UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022

OR

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

For the transition period from to

Commission File Number: 001-39866

eFFECTOR Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**85-3306396**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
142 North Cedros Avenue, Suite B Solana Beach, California	**92075**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (858) 925-8215

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.0001 par value per share	EFTR	Nasdaq Capital Market
Warrants to purchase common stock	EFTRW	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2022, the registrant had 41,452,790 shares of common stock, $0.0001 par value per share, outstanding.

Table of Contents

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

eFFECTOR THERAPEUTICS, INC.

Condensed Consolidated Balance Sheets
(in thousands, except share par value data)
(Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 16,353	$ 49,702
Short-term investments	24,685	—
Prepaid expenses and other current assets	1,245	3,194
Total current assets	42,283	52,896
Property and equipment, net	242	91
Operating lease right-of-use assets	139	166
Other assets	807	903
Total assets	$ 43,471	$ 54,056
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,204	$ 516
Accrued expenses	2,322	3,418
Current term loans, net	18,911	—
Accrued final payment on term loans, current	1,100	—
Lease liabilities, current portion	48	44
Total current liabilities	23,585	3,978
Earn-out liability	89	12,130
Non-current term loans, net	—	18,760
Accrued final payment on term loans, non-current	—	1,100
Non-current warrant liability	80	678
Non-current lease liabilities	94	126
Total liabilities	23,848	36,772
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 100,000,000 and zero shares authorized at June 30, 2022 and December 31, 2021 respectively; zero shares issued and outstanding as of June 30, 2022 and December 31, 2021	—	—
Common stock, $0.0001 par value; 1,000,000,000 shares authorized at June 30, 2022 and December 31, 2021; 41,452,790 shares issued and 41,152,790 shares issued and outstanding as of June 30, 2022; 40,689,975 shares issued and 40,389,975 shares issued and outstanding as of December 31, 2021	4	4
Additional paid-in capital	144,448	138,181
Accumulated other comprehensive loss	(82)	—
Accumulated deficit	(124,747)	(120,901)
Total stockholders' equity	19,623	17,284
Total liabilities and stockholders' equity	$ 43,471	$ 54,056

The accompanying notes are an integral part of these condensed consolidated financial statements.

eFFECTOR THERAPEUTICS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Grant revenue	$ 2,011	$ 692	$ 2,011	$ 692
Operating expenses:				
Research and development	6,919	4,072	10,031	8,540
General and administrative	2,973	1,664	6,409	2,933
Total operating expenses	9,892	5,736	16,440	11,473
Operating loss	(7,881)	(5,044)	(14,429)	(10,781)
Other income (expense)				
Interest income	64	1	88	2
Interest expense	(505)	(480)	(983)	(786)
Other income (expense), net	123	(25)	(563)	(73)
Change in fair value of earn-out liability	1,284	—	12,041	—
Loss on debt extinguishment	—	—	—	(492)
Total other income (expense)	966	(504)	10,583	(1,349)
Net loss	$ (6,915)	$ (5,548)	$ (3,846)	$ (12,130)
Comprehensive loss:				
Net loss	(6,915)	(5,548)	(3,846)	(12,130)
Other comprehensive loss	(32)	—	(82)	—
Comprehensive loss	$ (6,947)	$ (5,548)	$ (3,928)	$ (12,130)
Net loss per share, basic and diluted	$ (0.17)	$ (3.83)	$ (0.09)	$ (8.38)
Weighted-average common shares outstanding, basic and diluted	41,118,727	1,450,159	40,984,273	1,447,626

The accompanying notes are an integral part of these condensed consolidated financial statements.

eFFECTOR THERAPEUTICS, INC.
Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)
(in thousands, except share data)
(Unaudited)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2021	—	$ —	—	$ —	—	$ —	40,389,975	$ 4	$ 138,181	$ —	$ (120,901)	$ 17,284
Stock option exercises	—	—	—	—	—	—	4,828	—	3	—	—	3
Issuance of common stock, net of issuance costs	—	—	—	—	—	—	700,549	—	3,791	—	—	3,791
Stock-based compensation expense	—	—	—	—	—	—	—	—	1,137	—	—	1,137
Unrealized loss on short-term investments	—	—	—	—	—	—	—	—	—	(50)	—	(50)
Net income	—	—	—	—	—	—	—	—	—	—	3,069	3,069
Balance at March 31, 2022	—	$ —	—	$ —	—	$ —	41,095,352	$ 4	$ 143,112	$ (50)	$ (117,832)	$ 25,234
Issuance of common stock, net of issuance costs	—	—	—	—	—	—	57,438	—	94	—	—	94
Stock-based compensation expense	—	—	—	—	—	—	—	—	1,242	—	—	1,242
Unrealized loss on short-term investments	—	—	—	—	—	—	—	—	—	(32)	—	(32)
Net loss	—	—	—	—	—	—	—	—	—	—	(6,915)	(6,915)
Balance at June 30, 2022	—	$ —	—	$ —	—	$ —	41,152,790	$ 4	$ 144,448	$ (82)	$ (124,747)	$ 19,623

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2020	11,563,819	$ 46,567	10,154,819	$ 51,084	6,734,590	$ 35,573	1,445,065	$ —	$ 4,454	$ —	$ (136,699)	$ (132,245)
Stock-based compensation expense	—	—	—	—	—	—	—	—	188	—	—	188
Net loss	—	—	—	—	—	—	—	—	—	—	(6,582)	(6,582)
Balance at March 31, 2021	11,563,819	$ 46,567	10,154,819	$ 51,084	6,734,590	$ 35,573	1,445,065	$ —	$ 4,642	$ —	$ (143,281)	$ (138,639)
Stock option exercises	—	—	—	—	—	—	15,451	—	15	—	—	15
Stock-based compensation expense	—	—	—	—	—	—	—	—	161	—	—	161
Net loss	—	—	—	—	—	—	—	—	—	—	(5,548)	(5,548)
Balance at June 30, 2021	11,563,819	$ 46,567	10,154,819	$ 51,084	6,734,590	$ 35,573	1,460,516	$ —	$ 4,818	$ —	$ (148,829)	$ (144,011)

The accompanying notes are an integral part of these condensed consolidated financial statements.

eFFECTOR THERAPEUTICS, INC.

Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2022	2021
Operating activities:		
Net loss	$ (3,846)	$ (12,130)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization expense	8	13
Accretion of discount and amortization of premium on investments, net	122	—
Stock-based compensation	2,379	349
Loss on debt extinguishment	—	492
(Gain)/loss on change in fair value of warrant liability	(598)	76
Gain on change in fair value of earn-out liability	(12,041)	—
Other expense related to the equity purchase agreement	1,161	—
Non-cash interest expense	188	127
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	2,032	(399)
Other non-current assets	96	—
Accounts payable	662	118
Accrued expenses	(1,096)	549
Operating lease right-of-use assets and liabilities, net	(2)	(8)
Net cash used in operating activities	(10,935)	(10,813)
Investing activities:		
Proceeds from sale of fixed assets	—	607
Purchases of fixed assets	(134)	—
Maturities of short-term investment	10,000	—
Purchases of short-term investments	(34,971)	—
Net cash (used in) provided by investing activities	(25,105)	607
Financing activities:		
Payment of debt issuance costs	(37)	—
Proceeds from exercise of common stock options and warrants	3	—
Proceeds from issuance of common stock including ESPP, net of issuance costs	2,725	16
Issuance of term loans, net of issuance costs	—	19,835
Repayment of term loans	—	(13,940)
Payment of offering costs	—	(41)
Net cash provided by financing activities	2,691	5,870
Net decrease in cash and cash equivalents	(33,349)	(4,336)
Cash and cash equivalents at beginning of period	49,702	15,216
Cash and cash equivalents at end of period	$ 16,353	$ 10,880
Supplemental disclosure of cash flow information		
Interest paid	$ 824	$ 557
Supplemental disclosure of non-cash investing and financing activities:		
Issuance of commitment shares	862	—
Purchases of fixed assets included in accounts payable and accrued expenses	26	—
Accrued offering costs	—	2,138

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Organization and Basis of Presentation

Description of Business

Locust Walk Acquisition Corp. ("LWAC") was initially formed on October 2, 2020 as a Delaware corporation formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business transaction with one or more operating businesses.

On May 26, 2021, LWAC entered into an Agreement and Plan of Merger (the "Merger Agreement") with Locust Walk Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of LWAC ("Merger Sub"), and eFFECTOR Therapeutics, Inc., a Delaware corporation (" Old eFFECTOR").

Pursuant to the terms of the Merger Agreement, a business combination between LWAC and Old eFFECTOR was effected through the merger of the Merger Sub with and into Old eFFECTOR, with Old eFFECTOR surviving as the surviving company and a wholly-owned subsidiary of LWAC with the name of eFFECTOR Therapeutics Operations, Inc. On August 25, 2021, and in connection with the closing of the business combination (the "Business Combination"), LWAC was renamed eFFECTOR Therapeutics, Inc. ("eFFECTOR" or the "Company"). All outstanding preferred shares of Old eFFECTOR converted into common shares of Old eFFECTOR on a 1:1 basis, which were then converted, along with all outstanding common shares of Old eFFECTOR, into common shares of the surviving eFFECTOR company through application of an exchange ratio of approximately 0.09657 (the "Exchange Ratio").

The Company is a clinical-stage biopharmaceutical company focused on pioneering the discovery and development of a new class of oncology drugs the Company refers to as selective translation regulator inhibitors ("STRIs"). The Company's principal operations are in the United States, with its headquarters in Solana Beach, California. The Company has devoted substantially all of its resources to raising capital, identifying potential product candidates, establishing its intellectual property portfolio, conducting preclinical studies and clinical trials, establishing arrangements with third parties for the manufacture of its product candidates and related raw materials, and providing general and administrative support for these operations. The Company has not generated revenues from its principal operations through June 30, 2022.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022 and 2021 have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to Article 10 of Regulation S-X of the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. These unaudited financial statements include only normal and recurring adjustments that the Company believes are necessary to fairly state the Company's financial position and the results of its operations and cash flows. The results for the three and six months ended June 30, 2022 are not necessarily indicative of the results expected for the full fiscal year or any subsequent interim period. The balance sheet at December 31, 2021 has been derived from the audited financial statements at that date but does not include all the disclosures required by GAAP for complete financial statements. Because all of the disclosures required by GAAP for complete financial statements are not included herein, these unaudited financial statements and the notes accompanying them should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021 included in its Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 16, 2022.

The Business Combination was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, LWAC was treated as the "acquired" Company and eFFECTOR is treated as the acquirer for financial reporting purposes.

Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Old eFFECTOR issuing stock for the net assets of LWAC, accompanied by a recapitalization. The net assets of LWAC are stated at historical cost, with no goodwill or other intangible assets recorded.

Old eFFECTOR was determined to be the accounting acquirer based on the following predominant factors:

- Old eFFECTOR's shareholders have a majority of the voting power of the combined company;
- the Board and Management are primarily composed of individuals associated with Old eFFECTOR; and
- Old eFFECTOR comprises all of the ongoing operations of the combined company.

The consolidated assets, liabilities and results of operations prior to the Business Combination are those of Old eFFECTOR. The shares and corresponding capital amounts and income or losses per share, prior to the Business Combination, have been retroactively restated based on shares reflecting the Exchange Ratio established in the Business Combination.

Liquidity

The Company has a limited operating history and the sales and income potential of the Company's business and market are unproven. The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may result from the outcome of this uncertainty.

Management is required to perform a two-step analysis over its ability to continue as a going concern. Management must first evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern (step 1). If management concludes that substantial doubt is raised, management is also required to consider whether its plans alleviate that doubt (step 2).

The Company has experienced net losses and negative cash flows from operating activities since its inception, aside from the years ended December 31, 2021 and December 31, 2020 when net income was realized as a result of a gain on change in fair value recognized associated with the earn-out liability and non-recurring revenue in connection with the Research Collaboration and License Agreement with Pfizer, respectively. The Company has an accumulated deficit of $124.7 million at June 30, 2022. For the six months ended June 30, 2022, the Company used $10.9 million in cash for operations. At June 30, 2022, the Company had cash and cash equivalents and short-term investments of $41.0 million. The Company anticipates that its expenses will increase significantly in connection with its ongoing activities to support its research and development efforts, and it expects to incur substantial operating losses and negative cash flows from operations for the foreseeable future. Management has prepared cash flow forecasts which indicate that based on the Company's expected operating losses and negative cash flows, there is substantial doubt about the Company's ability to continue as a going concern within twelve months from the date that these financial statements for the three and six months ended June 30, 2022 are issued. The principal payments due under the Oxford Loans (as defined below), and the related accrued final payment, have been classified as current liabilities as of June 30, 2022, due to the considerations discussed above and the assessment that the material adverse change clause under the Oxford Loans is not within the Company's control. The Company has not been notified of an event of default by the lender as of the date of issuance of these financial statements.

