equity interests in the Spin-Off Entities to incentivize further development and commercialization of the IP. Further development and commercialization of the IP in the Spin-Off Entities is expected to require venture or other corporate investments which will dilute the Members' ownership in any Spin-Off Entity.

As per the Operating Agreement, the Company will be led by a Board of Directors, whose directives shall be implemented by a Manager, currently David Levy. The Manager serves at the will of the Board and will be paid a management fee of \$10,000 quarterly for year one and up to \$40,000 quarterly for year 2 and will also be entitled to reimbursement for the Manager's expenses. The Manager will be responsible for interacting with the CBA, monitoring IP development and patent filings, meeting periodically with the CBA and MIT scientists working on projects funded by the Company, issuing K-Is to the Members annually, preparing and distributing annual financial statements, preparing and distributing reports informing the Members of research developments at the CBA and the anchor lab for molecular manufacturing at least annually or more often if a notable development occurs, organizing Spin-Off Entities, administering sublicenses by the Company, administering licenses from MIT, making recommendations to the Members with respect to matters that require the Members' consent and raising the capital necessary to continue funding the MIT Agreement during its term. The Manager will be reasonably available to the Members to answer questions concerning the affairs of the Company.

At this time, the Company has funded \$1,250,000 in contributions under the MIT Agreement. The Company is required to fund an additional \$250,000 on Dec 20, 2014, which must be paid no later than March 31, 2015 pursuant to the terms of the MIT Agreement. However, the Company does not currently have sufficient funds to make such contribution without raising additional funds through the Offering.

DISCUSSION OF OFFERING AND INVESTOR ELIGIBILITY

1. Offering Terms. The purchase price for the Offering is \$1.50 per Funding Unit. This value has been determined by the Board and may be subject to change. The proceeds from the sale of the Funding Units will be used by the Company toward paying its obligations under the

MIT Agreement and to pay expenses, including management fees. The Company intends to continue the Offering until all of the Funding Units have been sold.

2. Confidentiality. The information contained in the Subscription Package is being furnished to prospective investors on a confidential basis to consider an investment in the Funding Units and may not be used for any other purpose. Recipients may not reproduce or distribute the Subscription Package, or otherwise disclose any information delivered in connection with the Subscription Package, in whole or in part, to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to an investment in the Funding Units.

3. Investor Eligibility. The Funding Units are offered only to (i) "accredited investors", as that term is defined in Regulation D under the Securities Act or (ii) investors that are not a "U.S. person" as that term is defined in Rule 902(k) of the Securities Act and have no intention of transferring the Funding Units in such a way as to cause the loss of or to circumvent the registration exemption set forth in Regulation S of the Securities Act (collectively, "Qualified Investors"). Investors should have the financial ability and willingness to accept the risks that are characteristic of the investment described herein. In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. In order to purchase the Funding Units, each Qualified Investor will be required to deliver certain representations and warranties regarding eligibility to make an investment in the Funding Units, including, but not limited to, a representation and warranty to the Company that the Funding Units are being acquired for the investor's own account or an account for which it has investment discretion and not with a view to distribution or sale. The Company may, in its sole and absolute discretion, refuse a subscription for Funding Units if it believes that an investor does not meet the applicable investor suitability requirements, the Funding Units otherwise constitute an unsuitable investment for the investor, or for any other reason.

4. No SEC Approval. Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved the Funding Units or passed upon the accuracy or adequacy of the Subscription Package. Any representation to the contrary is a criminal offense.

5. No Offer or Solicitation Where Not Permitted. The Subscription Package does not constitute an offer to, or solicitation of any person or entity in any jurisdiction in which it is unlawful to make such an offer to or solicitation of, such person or entity.

6. Authority to Amend; Subscription Agreement Final Agreement. The Company reserves the right to modify any of the terms of the Offering and the Funding Units described at any time with or without notice. The final terms of any purchase and sale of Funding Units shall be as set forth in the Subscription Agreement executed between Company and the subscriber named therein, as may be amended.

7. Availability of Management for Questions. Each prospective investor is invited to meet with the Company's Manager, David Levy, to discuss with, ask questions of, and receive answers from such Manager concerning the terms and conditions of this Offering; and to obtain any additional

information, to the extent that such persons possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein.

8. No Legal or Investment Advice. Prospective investors should not construe the contents of the Subscription Package as legal, tax, investment or other advice. Each investor should make his or her own inquiries and consult his or her own advisors as to the Company and this Offering, and as to legal, tax and related matters concerning an investment in the Funding Units.

9. How to Subscribe. To subscribe for Funding Units, you must complete and sign the Subscription Agreement enclosed in the Subscription Package and deliver the completed and executed Subscription Agreement to the Company together with a check or wire transfer for the full subscription price.

RISK FACTORS

The purchase of Funding Units involves a high degree of risk including, but not necessarily limited to, the risk factors described below. The order of the following risk factors does not necessarily reflect their respective degree of importance. The Funding Units should not be purchased by prospective investors who cannot afford the loss of their entire investment.

A. Speculative Investment; Absence of Operating History.

This is a speculative investment. Many of the factors which may affect the Company and the Spin-Off Entities are subject to change or are not within the control of the Company, and the extent to which such factors could adversely affect the value of the Funding Units is not currently ascertainable. In addition, the Company was organized on May 31, 2012 and has no operating history and has not begun to generate revenue in any form.