The Company's ability to continue as a going concern is dependent upon its ability to receive additional capital. Management intends to raise additional capital through equity offerings or other capital sources, including potential additional collaborations, licenses and other similar arrangements. Additionally, the Company may receive additional milestone payments from the Research Collaboration and License Agreement with Pfizer (described in Note 12) or through the issuance of common stock under the equity purchase agreement with Lincoln Park Capital Fund, LLC (described in Note 9). However, the Company may not be able to secure additional financing in a timely manner or on favorable terms, if at all, and may not receive any milestone payments. Without additional capital, the Company may be forced to delay, scale back or eliminate some of its research and development activities, or other operations and potentially delay product development in an effort to provide sufficient funds to continue its operations, or may be required to pursue merger or acquisition strategies, all of which could adversely affect the holdings or the rights of its stockholders.

2. Summary of Significant Accounting Policies

Research and Development Costs

Research and development expenses primarily consist of costs associated with the preclinical and clinical development of the Company's product candidates. Research and development costs are expensed as incurred.

Clinical Trial Accruals and Preclinical Studies

The Company is required to estimate expenses resulting from our obligations under contracts with vendors and consultants, CROs and clinical sites in connection with conducting clinical trials and preclinical studies. The financial terms of these contracts are subject to negotiations which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts. The Company reflects clinical trial and preclinical study expenses in the financial statements by matching those expenses with the period in which services and efforts are expended. The Company accounts for these expenses according to the progress of the clinical trial or preclinical study as measured by the timing of various aspects of the clinical trial, preclinical study, or related activities. The Company determines accrual estimates through review of the underlying contracts along with preparation of financial models taking into account correspondence with clinical and other key personnel and

third-party service providers as to the progress of the clinical trials, preclinical studies, or other services being conducted. During the course of a clinical trial or preclinical study, the Company adjusts the rate of expense recognition if actual results differ from estimates.

Public and Private Placement Warrants

Upon completion of the Business Combination, the Company assumed public and private placement warrants that were issued by LWAC in connection with their IPO in January 2021 whereby holders of the public and private placement warrants are entitled to acquire common stock of the Company. The Company has concluded that the public warrants are equity-classified. Since the settlement value of the private placement warrants is dependent, in part, on who holds the warrants at the time of settlement, they are not considered indexed to the Company's stock and are therefore recorded as liabilities. Warrants classified as liabilities are recorded at their estimated fair value on the date of issuance and are revalued at each subsequent balance sheet date, with fair value changes recognized in other income (expense), net in the accompanying statements of operations and comprehensive income (loss). The Company estimates the fair value of these warrants using the Black-Scholes option pricing model.

Stock-Based Compensation Expense

Stock-based compensation expense represents the cost of the grant date fair value of employee stock option grants recognized over the requisite service period of the awards (usually the vesting period) on a straight- line basis. The Company estimates the fair value of stock option grants using the Black-Scholes option-pricing model. The Company accounts for stock options granted to non-employees using the fair value approach.

The Black-Scholes option-pricing model requires the use of subjective assumptions, including the risk- free interest rate, the expected stock price volatility, the expected term of stock options, and the expected dividend yield. The fair value of the underlying common stock used within the Black-Scholes option-pricing model is based on the closing price of common stock on the date of grant.

Earn-out Shares

In accordance with the Merger Agreement, 5,000,000 shares ("Earn-Out Shares") are contingently issuable to Old eFFECTOR stockholders and option holders upon the occurrence of the Triggering Event (see Note 3), defined within the Merger Agreement as the date on which the common stock price equals or exceeds $20.00 over at least 20 trading days out of a 30 consecutive trading day period during the two-year period following the close date of the Business Combination. The estimated fair value of the Earn-Out Shares was determined using a Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the earn-out period using the most reliable information available.

The Company has determined that the contingent obligation to issue Earn-Out Shares to existing Old eFFECTOR shareholders is not indexed to the Company's stock under ASC 815-40 and therefore equity treatment is precluded. The Triggering Event that determines the issuance of the Earn-Out Shares includes terms that are not solely indexed to our common stock , and as such liability classification is required. Equity-linked instruments classified as liabilities are recorded at their estimated fair value on the date of issuance and are revalued at each subsequent balance sheet date, with fair value changes recognized in other income (expense), net in the accompanying statements of operations and comprehensive income (loss).

The Company has determined that the contingent obligation to issue Earn-Out Shares to existing Old eFFECTOR option holders falls within the scope of ASC 718, Share-based Compensation, because the option holders are required to continue providing service until the occurrence of the Triggering Event. The fair value of the option holder Earn-Out Shares is recorded as share-based compensation over the derived service period of the Monte Carlo simulation valuation model, recognized in research and development and general and administrative expense in the statements of operations and comprehensive loss.

Comprehensive Loss

Comprehensive loss consists of net loss and unrealized gains or losses on available-for-sale investments. The Company presents comprehensive loss and its components as part of the statements of operations and comprehensive loss.

Cash, Cash Equivalents and Short-term Investments

Cash and Cash Equivalents

The Company considers all highly liquid investments with insignificant interest rate risk and an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents consist of money market funds and U.S. Treasury Securities with an original maturity of less than three months at the date of purchase.

Short-term Investments

Short-term investments consist of U.S. Treasury securities, classified as available-for-sale securities and have maturities of greater than three months but less than one year. The Company has classified all of its available-for-sale securities as current assets on the balance sheets because these are considered highly liquid securities and are available for use in current operations. The Company carries these securities at fair value, and reports unrealized gains and losses as a separate component of accumulated other comprehensive loss. Amortization and accretion of any purchase premiums or discounts is included in interest income in the statements of operations and comprehensive loss.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes, based on their preliminary assessment, that the impact of recently issued standards that are not yet effective will not have a material impact on their financial position or results of operations upon adoption.

Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with the FASB guidance for Earnings Per Share, which established standards regarding the computation of earnings per share by companies that have issued securities other than common stock that contractually entitle the holder to participate in earnings and dividends. The guidance requires earnings available to common shareholders for the period, after deduction of preferred stock preferences, to be allocated between the common and preferred shareholders based on their respective rights to receive dividends. The Company is not required to present basic and diluted net income per share for securities other than common stock; therefore, the net loss per share amounts only pertain to the Company's common stock.

Basic net income (loss) per share is calculated by dividing income (loss) allocable to common shareholders (net income after reduction for any required returns to preferred stock shareholders prior to paying dividends to the common shareholders, assuming current income for the period had been distributed) by the weighted-average number of common shares outstanding, during the period. The Company calculates diluted net income per share using the more dilutive of the 1) treasury stock method, if-converted method, or contingently issuable share method, as applicable, or 2) the two-class method.

Due to the Company recording net loss for the three and six months ended June 30, 2022 and 2021 and none of the outstanding securities being dilutive for those periods, basic and diluted loss per share are the same for each respective period presented.

Potentially dilutive securities as of June 30, 2022 and 2021 are as follows (in common stock equivalent shares):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Series A Convertible Preferred Stock	—	11,563,819	—	11,563,819
Series B Convertible Preferred Stock	—	10,154,819	—	10,154,819
Series C Convertible Preferred Stock	—	6,734,590	—	6,734,590
Series C Convertible Preferred Stock Warrants	—	108,029	—	108,029
Public warrants	5,833,323	—	5,833,323	—
Private placement warrants	181,667	—	181,667	—
Earn-Out Shares	5,000,000	—	5,000,000	—
Unvested sponsor shares	300,000	—	300,000	—
Stock options outstanding	8,102,034	3,881,576	8,102,034	3,881,576
Total	19,417,024	32,442,833	19,417,024	32,442,833

3. Business Combination

As discussed in Note 1, on August 25, 2021, the Company completed the Business Combination pursuant to the Merger Agreement. Upon closing of the Business Combination, the combined company was renamed eFFECTOR Therapeutics, Inc.

As a result of the Business Combination, each share of Old eFFECTOR preferred stock and common stock was converted into the right to receive approximately 0.09657 shares of the Company's common stock for an aggregate of 30,021,762 shares of common stock issued in the Business Combination. Former holders of shares of Old eFFECTOR common stock (including shares received as a result of the conversion of Old eFFECTOR preferred stock and the exercise of Old eFFECTOR warrants) and former holders of

options to purchase shares of Old eFFECTOR will also be entitled to receive their pro rata share of up to 5,000,000 Earn-Out Shares of common stock if, on or prior to August 26, 2023, the closing share price of shares of common stock equals or exceeds $20.00 over at least 20 trading days within a 30-day trading period (the "Triggering Event") and, in respect of each former holder of Old eFFECTOR stock options, such holder continues to provide services to the Company or one of its subsidiaries at the time of such Triggering Event. The Earn-Out Shares will also be earned and issuable in the event of a change in control of the Company on or prior to August 26, 2023 that results in the holders of common stock receiving a per-share price equal to or in excess of $20.00.

Pursuant to subscription agreements entered into in connection with the Merger Agreement (collectively, the "Subscription Agreements"), certain investors agreed to subscribe for an aggregate of 6,070,003 newly-issued shares of common stock at a purchase price of $10.00 per share for an aggregate purchase price of $60.7 million (the "PIPE Financing"). At the closing, we consummated the PIPE Financing. A total of 10,347,611 shares of common stock were issued in connection with the close of the Business Combination, inclusive of the PIPE Financing shares and shares held by LWAC sponsor and public investors.

In connection with the closing of the Business Combination, the LWAC sponsor received 4,056,250 shares of eFFECTOR common stock, of which 300,000 shares were subject to vesting if, on or prior to August 25, 2024, the price of shares of common stock equals or exceeds $15.00 per share for a period of at least 20 trading days out of 30 consecutive trading days ending on the trading day immediately prior to the date of determination (the "Sponsor Shares"). The 300,000 sponsor shares subject to vesting meet the criteria for equity classification, but are not considered outstanding from an accounting perspective. These shares are considered issued but not outstanding as of June 30, 2022 and have been excluded from outstanding shares in the calculation of loss per share for the three and six months ended June 30, 2022.

After giving effect to the Business Combination, and the consummation of the PIPE Financing, there were 40,669,373 shares of common stock issued and 40,369,373 shares of common stock issued and outstanding. In connection with the closing of the Business Combination, options to purchase shares of Old eFFECTOR common stock were converted, at an exchange ratio of approximately 0.09657, into options to purchase an aggregate of 3,920,657 shares of common stock, with a weighted-average exercise price of $1.56 per share.

Pursuant to the terms of the Merger Agreement, the Company's shareholders exchanged their interests in the Company for shares of common stock of eFFECTOR. In addition, awards under the Company's existing equity incentive plans, including the 2013 Plan, continue in full force and effect on the same terms and conditions as were previously applicable to such awards, subject to adjustments to the exercise price and number of shares of common stock issuable upon exercise based on the final exchange ratio of approximately 0.09657.

Gross proceeds from this transaction totaled approximately $67.0 million, which included funds held in LWAC's trust and operating accounts and the completion of a concurrent sale of 6,070,003 shares of common stock at a purchase price of $10.00 per share in the PIPE Financing. The transaction was accounted for as a "reverse recapitalization" in accordance with GAAP. Under the reverse recapitalization model, the Business Combination was treated as eFFECTOR issuing equity for the net assets of LWAC, with no goodwill or intangible assets recorded. Under this method of accounting, LWAC was treated as the "acquired" company for financial reporting purposes. This determination is primarily based on the fact that subsequent to the Business Combination, eFFECTOR stockholders have a majority of the voting power of the combined company, comprise all of the ongoing operations of the combined entity, comprise a majority of the governing body of the combined company, and eFFECTOR senior management comprise all of the senior management of the combined company. All periods prior to the Business Combination have been retroactively adjusted using the Exchange Ratio for the equivalent number of shares outstanding immediately after the Business Combination to effect the reverse recapitalization.

In connection with the Business Combination, the Company raised $52.9 million of net proceeds. This amount was comprised of $6.3 million of cash held in LWAC's trust and operating accounts from its initial public offering and $60.7 million of cash in connection with the PIPE Financing, less LWAC's transaction costs and underwriters' fees of $11.1 million. Old eFFECTOR incurred $3.0 million of transaction costs, consisting of banking, legal, and other professional fees which were recorded as a reduction to additional paid-in capital. In addition to the net proceeds disclosed above, the Company also assumed $0.9 million of net liabilities of LWAC upon closing of the Business Combination.

The following summarizes the common stock outstanding following the consummation of the Business Combination, PIPE Financing and the automatic cashless exercise of Old eFFECTOR warrants:

	Shares	%
Old eFFECTOR Stockholders	30,021,762	74.4%
LWAC Stockholders	521,358	1.3%
LWAC Founders (1)	3,756,250	9.3%
PIPE Investors	6,070,003	15.0%
Total	**40,369,373**	**100.0%**

(1) Excludes 300,000 Sponsor Shares subject to vesting that are not considered outstanding from an accounting perspective.

4. Fair Value Measurements

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The Company's cash equivalents are classified using Level 1 inputs within the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. None of the Company's non-financial assets or liabilities are recorded at fair value on a non-recurring basis. No transfers between levels have occurred during the periods presented.

The Company estimates the fair value of its warrant liabilities at the time of issuance and subsequent remeasurement using the Black-Scholes option pricing model at each reporting date, if required, based on the following inputs: the risk-free interest rates; the expected dividend rates; the remaining contractual life of the warrants; the fair value of the underlying stock; and the expected volatility of the price of the underlying stock. The estimates are based, in part, on subjective assumptions and could differ materially in the future. Changes to these assumptions as well as the fair value of the Company's stock on the reporting date can have a significant impact on the fair value of the warrant liability.

The following table summarizes the Company's assets and liabilities that require fair value measurements on a recurring basis and their respective input levels based on the fair value hierarchy as of June 30, 2022 and December 31, 2021 (in thousands):

		Fair Value Measurements Using		
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Assets				
Cash equivalents:				
Money market funds	$ 16,353	$ 16,353	$ —	$ —
Short-term investments:				
U.S. Treasury securities	24,685	—	24,685	—
Total assets	$ 41,038	$ 16,353	$ 24,685	$ —
Liabilities				
Private placement warrant liability	$ 80	$ —	$ —	$ 80
Earn-out liability	89	—	—	89
Total liabilities	$ 169	$ —	$ —	$ 169

	December 31, 2021	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Assets				
Money market funds	$ 49,702	$ 49,702	$ —	$ —
Total assets	$ 49,702	$ 49,702	$ —	$ —
Liabilities				
Private placement warrant liability	$ 678	$ —	$ —	$ 678
Earn-out liability	12,130	—	—	12,130
Total liabilities	$ 12,808	$ —	$ —	$ 12,808

Cash Equivalents and Short-Term Investments

Financial assets measured at fair value on a recurring basis consist of the Company's cash equivalents and short-term investments. Cash equivalents consisted of money market funds and short-term investments consisted of U.S. Treasury securities. The Company obtains pricing information from its investment manager and generally determines the fair value of investment securities using standard observable inputs, including reported trades, broker/dealer quotes, and bids and/or offers.

Investments are classified as Level 1 within the fair value hierarchy if their quoted prices are available in active markets for identical securities. Investments in money market funds of $16.4 million and $49.7 million as of June 30, 2022 and December 31, 2021, respectively, were classified as Level 1 instruments and were included in cash and cash equivalents.

Investments in marketable securities are valued using Level 2 inputs. Level 2 securities are initially valued at the transaction price and subsequently valued and reported upon utilizing inputs other than quoted prices that are observable either directly or indirectly, such as quotes from third-party pricing vendors. Fair values determined by Level 2 inputs, which utilize data points that are observable such as quoted prices, interest rates and yield curves, require the exercise of judgment and use of estimates, that if changed, could significantly affect the Company's financial position and results of operations. The marketable securities of $24.7 million as of June 30, 2022 were classified as Level 2 instruments, all of which are included in short-term investments. There were no marketable securities as of December 31, 2021. Accrued interest receivable related to short-term investments was $0.1 million as of June 30, 2022, and included as part of prepaid expenses and other current assets in the condensed balance sheets.

The following tables summarize the Company's short-term investments accounted for as available-for-sale securities as of June 30, 2022 (in thousands):

		June 30, 2022			
	Maturity (in years)	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Treasury securities	1 year or less	$ 24,767	$ —	$ (82)	$ 24,685
		$ 24,767	$ —	$ (82)	$ 24,685

Preferred Stock Warrant Liability

The preferred stock warrant liability was measured at fair value, using a combination of observable and unobservable inputs. The change in fair value of preferred stock warrant liabilities were recorded in Other income (expense) on the statement of operations and comprehensive income (loss). All outstanding preferred stock warrants were cashless exercised as a result of the Business Combination on August 25, 2021 (See Note 8). The preferred stock warrants were remeasured to fair value on the date of cashless exercise based on the net shares issued and fair value of common stock on the settlement date, which was the close date of the Business Combination on August 25, 2021.

The following table presents activity for the preferred stock warrant liability measured at fair value using significant unobservable Level 3 inputs during the six months ended June 30, 2021 (in thousands):

	Series C Preferred Stock Warrant Liability
Balance at December 31, 2020	$ 433
Issuance of new warrants	271
Change in fair value	76
Balance at June 30, 2021	$ 780

Private Placement Warrant Liability

In connection with the Business Combination, the Company assumed the public and private placement warrants described in Note 2. The private placement warrants are precluded from equity treatment and are recorded as liabilities as they are not considered indexed to the Company's common stock. The private placement warrant liability is measured at fair value, using a combination of observable and unobservable inputs. The change in fair value of the private placement warrant liability is recorded in other income (expense) on the statement of operations and comprehensive income (loss). The following key assumptions were used in determining the fair value of the private placement warrant liability valued using the Black-Scholes option pricing model as of June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Common stock price	$ 1.42	$ 8.28
Expected volatility	95.0%	65.0%
Risk-free interest rate	3.0%	1.3%
Expected term (in years)	4.2	4.7
Expected dividend yield	—	—

The following table presents activity for the private placement warrant liability measured at fair value using significant unobservable Level 3 inputs during the six months ended June 30, 2022 (in thousands):

	Private Placement Warrant Liability
Private Placement Warrants liability - August 25, 2021 (closing date)	$ 1,862
Change in fair value - Closing Date through December 31, 2021	(1,184)
Balance at December 31, 2021	678
Change in fair value	(598)
Balance at June 30, 2022	$ 80

Earn-Out Liability

Former holders of shares of Old eFFECTOR common stock were allocated Earn-Out Shares in connection with the completion of the Business Combination with LWAC which are accounted for as liabilities. Please refer to Note 11 for additional details surrounding the valuation methodology for these Earn-Out Shares.

5. Property and Equipment, net

Property and equipment, net consists of the following (in thousands):

	June 30, 2022	December 31, 2021
Lab equipment	$ 30	$ 30
Computer and office equipment	130	127
Furniture and fixtures	30	64
Construction in process	224	74
	414	295
Less accumulated depreciation and amortization	(172)	(204)
	$ 242	$ 91

The Company recorded depreciation and amortization expense of approximately $3 thousand and $6 thousand for the three months ended June 30, 2022 and 2021, respectively, and approximately $8 thousand and $13 thousand for the six months ended June 30, 2022 and 2021, respectively.

6. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	June 30, 2022	December 31, 2021
Employee compensation	$ 597	$ 1,343
Research and development	998	1,115
Professional and outside services	121	452
Interest	141	133
Income taxes payable	351	351
Other	114	24
	$ 2,322	$ 3,418

7. Term Loans

Oxford Term Loans

In March 2021, Old eFFECTOR entered into a Loan and Security Agreement (“Oxford LSA”) with Oxford Finance LLC (“Oxford”), pursuant to which the Company may borrow up to $30.0 million, issuable in two separate tranches of $20.0 million (“Term A Loans”) and $10.0 million (“Term B Loans”), collectively referred to as the Oxford Loans. The Term A Loans became available to the Company at the effective date of the Oxford LSA on March 19, 2021 and $12.5 million of the proceeds were used to pay off the outstanding SVB Term Loans. The remaining net proceeds from Term A Loans of $7.4 million, after taking into effect specified issuance and legal fees designated within the distribution letter, were distributed to the Company in March 2021. The Company is required to make a final payment equal to 5.5% of each funded tranche at maturity, which has been recorded as a debt discount for the Term A Loan which is outstanding and is being amortized over the term of the debt arrangements. In connection with the Oxford LSA, the Company issued warrants to purchase a total of 37,575 shares of Series C Preferred Stock at an exercise price of $5.33 per share. The warrants were automatically exercised on a cashless basis on August 25, 2021, in connection with the completion of the Business Combination, for 17,575 shares of common stock.

On February 22, 2022, the Company entered into an amendment to the Oxford LSA whereby the interest only period for the Term A Loans will end on March 1, 2024, instead of May 1, 2023. In connection with the amendment, the maturity of the Term A Loans was extended from March 18, 2026 to February 1, 2027. Additionally, Term B Loans will now become available to the Company after January 1, 2023, and upon achievement of certain clinical development milestones, until the earlier of (i) June 30, 2023, (ii) 45 days after the achievement of certain clinical development milestones (the "Phase II Milestones"), and (iii) the occurrence of an event of default. The interest-only period ends March 1, 2024, provided that upon the funding of the Term B Loans the end date will be extended to March 1, 2025.

The Oxford Loans carry a variable interest rate equal to the greater of (i) 7.7% and (ii) the sum of the prime rate plus 4.45%. The Company has the option to prepay all, but not less than all, of the borrowed amounts, provided that the Company will be obligated to pay a prepayment fee equal to (i) 3.0% of the outstanding principal balance of the applicable Oxford Loans if prepayment is made prior to the first anniversary of the effective date of the Oxford LSA, (ii) 2.0% of the outstanding principal balance of the applicable

Oxford Loans if prepayment is made after the first anniversary of the effective date of the Oxford LSA but before the second anniversary, and (iii) 1.0% of the outstanding principal balance of the applicable Oxford Loans if prepayment is made after the second anniversary of the effective date of the Oxford LSA but before the third anniversary. No prepayment fee will apply for a prepayment made after the third anniversary of the effective date of the Oxford LSA and prior to the maturity date.

The Company's obligations under the Oxford LSA are secured by a first priority security interest in substantially all of its current and future assets, other than its owned intellectual property. The Company is also obligated to comply with various other customary covenants, including restrictions on its ability to encumber intellectual property assets without consent.

The Company recorded a debt discount of $1.6 million for the estimated fair value of warrants, debt issuance costs, and final payment to be made, which is being amortized to interest expense over the term of the loan using the effective-interest method. As of June 30, 2022, the Company had $20.0 million of outstanding principal under the Term A Loans of which $18.9 million is reflected on the balance sheet net of debt discounts. Interest expense, including amortization of debt discount related to the Oxford Term A Loans, totaled $0.5 million and $1.0 million for the three and six months ended June 30, 2022, and $0.5 million for the three and six months ended June 30, 2021. The Company is in compliance with all covenants under the Oxford LSA as of June 30, 2022. The Term A Loans include customary events of default, including instances of a material adverse change in our operations, that may require prepayment of the outstanding Term A Loans. The principal payments due under the Oxford Loans, and the related accrued final payment, have been classified as current liabilities as of June 30, 2022, due to the considerations discussed in *Liquidity* section of Note 1. The Company has not been notified of an event of default by the lender as of the date of issuance of these financial statements.

Based on the outstanding principal amounts for the Company's Term A Loans, the following table sets forth by year the Company's required future principal payments as of June 30, 2022 (in thousands):

As of June 30, 2022		
2024	$	5,555
2025		6,667
2026		6,667
2027		1,111
Required future principal payments	$	20,000
Unamortized debt discount		(1,089)
Current term loans, net as of June 30, 2022	$	18,911

SVB Term Loans

In August 2018, Old eFFECTOR entered into a Loan and Security Agreement ("LSA") with Silicon Valley Bank ("SVB"), pursuant to which the Company was allowed borrow up to $20.0 million, issuable in three separate tranches of $7.5 million ("Term Loan A"), $7.5 million ("Term Loan B") and $5.0 million ("Term Loan C"), collectively referred to as the Term Loans. The Term Loan A became available to the Company at the effective date of the LSA on August 31, 2018 and the Company borrowed the $7.5 million under the Term Loan A on that date, receiving the cash proceeds on September 5, 2018. Term Loan B was immediately available commencing on the effective date of the LSA and ending on the earlier of 1) August 31, 2019, and 2) the occurrence of an event of default. The Company borrowed the $7.5 million under Term Loan B on November 19, 2018. Term Loan C was not drawn.

The Term Loans had an interest-only period that commenced upon the borrowing of each tranche of the Term Loans with interest due and payable upon the first day of each month. The interest-only period ended August 31, 2020. The Company was required to make a final payment equal to 5.5% of the original aggregate principal amount of the Term Loans at maturity, which was accrued over the term of the debt arrangements. The Term Loans had a maturity date of February 1, 2023. In connection with the LSA, the Company issued two separate warrants, each to purchase up to 46,970 shares of Series C Preferred Stock at an exercise price of $5.33 per share, to SVB and Life Science Loans II, LLC (life science loan sector of SVB). The number of shares subject to each warrant as of December 31, 2020, was 35,227 in connection with the Term Loan A and Term Loan B. Each warrant was automatically exercised on a cashless basis on August 25, 2021, in connection with the completion of the Business Combination, for 16,477 shares of common stock.