B. Capital Needs. As of the date hereof, the Company has only nominal capital with which to operate and the Company will not raise sufficient capital from the Offering to fund all of its obligations under the MIT Agreement. There can be no assurance that the Company will be able to raise sufficient funds for these purposes. In the event that the Company requires future financing, there is no assurance that such financing will be available. In addition, the Spin-Off Entities will be required to raise capital in order to commercialize the IP and there is no assurance that such financing will be available.

C. Non-Exclusive Licensing Rights; Protection of IP. Pursuant to the MIT Agreement, third-parties are permitted to use, license and/or sublicense the IP in various respects as more fully set forth in the MIT Agreement, which may decrease the value of the IP rights that may be licensed by the Company or any Spin-Off Entity, if any. To protect its rights to IP, the Company and the Spin-Off Entities, as applicable, will rely on a combination of patent laws, trade secret protection, confidentiality agreements, licenses and other contractual arrangements. However, the protective steps that the Company and the Spin-Off Entities take to protect their respective IP rights may be inadequate to deter misappropriation. The Company or the Spin-Off Entities, as applicable, may be unable to detect the unauthorized use of, or take appropriate steps to enforce, their respective IP rights. Failure to protect Company's IP adequately could harm the Company and the Spin-Off Entities and affect the Company's and the Spin-Off Entities' ability to earn revenues. Further, defending IP rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the Company's and the Spin-Off Entities' respective business, financial condition and operating results.

D. No Guarantee that IP will be Developed. There is no guarantee that any IP will be developed, or that the IP will have any commercial value or that any Spin-Off Entities can be established. The time horizon for expected returns is not possible to determine and may be between three to ten years or longer. MIT may have the right to terminate the MIT Agreement, or the Members of the Company may elect to dissolve the Company and/or terminate the MIT Agreement prior to the development of any IP or prior to the completion of the development of certain IP.

E. Offering Price and Dilution. The price of the Funding Units has been established by the Company based on the amount of funds that the Company expects to require to finance its obligations under the MIT Agreement. The price is not based upon such established value criteria as assets, earnings, net worth or book value. There can be no assurance that the purchase price of the Funding Units reflects the true value of the business opportunities presented by the Company's assets. The Company reserves the right, subject to certain limitations set forth in the Operating Agreement, in the Manager's discretion to issue additional Units from time to time in such amounts and for such consideration as it deems appropriate and desirable at such time. There can be no assurance that any future offering or issuance of Funding Units will not be at a price less than the price paid by the initial Members, which is permitted if consented to by less than all of the Members. In such case, issuance of additional Funding Units would cause dilution to the Company's Members holding Funding Units. Further, in accordance with the Operating Agreement the Company has the right to offer, from time to time, Incentive Units to key employees, consultants and service providers in order to obtain or retain the services of such persons, as well as to sell and issue additional Incentive Units to other persons to encourage investment in the Company. The issuance of Incentive Units may have the effect of diluting the value of the securities owned by the Members holding Funding Units.

F. Absence of Liquidity. The Funding Units will not be registered under the Securities Act or any state securities law and must therefore be held for an indefinite period of time unless subsequently registered or unless an exemption from registration is available. Furthermore, by executing the Operating Agreement the undersigned is agreeing to restrict his or her ability to transfer the Funding Units owned by him or her and provide the Company's other Members with rights of first

refusal in the event a Member desires to transfer his or her Funding Units. No market for the Company's Funding Units is in existence at this time and it is not anticipated that a market for the Company's Funding Units will develop in the future.

G. Not A Contribution to an Exempt Organization. Though the Company will make contributions to MIT to support research and development, such contributions are not deductible as charitable contributions by either the Company or its Members. Purchasers of the Funding Units will not be able to claim as charitable deductions the amount of their contributions to the Company.

H. Economic Conditions. The success of the Company and the Spin-Off Entities is dependent upon broader economic conditions, which may be adversely affected by factors beyond the control of the Company and the Spin-Off Entities. Such factors include general and regional economic conditions, continuing operation of the CBA, changes to the tax code, war, terrorism, import and export regulations, tariffs and changes in financial markets, among others.

I. Tax Allocations. For U.S. federal income tax purposes, a Member's allocable share of the Company's items of income, gain, loss, deduction or credit will be governed by the Operating Agreement, provided that such allocations have "substantial economic effect" or are determined to be in accordance with such Member's interest in the Company. The Operating Agreement contains provisions pertaining to the allocations of profits, losses, deductions and other accounting items. The Company believes that, for U.S. federal income tax purposes, such allocations should be respected by the IRS, although it will not receive a ruling from the IRS or an opinion of tax counsel on this point. It is possible for the IRS to challenge the Company's allocations, as well as the amount and deductibility of any such items claimed by the Company or the Members. If the Company's allocations were not respected by the IRS, some items of income could be reallocated among the members and certain of the Member's deductions could be reduced or disallowed.

J. Self-Employment Taxes. In the event that a Member actively participates in the management of the Company, such Member's distributive share of the Company's income may be subject to self-employment taxes under federal tax regulation.