The Term Loans carried an interest rate equal to the greater of 1.5% plus prime or 6.5%, with an effective interest rate at December 31, 2020, of 9.1% and 9.0% for Term Loan A and Term Loan B, respectively.

The Company recorded a debt discount of $0.2 million for the estimated fair value of warrants and debt issuance costs upon the borrowing of each Term Loan A and Term Loan B, which was being amortized to interest expense over the term of the loan using the effective-interest method. Interest expense, including amortization of debt discount related to the SVB Term Loans, totaled zero for the three months ended June 30, 2022 and 2021, respectively, and zero and $0.2 million for the six months ended June 30, 2022 and 2021, respectively.

In March 2021, Old eFFECTOR repaid the SVB Term Loans using the proceeds from Oxford Term A Loans (defined below). The aggregate outstanding principal balance of SVB Term Loans A and B was $11.5 million at the date of repayment. The Company paid the entire outstanding principal balance, along with a final payment in the amount of $0.8 million (equal to 5.5% of the original aggregate principal amount), a prepayment fee of $0.1 million (equal to 1% of the original aggregate principal amount), and $37,000 of accrued interest. The Company recorded a loss on debt extinguishment in the amount of $0.5 million in connection with the transaction, which has been recorded in Loss on debt extinguishment on the statement of operations for the period. The loss on debt extinguishment includes the unamortized debt discount and final payment associated with Term Loan A and Term Loan B at the time of extinguishment along with the $0.1 million prepayment fee.

8. Warrants

Preferred Stock Warrants

The Company accounted for its warrants to purchase shares of convertible preferred stock as a liability. The Company adjusted the liability for changes in fair value of these warrants up until the closing date of the Business Combination. Upon consummation of the Business Combination on August 25, 2021, the outstanding warrants were cashless exercised and 50,529 total net shares were issued, after giving effect to the application of the Exchange Ratio of approximately 0.09657.

Assumed Public Warrants and Private Placement Warrants

Following the consummation of the Business Combination, holders of the public warrants and private placement warrants are entitled to acquire common stock of the Company. The warrants became exercisable on January 12, 2022, which is 12 months from the closing of the LWAC's initial public offering. Each whole warrant entitles the registered holder to purchase one share of common stock at an exercise price of $11.50 per share, beginning 30 days after the closing date of the Business Combination. The public warrants and private placement warrants will expire five years after the completion of the Business Combination.

Once the public warrants and private placement warrants became exercisable, the Company has the right to redeem the outstanding warrants in whole and not in part at a price of $0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, if and only if the last sale price of the common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

The private placement warrants are identical to the public warrants except that, so long as they are held by the Sponsor or its permitted transferees: (i) they will not be redeemable by the Company; (ii) they may be exercised by the holders on a cashless basis; and (iii) they are subject to registration rights.

Private placement warrants are liability-classified (See Note 4) and the public warrants are equity-classified. The following table summarizes the number of outstanding public warrants and private placement warrants and the corresponding exercise price as of June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021	Exercise Price	Expiration Date
Public warrants	5,833,323	5,833,333	$ 11.50	August 24, 2026
Private placement warrants	181,667	181,667	$ 11.50	August 24, 2026

During the three and six months ended June 30, 2022, warrants to purchase ten shares of common stock were exercised for gross proceeds of less than $1 thousand.

9. Equity Purchase Agreement

On January 24, 2022, the Company entered into an equity purchase agreement (the "Purchase Agreement") and a registration rights agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park" or "Investor") which provides for the sale to Lincoln Park up to $50.0 million of shares (the "Purchase Shares") of the Company's common stock over the thirty-six (36) month term of the Purchase Agreement. In connection with the Purchase Agreement, Lincoln Park made an initial purchase of $3.0 million of shares of common stock (the "Initial Purchase"), which equated to 557,610 shares of common stock, and the Company issued 142,939 shares of common stock to Lincoln Park as a commitment fee in connection with entering into the Purchase Agreement. The Company recognized $0.8 million of other expense relating to the commitment fee share issuance. For the three and six months ended June 30, 2022, an additional 30,000 shares of common stock were issued at an average price per share of $1.74 for gross proceeds $52 thousand.

Under the Purchase Agreement, the Company has sole discretion, subject to certain conditions, on any business day selected by the Company to require Lincoln Park to purchase up to 30,000 shares of common stock (the "Regular Purchase Amount") at the Purchase Price (as defined below) per purchase notice (each such purchase, a "Regular Purchase"). The Regular Purchase Amount may be increased as follows: to up to 50,000 shares if the closing price is not below $5.00, and up to 75,000 shares if the closing price

is not below $10.00. Lincoln Park's committed obligation under each Regular Purchase is capped at $2,500,000, unless the Parties agree otherwise. The purchase price for Regular Purchases (the "Purchase Price") shall be equal to the lesser of: (i) the lowest sale price of the common shares during the Purchase Date, or (ii) the average of the three (3) lowest closing sale prices of the common shares during the ten (10) business days prior to the Purchase Date.

In addition to Regular Purchases and subject to certain conditions and limitations, the Company in its sole discretion may require Lincoln Park on each Purchase Date to purchase on the following business day up to the lesser of (i) three (3) times the number of shares purchased pursuant to such Regular Purchase or (ii) 25% of the trading volume on the Accelerated Purchase Date (the "Accelerated Purchase") (unless the Parties agree otherwise) at a purchase price equal to the lesser of 97% of (i) the closing sale price on the Accelerated Purchase Date, or (ii) the Accelerated Purchase Date's volume weighted average price (the "Accelerated Purchase Price"). The Company has the sole right to set a minimum price threshold for each Accelerated Purchase in the notice provided with respect to such Accelerated Purchase and under certain circumstances and in accordance with the Purchase Agreement the Company may direct multiple Accelerated Purchases in a day.

The aggregate number of shares that the Company can sell to Lincoln Park under the Purchase Agreement may not exceed 8,133,926 shares of the Common Shares (which is equal to approximately 19.99% of the shares of the Common Shares outstanding immediately prior to the execution of the Purchase Agreement) (the "Exchange Cap"), unless (i) shareholder approval is obtained to issue Purchase Shares above the Exchange Cap, in which the Exchange Cap will no longer apply, or (ii) the average price of all applicable sales of Common Shares to Lincoln Park under the Purchase Agreement equals or exceeds $6.42 per share; provided that at no time may Lincoln Park (together with its affiliates) beneficially own more than 4.99% of the Company's issued and outstanding Common Shares.

The Purchase Agreement contains customary representations, warranties, covenants, closing conditions, indemnification and termination provisions. The Purchase Agreement may be terminated by the Company at any time, at its sole discretion, without any cost or penalty, by giving one business day notice to Lincoln Park. Further, Lincoln Park has covenanted not to engage in any direct or indirect short selling or hedging of the Common Shares. There are no limitations on the use of proceeds, financial or business covenants, restrictions on future financings (other than restrictions on the Company's ability to enter into a similar type of agreement or Equity Line of Credit during the Term, excluding an At-The-Market transaction with a registered broker-dealer), rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement.

10. Preferred Stock and Stockholders' Equity (Deficit)

Preferred Stock

Upon closing of the Business Combination transaction, pursuant to the terms of the Amended and Restated Certificate of Incorporation, the Company authorized 100,000,000 shares of preferred stock with a par value $0.0001 per share. eFFECTOR's board of directors has the authority, without further action by the stockholders to issue such shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, and to fix the dividend, voting, and other rights, preferences and privileges of the shares. There were no issued and outstanding shares of preferred stock immediately after the closing of the Business Combination.

In connection with the closing of the Business Combination on August 25, 2021, all Old eFFECTOR convertible preferred stock was converted into common stock of eFFECTOR at an Exchange Ratio of 0.09657. 28,453,228 total shares of Old eFFECTOR convertible preferred stock (as adjusted for the Exchange Ratio), composed of 11,563,819 shares of Old eFFECTOR Series A convertible preferred stock, 10,154,819 shares of Old eFFECTOR Series B convertible preferred stock, and 6,734,590 shares of Old eFFECTOR Series C convertible preferred stock, were converted into 28,453,228 shares of eFFECTOR common stock.

2013 Equity Incentive Plan

Prior to the Business Combination, Old eFFECTOR maintained its 2013 Equity Incentive Plan (the "2013 Plan"), under which Old eFFECTOR granted incentive stock options, restricted stock awards, and other stock-based awards to employees, directors, and non-employee consultants. Upon the closing, the Company ceased granting awards under the 2013 Plan and, as described below, all awards under the 2013 Plan were converted into awards under the 2021 Plan with the same terms and conditions. As of August 25, 2021, prior to the Business Combination transaction, 3,920,657 Old eFFECTOR options remained outstanding under the 2013 Plan, as adjusted for the application of the Exchange Ratio.

Conversion of Awards

In connection with the Business Combination, each option of Old eFFECTOR that was outstanding and unexercised immediately prior to the close date (whether vested or unvested) was converted into an option to acquire an adjusted number of shares of eFFECTOR common stock at an adjusted exercise price per share (the "Substitute Options"), based on the Exchange Ratio of approximately 0.09657, and will continue to be governed by substantially the same terms and conditions, including vesting, as were applicable to the former option. Each Substitute Option will be exercisable for a number of whole shares of common stock equal to the

product of the number of shares of Old eFFECTOR common stock underlying such Old eFFECTOR option multiplied by the Exchange Ratio, and the per share exercise price of such Substitute Option will be equal to the quotient determined by dividing the exercise price per share of Old eFFECTOR common stock by the Exchange Ratio. In connection with the closing, 40,599,270 options to purchase shares of Old eFFECTOR common stock were exchanged for options to purchase an aggregate of 3,920,657 shares of common stock, with an as-adjusted weighted-average exercise price of $1.56 per share.

2021 Equity Incentive Plan and ESPP

In connection with the consummation of the Business Combination on August 25, 2021, the Board of Directors approved the adoption of the 2021 Equity Incentive Plan (the "2021 Plan"). As of June 30, 2022, 6,508,048 shares of common stock are authorized for issuance pursuant to awards under the 2021 Plan, inclusive of any shares of common stock subject to stock options, restricted stock awards or other awards that were assumed in the Business Combination. As of June 30, 2022, 4,300,249 options to purchase common shares have been awarded and 2,287,799 shares remain available for issuance under the 2021 Plan. The 2021 Plan permits the granting of incentive stock options, restricted stock awards, other stock-based award or other cash-based awards to employees, directors, and non-employee consultants.

At a special meeting of stockholders held on August 24, 2021, stockholders considered and approved the eFFECTOR Therapeutics, Inc. 2021 Employee Stock Purchase Plan (the "ESPP"). The ESPP provides for six-month offering periods, and at the end of each offering period, employees are able to purchase shares at 85% of the lower of the fair market value of the Company's common stock on the first trading day of the offering period or on the last trading day of the offering period. An aggregate of 880,000 shares were initially reserved and available for issuance under the ESPP. The ESPP provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning on January 1, 2022, by 1.0% of the outstanding number of shares of common stock on the immediately preceding December 31, or such lesser amount as determined by our board of directors; provided that the total number of shares of common stock that become available for issuance under the ESPP will never exceed 15,000,000. If our capital structure changes because of a stock dividend, stock split or similar event, the number of shares that can be issued under the ESPP will be appropriately adjusted. As of June 30, 2022, 1,259,471 shares were reserved for future issuance under the ESPP. During the three and six months ended June 30, 2022, 27,428 shares of common stock were issued under the ESPP.

Stock Options

In May 2013, the Company adopted the 2013 Equity Incentive Plan (the "2013 Plan"), which was amended in February 2016. The Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, stock appreciation rights, and stock bonuses to directors, employees and consultants of the Company. As of June 30, 2022 and December 31, 2021, the number of shares reserved under the 2013 Plan was 3,881,785 and 3,886,613, respectively.

The terms of the 2021 Plan provide for the grant of incentive stock options, non-statutory stock options, restricted stock awards, stock appreciation rights, and stock bonuses to directors, employees and consultants of the Company. As of June 30, 2022 and December 31, 2021, the number of shares reserved under the 2021 Plan was 6,508,048.

There were zero shares available for grant under the 2013 Plan as of June 30, 2022 and December 31, 2021. In connection with the completion of the Business Combination and the adoption of the 2021 Plan, no further awards will be granted under the 2013 Plan. Options granted under the 2021 Plan are exercisable at various dates as determined upon grant and will expire no more than ten years from their date of grant, or in the case of certain non-statutory options, ten years from the date of grant. The exercise price of each option shall be determined by the Board of Directors based on the estimated fair value of the Company's stock on the date of the option grant. In the case of incentive stock options, the exercise price shall not be less than 100% of the fair market value of the Company's common stock at the time the option is granted. For holders of more than 10% of the Company's total combined voting power of all classes of stock, incentive stock options may not be granted at less than 110% of the fair market value of the Company's stock at the date of grant and for a term not to exceed five years.

A summary of the Company's stock option activity under the plans is as follows (in thousands, except share and per share amounts and years):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2021	4,193,321	$ 2.41	6.0	$ 26,115
Granted	3,955,763	3.97	9.8	
Exercised	(4,828)	0.52	0.9	
Cancelled or forfeited	(42,222)	11.36	9.3	
Outstanding at June 30, 2022	8,102,034	$ 3.13	7.6	$ 801
Vested and exercisable at June 30, 2022	3,565,097	$ 1.95	5.1	$ 792

For the six months ended June 30, 2022 the total fair value of vested options was $1.8 million. The weighted-average grant date fair value of employee and non-employee option grants during the six months ended June 30, 2022 was $2.78 per share.

Common Stock

During the three and six months ended June 30, 2022, the Company issued zero and 4,828 shares of common stock in connection with the exercise of stock options, for net cash proceeds of zero and $2,500, respectively. During the three and six months ended June 30, 2021, the Company issued 15,451 shares of common stock in connection with the exercise of stock options, for net cash proceeds of $16,000.

Stock-Based Compensation Expense

The Company recognized stock-based compensation expense specifically related to stock options of $1.2 million and $2.1 million for the three and six months ended June 30, 2022, respectively, and $0.2 million and $0.3 million for the three and six months ended June 30, 2021, respectively. The assumptions used in the Black-Scholes option pricing model to determine the fair value of the stock option grants were as follows:

	Six Months Ended June 30,	
	2022	2021
Risk-free interest rate	1.7% - 3.3%	0.7%
Expected volatility	82% - 86%	90%
Expected term (in years)	5.2 - 6.1	6.1
Expected dividend yield	0%	0%

Risk-free interest rate. The risk-free rate assumption is based on the U.S. Treasury instruments, the terms of which were consistent with the expected term of the Company's stock options.

Expected volatility. Due to the Company's limited operating history and lack of company-specific historical or implied volatility, the expected volatility assumption was determined by examining the historical volatilities of a group of industry peers whose share prices are publicly available.

Expected term. The expected term of stock options represents the weighted-average period the stock options are expected to be outstanding. The Company uses the simplified method for estimating the expected term as provided by the SEC. The simplified method calculates the expected term as the weighted average of the time-to-vesting and the contractual life of the options.

Expected dividend yield. The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The Company has not paid and does not intend to pay dividends.

Forfeitures. The Company reduces stock-based compensation expense for actual forfeitures during the period in which they occur.

As of June 30, 2022, the unrecognized compensation cost related to outstanding employee options was $9.2 million and is expected to be recognized as expense over approximately 2.5 years. Unrecognized compensation cost related to outstanding nonemployee options was $2.6 million as of June 30, 2022, and is expected to be recognized as expense over approximately 0.9 years.

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance consists of the following as of June 30, 2022:

	June 30, 2022
Stock options issued and outstanding	8,102,034
Public warrants issued and outstanding	5,833,323
Private placement warrants issued and outstanding	181,667
Earn-Out shares	5,000,000
Unvested sponsor shares	300,000
Authorized for future stock awards or option grants	2,287,799
Authorized for future issuances under the ESPP	1,259,471
Total	22,964,294

11. Earn-Out Shares

In accordance with the Merger Agreement, 5,000,000 Earn-Out Shares are contingently issuable to Old eFFECTOR stockholders and option holders upon the occurrence of the Triggering Event, defined within the Merger Agreement as the date on which the common stock price equals or exceeds $20.00 over at least 20 trading days out of 30 consecutive trading day period for the two-year period following the close date of the Business Combination. As of June 30, 2022 and December 31, 2021, the stockholders and option holders would be eligible to receive approximately 4,426,889 and 573,111 Earn-Out Shares, respectively. The fair value of the Earn-Out Shares was $0.02 per share as of June 30, 2022. The fair value of the Earn-Out Shares was $2.74 per share as of December 31, 2021.

The estimated fair value of the Earn-Out Shares was determined using a Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the Earn-Out Period using the most reliable information available. Assumptions used in the valuation were as follows:

	June 30, 2022	December 31, 2021
Stock price	$ 1.42	$ 8.28
Expected volatility	95.0%	65.0%
Risk-free interest rate	2.8%	0.6%
Forecast period (in years)	1.2	1.6
Cost of equity	20.0%	20.0%

Old eFFECTOR Shareholders

The Company has determined that the contingent obligation to issue Earn-Out Shares to existing Old eFFECTOR shareholders is not indexed to the Company's stock under ASC 815-40 and therefore equity treatment is precluded. The Triggering Event that determines the issuance of the Earn-Out Shares includes terms that are not solely indexed to the common stock of the Company, and as such liability classification is required. As of the consummation date of the Business Combination, the estimated fair value of the shareholder Earn-Out Shares was approximately $61.0 million and the Company will revalue the liability each reporting period with the changes in fair value being recorded to the Statements of Operations. For the three and six months ended June 30, 2022, there was a decrease in the earn-out liability of $1.3 million and $12.0 million, respectively, which was recorded as a gain on change in fair value within the statements of operations. In accordance with the Merger Agreement, Earn-Out Shares attributable to Old eFFECTOR option holders who discontinue providing service before the occurrence of the Triggering Event are reallocated to the remaining eligible stockholders and option holders.

The earn-out liability is recorded on the balance sheet as a current liability since the expected date of achievement based on the valuation model is within the next twelve months. The following table presents activity for the Earn-Out liability measured at fair value using significant unobservable Level 3 inputs at December 31, 2021 and June 30, 2022 (in thousands):

	Earn-out Liability
Earn-out liability - August 25, 2021 (Closing Date)	$ 61,024
Incremental shares due to option holder forfeitures	16
Change in fair value - Closing date through December 31, 2021	(48,910)
Earn-out liability - December 31, 2021	12,130
Change in fair value	(12,041)
Balance at June 30, 2022	$ 89

Old eFFECTOR Option Holders

The contingent obligation to issue Earn-Out Shares to existing Old eFFECTOR option holders falls within the scope of ASC 718, Share-based Compensation, because the option holders are required to continue providing service until the occurrence of the Triggering Event. The fair value of the option holder Earn-Out Shares at the Merger closing date (August 25, 2021) was approximately $7.9 million, which was recorded as share-based compensation over the derived service period of 0.36 years following the consummation of the Business Combination. For the three and six months ended June 30, 2022, there was approximately zero and $0.3 million, respectively, recorded in share-based compensation related to the Earn-Out Shares and the derived service period was completed as of March 31, 2022, with no additional share-based compensation expense to be recorded.

12. License Agreements

In May 2013, the Company entered into an agreement with the Regents of the University of California ("UCSF") which provides the Company with an exclusive license to UCSF's patent rights in certain inventions (the "UCSF Translational Profiling Patent Rights") relating to translational profiling laboratory techniques initially developed at UCSF. Under the agreement, the Company is permitted to research, develop, make and sell products that it discovers and develops utilizing the UCSF Translational Profiling Patent Rights, which the Company refers to as licensed products, and use certain licensed processes utilizing the UCSF Translational Profiling Patent Rights and to sublicense such licensed products and processes.

Under the agreements, the Company is required to use commercially reasonable efforts to meet certain specified development, regulatory and commercial milestones related to the licensed products within specified time periods. In consideration of the rights granted to the Company under the agreement, the Company made a one-time license issue fee cash payment to UCSF of $50,000 upon the issuance of the license in 2013. In July 2021, the Company entered into an amendment to the license agreement to confirm the impact of the Business Combination on the license agreement, including clarifying that in connection with the closing of the Business Combination, the Company would pay UCSF a one-time cash payment of approximately $1.0 million, subject to adjustment based on the final Exchange Ratio. The $1.0 million payment was made to UCSF in August 2021 in connection with the close of the Business Combination. The Company is also required to make cash milestone payments to UCSF upon the completion of certain clinical and regulatory milestones for the licensed products. The aggregate remaining potential milestone payments are approximately $375,000. Additionally, the Company has agreed to pay UCSF a royalty of less than one percent on net sales of each of the first two licensed products sold by the Company or its affiliates, subject to minimum annual royalty payments and other adjustments in certain circumstances. The Company's royalty obligations continue for each licensed product or service until the expiration of the last licensed patent covering the applicable licensed product or service.

In the event the Company sublicenses any of the UCSF Translational Profiling Patent Rights, the Company has agreed to pay a percentage of sublicense revenue received at specified rates that start at low double digit percentages and decrease to single digit percentages based on the elapsed time from the effective date of the agreement. Additionally, the Company has agreed to pay a low double digit percentage of any payments it receives from the sales of a licensed product discovered or developed by the Company under a collaboration agreement and a low double digit percentage of any net sales with respect to a licensed service.

UCSF may terminate the agreement if the Company fails to perform or violates any material term of the agreement and fails to cure such nonperformance or violation within 60 days of notice from UCSF or in the event of the Company's insolvency. The Company is currently in compliance with all material terms of the agreement.

The Company may terminate the agreement upon 60 days' written notice to UCSF and may terminate the UCSF Translational Profiling Patent Rights on a claim-by-claim, patent-by-patent and country-by-country basis by giving written notice to UCSF. Absent early termination, the agreement will continue until the expiration date of the longest-lived patent right included in the UCSF Translational Profiling Patent Rights. Any terminations initiated by the Company does not relieve their obligation to pay royalties and milestones under the terms of the UCSF agreement.

The Company paid an annual minimum royalty of $15,000 to UCSF for each of the six months ended June 30, 2022 and 2021, and zero paid for each of the three months ended June 30, 2022 and 2021. All license related fees were recorded as research and development expense.

13. Research Collaboration and License Agreement

In December 2019, the Company entered into a Research Collaboration and License Agreement (the "Pfizer Agreement") with Pfizer to research and develop small molecules that target eIF4E.

Pursuant to the Pfizer Agreement, the Company granted Pfizer a worldwide, exclusive license, with a right to sublicense, under certain of the Company's patents, know-how and materials, to use, develop, manufacture, commercialize, and otherwise exploit

compounds or products targeting eIF4E, for any and all indications. Pursuant to the Pfizer Agreement, Pfizer granted the Company an option to co-fund and co-promote a single such licensed product under a profit and loss share arrangement in the United States. The option can be exercised prior to a specified time before the first patient is expected to be enrolled in a clinical trial intended to support an NDA for marketing approval.

Under the Pfizer Agreement, the Company was responsible for initial research in collaboration with Pfizer, and Pfizer is responsible for all further development of the program, including submission of an IND and conducting all clinical development and commercialization activities. Pfizer is obligated to use commercially reasonable efforts to develop and seek regulatory approval for a licensed product, and commercialize a licensed product where Pfizer has received regulatory approval, in the United States and certain other countries. In the event the Company exercises its co-funding and co-promotion option, a joint steering committee will oversee the development plan and budget of the co-developed product, and the Company will have the responsibility to conduct a portion of product marketing presentations to healthcare providers.

Pursuant to the Pfizer Agreement, the Company received an upfront, one-time, non-refundable, non-creditable payment of $15 million from Pfizer. Pfizer was obligated to reimburse the Company for costs incurred for research performed, up to a specified cap in the low double-digit millions. Upon the achievement of specified early development and regulatory milestones, Pfizer will be obligated to pay the Company up to $80 million in the aggregate. For other non-early stage development milestones Pfizer's payment obligations to the Company depends upon whether the Company has exercised its co-funding and co-promotion option: 1) if it does not exercise the option, non-early stage development payments may total up to $165 million in aggregate, and 2) if it does exercise the option, non-early stage development payments may total up to $70 million in aggregate. Upon the achievement of specified sales milestones, Pfizer is also obligated to make tiered milestone payments of up to $235 million in aggregate. On a product-by-product basis, Pfizer will also be required to pay the Company high single-digit percentage royalties on annual net sales of each licensed product. If the Company exercises its co-promotion and co-funding option, royalty payments will exclude sales in the United States and the Company will share with Pfizer profits from sale of the relevant licensed product in the United States.

Unless earlier terminated, the Pfizer Agreement will continue in effect until the expiration of all Pfizer payment obligations. Except in the United States, if the Company exercises its co-funding and co-promotion option, following expiration of the obligation to pay royalties for any licensed product in a given country and payment of all amounts due, Pfizer's license to such licensed product in such country will become fully paid-up, perpetual, irrevocable and royalty-free. Pfizer may terminate the Pfizer Agreement for convenience upon written notice. Either party may terminate the Pfizer Agreement if an undisputed material breach by the other party is not cured within a defined period of time, or upon notice for insolvency-related events of the other party that are not discharged within a defined time period.

Under the framework of ASC Topic 606, Revenue from Contracts with Customers, the Company identified two distinct performance obligations; 1) delivery of the license and 2) performance of future research activities specified within the research plan. The Company determined the standalone value of the license by calculating the present value of the probability weighted cash inflows to be generated from the Pfizer Agreement. These cash inflows include development and sales milestones and future royalties. The standalone value of the research activities was determined by identifying the market cost for services and supplies to perform such activities if it were to be outsourced to a third-party. The initial transaction price of $27.0 million was allocated to the two performance obligations on a relative standalone value basis, with $25.6 million allocated to the license and $1.4 million allocated to the research activities. The value attributable to the license was recognized upon delivery of the license to Pfizer and the value attributable to the research activities was recognized pro-rata based on the actual costs incurred by the Company compared to the total estimated costs of the research activities from the time of execution to the end of the research program.

There was no revenue recorded in connection with this agreement for the three and six months ended June 30, 2022 and 2021 because all development and sales milestones (variable consideration) were fully constrained.

14. DARPA Grant Revenue

In April 2021, the Company entered into a Research Subaward Agreement with UCSF, whereby up to $5.0 million in allowable costs are reimbursable for clinical and manufacturing activities related to zotatifin for the treatment of COVID-19 under the DARPA grant. Under the terms of Research Subaward Agreement, the Company is obligated to provide financial and technical reports to UCSF on a periodic basis. The subaward can be terminated by either party upon written notice and also in the event that DARPA suspends or terminates its award to UCSF. The Company recognized $2.0 million of revenue under the DARPA grant in the three and six months ended June 30, 2022 and $0.7 million in the three and six months ended June 30, 2021. As of June 30, 2022 and December 31, 2021, the Company had a receivable of $0.4 million and $0.1 million, respectively, recorded within prepaid expenses and other current assets on the balance sheets. The initial award period for the DARPA grant ended in December 2021 and in April 2022 the Company received an extension of the award period to December 2022, with the same maximum $5.0 million reimbursement amount. As of June 30, 2022, $1.5 million remains reimbursable for allowable costs under the grant.

15. Commitments and Contingencies

Leases

In November 2020, the Company entered into a non-cancelable operating sublease for office space in San Diego, California, with a lease term through December 2021. Rent expense under this lease was $24,000 and $48,000 for the three and six months ended June 30, 2021, respectively.

In September 2021, the Company entered a non-cancelable three-year lease for certain new office space in Solana Beach, California, with an option to renew for an additional three-year term. The initial term of the lease started on November 1, 2021, and it serves as the Company's new headquarters. Rent expense under this lease was $16,000 and $33,000 for the three and six months ended June 30, 2022, respectively.

During the three and six months ended June 30, 2022, the Company paid $18,000 and $35,000, respectively, in lease payments. During the three and six months ended June 30, 2021, the Company paid $28,000 and $56,000, respectively, in lease payments. All lease payments were included in operating activities in the statements of cash flows.

The following table summarizes supplemental balance sheet information related to leases as of June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Assets:		
Operating lease right-of-use assets	$ 139	$ 166
Total right-of-use assets	139	166
Liabilities		
Operating lease liabilities, current	48	44
Operating lease liabilities, non-current	94	126
Total operating lease liabilities	$ 142	$ 170

As of June 30, 2022, the future minimum annual lease payments under the existing operating leases were as follows (in thousands, except for weighted-average remaining lease term and weighted-average discount rate):

Remainder of 2022	$ 27
2023	67
2024	62
Total remaining lease payments	156
Less: imputed interest	(14)
Total operating lease liabilities	142
Less: current portion	(48)
Long-term operating lease liabilities	$ 94
Weighted-average remaining lease term (*in years*)	2.3
Weighted-average discount rate	8%

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

Unless the context otherwise requires, all references in this section to "we," "our," "us" or "eFFECTOR" refer to the business of eFFECTOR Therapeutics, Inc. prior to the consummation of the Business Combination, which is our business following the consummation of the Business Combination. The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K, filed with the SEC on March 16, 2022.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations or financial condition, research and development plans, the anticipated timing, costs, design and conduct of our ongoing and planned preclinical studies and planned clinical trials for our product candidates, the timing and likelihood of regulatory filings and approvals for our product candidates, our ability to commercialize our product candidates, if approved, the impact of the COVID-19 pandemic on our business, the potential to develop future product candidates, the potential benefits of strategic collaborations, the timing and likelihood of success, plans and objectives of management for future operations, and future results of anticipated product development efforts, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "expect," "intend," "target," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," or the negative of these terms or other similar expressions. These forward-looking statements are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K, filed with the SEC on March 16, 2022. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

We are a clinical-stage biopharmaceutical company pioneering the development of a new class of oncology drugs we refer to as STRIs. Translation is the process in cells whereby the synthesis of proteins is directed by information contained in genetic sequences. We utilized our proprietary selective translation regulation technology platform to internally discover a portfolio of small molecule STRI product candidates. Our product candidates target the eIF4F complex and its activating kinase, mitogen-activated protein interacting kinase ("MNK"). The eIF4F complex is a central node where two of the most frequently mutated signaling pathways in cancer, the PI3K-AKT and RAS-MEK pathways, converge to activate the translation of select mRNA into proteins that are frequent culprits in key disease-driving processes. Inhibition of any one of these targets simultaneously downregulates multiple disease-driving proteins before they are synthesized. Each of our product candidates is designed to act on a single protein that drives the expression of a network of multiple functionally related proteins, including oncoproteins, immunosuppressive proteins in T cells and proteins known to drive drug resistance that together control tumor growth, survival and immune evasion.

On August 25, 2021, LWAC completed the acquisition of Old eFFECTOR, a private company, pursuant to the Merger Agreement dated May 26, 2021. Our principle operations commenced in 2012 upon incorporation of Old eFFECTOR in the state of Delaware.

Our lead product candidate, tomivosertib, is an oral small-molecule inhibitor of MNK that we are developing in combination with inhibitors of anti-PD-(L)1 therapy, for the treatment of patients with solid tumors. In June 2021, we initiated dosing in KICKSTART, our randomized Phase 2b clinical trial evaluating tomivosertib in combination with pembrolizumab in patients with metastatic non-small cell lung cancer ("NSCLC"). We updated our trial design to focus on the largest segment of that market, patients who are undergoing their initial, or frontline, course of treatment. The revised trial includes the following two cohorts: (1) "PD-L1 ≥50% cohort", for patients with PD-(L)1 expression ≥50% who will receive tomivosertib or placebo in combination with pembrolizumab as their initial therapy; and (2) a new "PD-L1 ≥1% cohort" for patients with PD-(L)1 expression ≥1% who will receive tomivosertib or placebo in combination with pembrolizumab as maintenance therapy immediately after completing the platinum-based chemotherapy doublet phase of their frontline treatment without disease progression. We anticipate reporting topline data from both cohorts in the first half of 2023. Our second product candidate, zotatifin, is an inhibitor of eIF4A, a component of the eIF4F complex, and is currently being evaluated in a Phase 1/2 clinical trial in patients with certain solid tumors. We have completed the Phase 1 portion of this trial and are currently enrolling patients in multiple Phase 2a open-label expansion cohorts in biomarker-selected patients with tumors driven by multiple proteins shown in our preclinical studies to be downregulated by zotatifin. In June 2022, we reported positive interim results from the Phase 1/2 dose escalation and expansion trial, with such results showing that

zotatifin was generally well tolerated, resulted in suppression of a select set of oncogenic drivers, and demonstrated initial signals of clinical activity in patients with breast cancer. Based on zotatifin's mechanism and results observed to date, we've expanded the cohort evaluating zotatifin in combination with fulvestrant in ER+ breast cancer to 18 patients. In addition, a new cohort evaluating zotatifin in combination with fulvestrant in ER+ breast cancer patients with Cyclin D1 amplification is being planned. We anticipate reporting topline data from current expansion cohorts by the end of 2022, as well as initial overall response data from the Cyclin D1 amplified ER+ breast cancer cohort in the first half of 2023. We are also conducting a Phase 1b clinical trial evaluating zotatifin as an antiviral agent against SARS-CoV-2. We have entered into a global research collaboration and license agreement with Pfizer for our earliest stage program, inhibitors of eIF4E, and Pfizer is currently conducting IND-enabling studies for this program.

Since our inception in 2012 we have devoted substantially all of our resources to raising capital, identifying potential product candidates, establishing our intellectual property portfolio, conducting preclinical studies and clinical trials, establishing arrangements with third parties for the manufacture of our product candidates and related raw materials, and providing general and administrative support for these operations. We do not have any products approved for sale and have not generated any revenue from product sales. As of June 30, 2022, we have raised a total of $300.5 million to fund our operations, comprised of aggregate gross proceeds of $150.0 million from the sale and issuance of convertible preferred stock, gross proceeds of $67.0 million from the issuance of common stock in connection with the Business Combination in August 2021, $42.0 million in collaboration revenue under our research collaboration and license agreement with Pfizer ("Pfizer Agreement"), $35.0 million from loans under credit facilities, $3.1 million gross proceeds from the sale of common stock under the equity purchase agreement ("Purchase Agreement") with Lincoln Park Capital Fund, LLC ("Lincoln Park"), and $3.4 million in grant revenue under the Research Subaward Agreement with The Regents of the University of California, on behalf of its San Francisco campus ("UCSF"). Other than with respect to the net income generated as a result of revenue under the Pfizer Agreement generated in 2020, we have incurred significant operating losses since our inception. For the three and six months ended June 30, 2021, our net loss for the respective periods was $5.5 million and $12.1 million, and for the three and six months ended June 30, 2022, we had a net loss for the respective periods of $6.9 million and $3.8 million. As of December 31, 2021 and June 30, 2022, we had an accumulated deficit of $120.9 million and $124.7 million, respectively. Substantially all of our operating losses resulted from expenses incurred in connection with the research and development of our product candidates and development programs, and general and administrative costs associated with our operations.

We expect to continue to incur significant expenses and losses for at least the next several years. We anticipate our expenses will increase substantially as we continue our development of, seek regulatory approval for and potentially commercialize any approved product candidates, hire additional personnel, protect our intellectual property and incur additional costs associated with being a public company. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical trials and preclinical studies and our expenditures on other research and development activities. As of June 30, 2022, we had $41.0 million in cash and cash equivalents and short-term investments. To fund further operations, we will need to raise additional capital. Our current capital resources will not be sufficient for us to complete the clinical development of any of our product candidates or, if applicable, to prepare for commercializing any product candidate which may receive approval from the FDA or comparable foreign regulatory authority. Accordingly, we expect to finance our cash needs through a combination of equity offerings, debt financings, or other capital sources, including potential additional collaborations, licenses, and other similar arrangements. Adequate funding may not be available to us on acceptable terms, if at all. Our failure to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition and could force us to delay, limit, reduce, or terminate our research and development programs or other operations, or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

The COVID-19 worldwide pandemic continues to evolve, and we will continue to monitor the COVID-19 situation. To date, we have not experienced material disruptions in our business operations. However, while it is not possible at this time to estimate the impact that COVID-19 could have on our business in the future, particularly as we advance our product candidates through clinical development, the continued spread of COVID-19 and the measures taken by governmental authorities, and any future epidemic disease outbreaks, could: disrupt the supply chain and the manufacture or shipment of drug substances and finished drug products for our product candidates for use in our clinical trials and preclinical studies; delay, limit or prevent our employees and CROs from continuing research and development activities; impede our clinical trial initiation and recruitment and the ability of patients to continue in clinical trials, including the risk that participants enrolled in our clinical trials will contract COVID-19 or other epidemic disease while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events; impede testing, monitoring, data collection and analysis and other related activities; any of which could delay our clinical trials and preclinical studies and increase our development costs, and have a material adverse effect on our business, financial condition and results of operations.

Business Combination Transaction

On August 25, 2021, we completed the Business Combination pursuant to an Agreement and Plan of Merger dated May 26, 2021, among LWAC, LWAC Merger Sub Inc., and Old eFFECTOR. Upon closing of the Business Combination, the combined company was renamed eFFECTOR Therapeutics, Inc. (eFFECTOR).

Pursuant to the terms of the Merger Agreement, our shareholders exchanged their interests in LWAC and Old eFFECTOR for shares of common stock of eFFECTOR. In addition, awards under the our existing equity incentive plans, including the 2013 Plan, continue in full force and effect on the same terms and conditions as were previously applicable to such awards, subject to adjustments to the exercise price and number of shares of common stock issuable upon exercise based on the final exchange ratio calculated in accordance with the Merger Agreement.

Gross proceeds from this transaction totaled approximately $67.0 million, which included funds held in LWAC's trust and operating accounts and the completion of a concurrent PIPE Financing in which certain investors agreed to subscribe for and purchased an aggregate of $60.7 million of common stock of eFFECTOR. The shareholders of LWAC approved the transaction on August 24, 2021. The transaction was previously approved by the boards of directors of both LWAC and Old eFFECTOR.

The transaction was accounted for as a "reverse recapitalization" in accordance with GAAP. Under the reverse recapitalization model, the Business Combination was treated as Old eFFECTOR issuing equity for the net assets of LWAC, with no goodwill or intangible assets recorded. Under this method of accounting, LWAC was treated as the "acquired" company for financial reporting purposes. This determination is primarily based on the fact that subsequent to the Business Combination, eFFECTOR stockholders have a majority of the voting power of the combined company, comprise all of the ongoing operations of the combined entity, comprise a majority of the governing body of the combined company, and eFFECTOR senior management comprise all of the senior management of the combined company. Reported results from operations included herein prior to the Business Combination are those of Old eFFECTOR. The shares and corresponding capital amounts, options and related per share amounts, and loss per share related to Old eFFECTOR's outstanding convertible preferred stock and common stock prior to the Business Combination have been retroactively restated to reflect the exchange ratio established in the Merger Agreement (1.00 share of Old eFFECTOR for 0.09657 shares of eFFECTOR) (the "Exchange Ratio").

The Combined Company's cash on hand after giving effect to these transactions, together with Old eFFECTOR's existing cash and cash equivalents will be used to fund the research and development of our development programs and for working capital and general corporate purposes. We may also use a portion of the remaining net proceeds and our existing cash and cash equivalents to in-license, acquire or invest in complementary businesses, technologies, products or assets. However, we have no current commitments or obligations to do so.

Financial Overview

Revenue

We currently have no products approved for sale, and all revenue generated has been from the Pfizer Agreement along with grant revenue. In the future, we may generate additional revenue from collaboration, grant or license agreements we have entered into, or may enter into, with respect to our product candidates, as well as product sales from any approved product. Our ability to generate product revenues will depend on the successful development and eventual commercialization of our product candidates. If we fail to complete the development of our product candidates in a timely manner or to obtain regulatory approval for our product candidates, our ability to generate future revenue and our results of operations and financial position would be materially adversely affected.

Pfizer Agreement

In December 2019, we entered into the Pfizer Agreement, to research and develop small molecules that target eIF4E. Pursuant to the Pfizer Agreement, we granted Pfizer a worldwide, exclusive license, with a right to sublicense, under certain of our patents, know-how, and materials to use, develop, manufacture, commercialize, and otherwise exploit compounds or products targeting eIF4E, for any and all indications. Under the agreement, we were responsible for initial research in collaboration with Pfizer, and Pfizer is responsible for all further development of this development program, including submission of an IND and conducting all clinical development and commercialization activities.

Pursuant to the Pfizer Agreement, we received an upfront, one-time, non-refundable, non-creditable payment of $15 million dollars from Pfizer. Pfizer was obligated to reimburse us for costs incurred for research performed, up to a specified cap in the low double-digit millions. Upon the achievement of specified development, regulatory and sales milestones, Pfizer will be obligated to pay us up to $480 million dollars in the aggregate, as well as to pay us high single-digit percentage royalties on annual net sales of each licensed product. See "Business — Our Collaboration and License Agreements" in our Annual Report on Form 10-K filed with the SEC on March 16, 2022, for additional information about this agreement, including with respect to potential payments to us thereunder.

DARPA Grant

In April 2021, we entered into a Research Subaward Agreement with UCSF, whereby up to $5.0 million in allowable costs are reimbursable for clinical and manufacturing activities related to zotatifin for the treatment of COVID-19 under the DARPA grant. Under the terms of Research Subaward Agreement, we are obligated to provide financial and technical reports to UCSF on a periodic basis.

Operating Expenses

Research and Development Expenses

Research and development expenses primarily consist of costs associated with the preclinical and clinical development of our product candidates. Our research and development expenses include:

- external costs, including:
  - expenses incurred under arrangements with third parties, such as CROs and consultants and advisors that perform biology, chemistry, toxicology, clinical and regulatory functions;
  - costs related to acquiring and manufacturing preclinical and clinical trial materials, including continued testing such as process validation and stability of drug product;
  - costs related to toxicology testing and other research and preclinical studies; and
  - costs related to compliance with regulatory requirements and license fees.
- internal costs, including:
  - salaries and related overhead expenses, which include stock-based compensation and benefits, for personnel in research and development functions; and
  - facilities, depreciation, insurance and other expenses related to research and development.

We expense research and development costs as incurred. We account for nonrefundable advance payments for goods and services that will be used in future research and development activities as expenses when the service has been performed or when the goods have been received. We track external expenses on a development program and other program specific basis. However, we do not track internal costs on a program specific basis because these costs primarily relate to personnel, facilities and laboratory consumables, which are deployed across multiple programs under development.

The following table summarizes our research and development expenses for the periods indicated (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
External development program expenses:				
tomivosertib	$ 2,919	$ 1,621	$ 3,824	$ 3,606
zotatifin	1,964	1,203	2,673	2,427
eIF4E	—	73	8	91
Unallocated internal research and development expenses:				
Personnel related	1,316	625	2,434	1,374
Other	720	550	1,092	1,042
Total research and development expenses	$ 6,919	$ 4,072	$ 10,031	$ 8,540

We expect our research and development expenses to increase substantially for the foreseeable future as we continue the development of our product candidates, particularly as we move into later stages of clinical development which typically cost more. The process of conducting clinical trials and preclinical studies necessary to obtain regulatory approval is costly and time-consuming. We may never succeed in achieving marketing approval for any of our product candidates. At this time, we cannot reasonably estimate the nature, timing or costs of the efforts that will be necessary to complete the remainder of the development of any of our product candidates or the period, if any, in which material net cash inflows from these product candidates may commence. We anticipate we will make determinations as to which product candidates and programs to pursue and how much funding to direct to each product candidate and program on an ongoing basis in response to clinical and preclinical results, regulatory developments, ongoing assessments as to each product candidate's and program's commercial potential, and our ability to enter into collaborations, to the extent we determine the resources or expertise of a collaborator would be beneficial for a given product candidate or program.

Our development costs may vary significantly based on factors such as:

- per patient trial costs;
- the number and scope of trials required for approval and preclinical and IND-enabling studies;
- the number of sites included in the trials;
- the length of time required to enroll suitable patients;
- the number of doses that patients receive;
- the number of patients that participate in the trials;
- the drop-out or discontinuation rates of patients;
- the duration of patient follow-up;
- the extent of reimbursement for the costs of approved therapies used in our combination trials;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the number and complexity of procedures, analyses and tests performed during the trial;
- the phase of development of the product candidate;
- the impact of any interruptions to our operations or to those of the third parties with whom we work due to the ongoing COVID-19 pandemic or any future epidemics;
- the efficacy and safety profile of the product candidate; and
- the extent to which we establish additional collaboration, license or other arrangements.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation and benefits, and consulting fees for finance, accounting, and human resources functions. Other costs include legal fees relating to patent and corporate matters, insurance, and facility costs not otherwise included in research and development expenses.

We expect our general and administrative expenses will increase substantially for the foreseeable future as we increase our administrative headcount to operate as a public company and as we advance our product candidates through clinical development. We also will incur additional expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and the Nasdaq listing rules, additional insurance expenses, investor relations activities and other administrative and professional services. In addition, if we obtain regulatory approval for any of our product candidates, we expect to incur expenses associated with building a sales and marketing team if we choose to commercialize such product candidates on our own.

Other Income (Expense)

Interest Income

Interest income consists of interest earned on our cash equivalents and short-term investments.

Interest Expense

Interest expense consists of interest on our outstanding debt facilities. We entered into a new debt facility with Oxford Financial LLC (“Oxford”) in March 2021. Interest expense recorded in the three and six months ended June 30, 2022 and the three months ended June 30, 2021, consisted of amounts attributable to the Oxford term loan, and interest expense recorded in the six months ended June 30, 2021, consisted of amounts attributable to our then outstanding term loans with Silicon Valley Bank ("SVB"), as well as the Oxford term loan.

Loss of Debt Extinguishment

In March 2021, we repaid the SVB term loans using the proceeds from the Oxford term loan. We recorded a loss on debt extinguishment in the amount of $0.5 million in connection with the transaction, which includes the unamortized debt discount and final payment associated with outstanding SVB term loans at the time of extinguishment along with the $0.1 million prepayment fee.

Other Income (Expense)

We issued preferred stock warrants in connection with our SVB and Oxford debt facilities and assumed private placement warrants in connection with the Business Combination transaction that are required to be accounted for as liabilities and remeasured to fair value at each reporting date, with changes in the fair value reported as a component of other income (expense).

In January 2022, we entered into the Purchase Agreement with Lincoln Park and recorded other expense in connection with commitment shares of common stock issued to Lincoln Park in the transaction.

Change in Fair Value of Earn-Out Liability

We determined that the contingent obligation to issue Earn-Out Shares to existing Old eFFECTOR shareholders is not indexed to our stock under Accounting Standards Codification ("ASC") 815-40 and are therefore required to be accounted for as liabilities and remeasured at fair value each reporting period, with changes in fair value reported as a component of other income (expense).

Results of Operations

Comparison of the three months ended June 30, 2022 and 2021

The following table sets forth our results of operations for the three months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Period-to-Period Change
	2022	2021	
Grant revenue	$ 2,011	$ 692	$ 1,319
Operating expenses:			
Research and development	6,919	4,072	2,847
General and administrative	2,973	1,664	1,309
Total operating expenses	9,892	5,736	4,156
Loss from operations	(7,881)	(5,044)	(2,837)
Other income (expense)	966	(504)	1,470
Net loss	$ (6,915)	$ (5,548)	$ (1,367)

Grant Revenue

Grant revenue was $2.0 million and $0.7 million for the three months ended June 30, 2022 and 2021, respectively. The increase in grant revenue is due to the timing associated with grant commencement along with increased development activities associated with the eFT226-003 COVID program, which were reimbursable during 2022.

Research and Development Expenses

Research and development expenses were $6.9 million and $4.1 million for the three months ended June 30, 2022 and 2021, respectively. The increase in research and development expenses during this period of $2.8 million, was primarily due to a $1.3 million increase for the eFT508 program due primarily to increased costs associated with the eFT508-011 (KICKSTART) trial, and a $0.8 million increase for the eFT226 program due to increased costs associated with the eFT226-003 (COVID) and eFT226-002 trials and CMC costs as compared to the same period in 2021, partially offset by a $0.1 million decrease for the eIF4E program. Additionally, there was an increase of $0.7 million in employee related costs primarily related to increased stock-based compensation for the period and a $0.2 million increase in consultant costs.

General and Administrative Expenses

General and administrative expenses were $3.0 million and $1.7 million for the three months ended June 30, 2022 and 2021, respectively. The increase in general and administrative expenses during this period of $1.3 million was related to a $0.6 million increase in personnel-related costs attributable to increased headcount to support public company activities along with increased stock-based compensation, and a $1.0 million increase in other general and administrative costs primarily related to insurance costs, partially offset by a $0.1 million decrease in consulting costs for audit and accounting related activities and a $0.2 million decrease in legal costs.

Other Income (Expense)

Other income was $1.0 million for the three months ended June 30, 2022 and other expense was $0.5 million for the three months ended June 30, 2021. The increase in other income during this period of $1.5 million was mostly due to the gain on change in fair value of the earn-out liability of $1.3 million and the warrant liability of $0.2 million for the period.

Comparison of the six months ended June 30, 2022 and 2021

The following table sets forth our results of operations for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,		Period-to-Period Change
	2022	2021	
Grant revenue	$ 2,011	$ 692	$ 1,319
Operating expenses:			
Research and development	10,031	8,540	1,491
General and administrative	6,409	2,933	3,476
Total operating expenses	16,440	11,473	4,967
Loss from operations	(14,429)	(10,781)	(3,648)
Other income (expense)	10,583	(1,349)	11,932
Net loss	$ (3,846)	$ (12,130)	$ 8,284

Grant Revenue

Grant revenue was $2.0 million and $0.7 million for the six months ended June 30, 2022 and 2021, respectively. The increase in grant revenue is due to to the timing associated with grant commencement along with increased development activities associated with the eFT226-003 COVID program, which were reimbursable during 2022.

Research and Development Expenses

Research and development expenses were $10.0 million and $8.5 million for the six months ended June 30, 2022 and 2021, respectively. The increase in research and development expenses during this period of $1.5 million, was primarily due to a $1.1 million increase in employee related costs directly related to increased stock-based compensation. Additionally, there was a $0.2 million increase for the eFT508 program due primarily to increased costs associated with the eFT508-011 (KICKSTART) trial, and a $0.3 million increase for the eFT226 program due to increased CMC-related costs, partially offset by a $0.1 million decrease for the eIF4E program.

General and Administrative Expenses

General and administrative expenses were $6.4 million and $2.9 million for the six months ended June 30, 2022 and 2021, respectively. The increase in general and administrative expenses during this period of $3.5 million was related to an increase of $1.7

million in other general and administrative costs primarily related to insurance costs, $1.4 million in personnel-related costs attributable to increased headcount to support public company activities along with increase stock-based compensation, which included $0.3 million for the period associated with the Earn-Out Shares issued to option holders as part of the Business Combination, and a $0.4 million increase in audit, legal and public company related costs.

Other Income (Expense)

Other income was $10.6 million for the six months ended June 30, 2022 and other expense was $1.3 million for the six months ended June 30, 2021. The increase in other income during this period of $11.9 million was mostly due to the gain on change in fair value of the earn-out liability and warrant liability for the period along with the loss on debt extinguishment recorded in 2021, partially offset by $1.2 million in other expense recorded in 2022 related to the equity purchase agreement with Lincoln Park.

Liquidity and Capital Resources

Sources of Liquidity

From our inception through June 30, 2022, we have raised a total of $300.5 million to fund our operations, comprised of aggregate gross proceeds of $150.0 million from the sale and issuance of convertible preferred stock, gross proceeds of $67.0 million from the issuance of common stock in connection with the Business Combination in August 2021, $42.0 million in collaboration revenue under our research collaboration and license agreement with Pfizer, $35.0 million from loans under credit facilities, $3.1 million gross proceeds from the sale of common stock to Lincoln Park under the equity purchase agreement ($46.9 million remaining as available for sale under the equity purchase agreement as of June 30, 2022), and $3.4 million in grant revenue under the Research Subaward Agreement with UCSF.

Prior to the Business Combination, our operations were funded primarily from the issuance of convertible preferred stock and common stock. Upon the closing of the Business Combination in August 2021, we received net proceeds totaling approximately $52.9 million.

Our cash and cash equivalents and short-term investments totaled $41.0 million as of June 30, 2022. Until required for use in our business, we typically invest our cash in investments that are highly liquid, readily convertible to cash with original maturities of 1 year or less at the date of purchase. We attempt to minimize the risks related to our cash and cash equivalents and investments by maintaining balances in accounts only with accredited financial institutions and, consequently, we do not believe we are subject to unusual credit risk beyond the normal credit risk associated with ordinary commercial banking relationships.

Oxford Loan Facility

In March 2021, we entered into a Loan and Security Agreement ("Oxford LSA") with Oxford, pursuant to which we may borrow up to $30.0 million, issuable in two separate tranches of $20.0 million ("Term A Loan") and $10.0 million ("Term B Loan"), collectively referred to as the Oxford Loans. The Term A Loan became available at the effective date of the Oxford LSA and $12.5 million of the proceeds were used to pay off the outstanding SVB Term Loans. The remaining net proceeds from Term A Loan of $7.4 million, after taking into effect specified issuance and legal fees designated within the distribution letter, were distributed in March 2021. The Term A Loan had an interest-only period that commenced upon the borrowing with interest due and payable upon the first day of each month. The interest-only period initially was planned to end May 1, 2023, provided that upon the funding of the Term B Loan the end date will be extended to May 1, 2024.

On February 22, 2022, the Company entered into an amendment to the Oxford LSA whereby the interest only period for the Term A Loans will end on March 1, 2024, instead of May 1, 2023. In connection with the amendment, the maturity of the Term A Loans was extended from March 18, 2026 to February 1, 2027. Additionally, Term B Loans will now become available to the Company after January 1, 2023, and upon achievement of certain clinical development milestones, until the earlier of (i) June 30, 2023, (ii) forty-five days after the occurrence of the Phase II Milestones, and (iii) the occurrence of an event of default. The interest-only period ends March 1, 2024, provided that upon the funding of the Term B Loans the end date will be extended to March 1, 2025. The principal payments due under the Oxford Loans, and the related accrued final payment, have been classified as current liabilities as of June 30, 2022, due to the considerations discussed in the *Liquidity* section of Note 1. The Company has not been notified of an event of default by the lender as of the date of issuance of these financial statements.

We are required to make a final payment equal to 5.5% of each funded tranche at maturity, which has been recorded as a debt discount and is being amortized over the term of the debt arrangements. In connection with the Oxford LSA, we issued warrants to purchase a total of 37,575 shares of Series C Preferred Stock at an exercise price of $5.33 per share. The warrants were automatically cashless exercised on August 25, 2021, in connection with the completion of the Business Combination, for 17,575 shares of common stock.

DARPA Grant

In April 2021, we entered into a Research Subaward Agreement with UCSF, whereby up to $5.0 million in allowable costs are reimbursable for clinical and manufacturing activities related to zotatifin for the treatment of COVID-19 under the DARPA grant. Under the terms of Research Subaward Agreement, we are obligated to provide financial and technical reports to UCSF on a periodic basis. The subaward can be terminated by either party upon written notice and also in the event that DARPA suspends or terminates its award to UCSF. The initial award period for the DARPA grant ended in December 2021 and in April 2022 we received an extension of the award period to December 2022, with the same maximum $5.0 million reimbursement amount. As of June 30, 2022, $1.5 million remains reimbursable for allowable costs under the grant.

Equity Purchase Agreement with Lincoln Park

On January 24, 2022, the Company entered into the Purchase Agreement with Lincoln Park which provides for the sale to Lincoln Park up to $50.0 million of shares of out common stock over the thirty-six (36) month term of the Purchase Agreement, subject to certain conditions. In connection with the Purchase Agreement, Lincoln Park made an initial purchase of $3.0 million of shares of common stock, which equated to 557,610 shares of common stock, and we issued 142,939 shares of common stock to Lincoln Park as a commitment fee in connection with entering into the Purchase Agreement. As of June 30, 2022, the Company had issued an additional 30,000 shares at an average price per share of $1.74 under the Purchase Agreement for gross proceeds of $52 thousand. No assurance can be given that we will sell any additional shares of common stock under the Purchase Agreement, or, if we do, as to the price or amount of shares of common stock that we sell or the dates when such sales will take place. See Note 9 to our financial statements contained elsewhere in this Form 10-Q for information concerning the Purchase Agreement.

Funding Requirements

As of June 30, 2022, we had $41.0 million in cash and cash equivalents and short-term investments, which we estimate is sufficient to fund readouts of topline data from our Phase 2b KICKSTART trial evaluating tomivosertib in combination with pembrolizumab in patients with NSCLC in the first half of 2023, topline data from our ongoing Phase 2a dose expansion cohorts evaluating zotatifin in patients with certain biomarker-positive solid tumors, including ER+ breast cancer and $KRAS^{mut}$ NSCLC, in the second half of 2022, and initial overall response rate data from the Cyclin D1 amplified ER+ cohort in the first half of 2023. However, we have prepared cash flow forecasts which indicate that based on our expected operating cash flows, without taking into account future projected cash inflows, there is substantial doubt about our ability to continue as a going concern within twelve months after the date that the financial statements for the six months ended June 30, 2022, are issued. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we expect. Furthermore, our operating plans may change and we may need additional funds sooner than planned. Additionally, the process of testing product candidates in clinical trials is costly, and the timing of progress in these trials is uncertain. Our future capital requirements are difficult to forecast and will depend on many factors, including but not limited to:

- the type, number, scope, progress, expansions, results of and timing of clinical trials and preclinical studies of our product candidates which we are pursuing or may choose to pursue in the future;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs of obtaining, maintaining and enforcing our patents and other intellectual property rights;
- the costs and timing of manufacturing for our product candidates, including commercial manufacturing if any product candidate is approved;
- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal controls over financial reporting;
- the costs associated with hiring additional personnel and consultants as our clinical and preclinical activities increase;
- the costs and timing of establishing or securing sales and marketing capabilities if any product candidate is approved;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products ;
- any delays and cost increases that result from the COVID-19 pandemic or future epidemic diseases;
- the terms and timing of establishing and maintaining additional collaborations, licenses and other similar arrangements; and
- the costs associated with any products or technologies that we may in-license or acquire.

We have no other committed sources of capital, other than potential additional draw downs under the Oxford facility, remaining reimbursement under the DARPA grant and the potential future sales under the Purchase Agreement with Lincoln Park. Until we can generate a sufficient amount of product revenue to finance our cash requirements, if ever, we expect to finance our future cash needs primarily through equity offerings, debt financings or other capital sources, including potential additional collaborations, licenses and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through other collaborations or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our research and development programs or other operations, or grant rights to develop and market product candidates to third parties that we would otherwise prefer to develop and market ourselves.

Public Warrants and Private Placement Warrants

LWAC issued public warrants and private placement warrants (collectively, the Warrants) in its initial public offering in January 2021. The Warrants became exercisable beginning on January 12, 2022, which is 12 months from the closing of LWAC's initial public offering. Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the warrants. Each whole warrant entitles the holder to purchase one share of common stock at an exercise price of $11.50 per share.

We will use commercially reasonable efforts to maintain the effectiveness of our registration statement and a current prospectus relating to those common shares issuable upon exercise of the warrants until the warrants expire or are redeemed, as specified in the Warrant Agreement, dated on January 7, 2021, between the Company and Continental Stock Transfer & Trust Company (the "Warrant Agreement"). If the common stock at the time of any exercise of a warrant is not listed on a national securities exchange, we may, at our option, require holders of the warrants who exercise their warrants to do so on a “cashless basis.” We are not required to file or maintain in effect a registration statement. In no event will the Company be required to net cash settle any warrant.

As the Warrants are now exercisable, we may redeem the outstanding warrants in whole and not in part at a price of $0.01 per warrant upon a minimum of 30 days’ prior written notice of redemption, and, if and only if the last sale price of our common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the Warrant holders.

The private placement warrants are identical to the public warrants except that, so long as they are held by the Sponsor or its permitted transferees: (i) they will not be redeemable by the Company; (ii) they may be exercised by the holders on a cashless basis; and (iii) they are subject to registration rights.

The Warrants will expire five years after the completion of the Business Combination, or earlier upon redemption or liquidation.

Cash Flows

The following table sets forth the cash flow from operating, investing and financing activities for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,	
	2022	2021
Net cash provided by (used in):		
Operating activities	$ (10,935)	$ (10,813)
Investing activities	(25,105)	607
Financing activities	2,691	5,870
Net decrease in cash	$ (33,349)	$ (4,336)

Comparison of the six months ended June 30, 2022 and 2021

Operating Activities

During the six months ended June 30, 2022, net cash used in operating activities was $10.9 million, which resulted from a net loss of $3.8 million adjusted for changes in operating assets and liabilities and non-cash charges. Non-cash charges and other

adjustments included $12.0 million from a gain recorded from the change in fair value of the earn-out liability, $2.4 million in stock-based compensation, $1.2 million other expense recorded in connection with the Purchase Agreement with Lincoln Park, $0.6 million from a gain recorded from change in fair value of liability-classified warrants and $0.2 million in non-cash interest expense. Changes in operating assets and liabilities included a $2.0 million decrease in prepaid expenses and other assets related to the amortization of prepaid public company insurance policies and a $1.1 million decrease in accrued expenses primarily related to payment of employee bonuses from year-end.

During the six months ended June 30, 2021, net cash used in operating activities was $10.8 million, which resulted from net loss of $12.1 million adjusted for changes in operating assets and liabilities and non-cash charges. Non-cash charges included $0.5 million from a loss recorded on debt extinguishment, $0.3 million in stock-based compensation and $0.1 million in non-cash interest expense. Changes in operating assets and liabilities included a $0.5 million increase in accrued expenses primarily related to legal and audit fees in relation to the Business Combination and a $0.4 million increase in prepaid expenses and other assets primarily related to the receivable recorded for the UCSF grant revenue earned through June 30, 2021.

Investing Activities

During the six months ended June 30, 2022, net cash used in investing activities was $25.1 million as a result of the purchases of short-term investments, partially offset by maturities during the period.

During the six months ended June 30, 2021, net cash provided by investing activities was $0.6 million as the result of proceeds received in connection with the sale of laboratory equipment.

Financing Activities

During the six months ended June 30, 2022, net cash provided by financing activities was $2.7 million, which was the result of net proceeds from the issuance of common stock to Lincoln Park under the Purchase Agreement during the period.

During the six months ended June 30, 2021, net cash used in financing activities was $5.9 million, which was the result of net proceeds of $19.8 million from the issuance of the Oxford Term A Loans, partially offset by the $13.9 million repayment of the previously outstanding SVB Term A and Term B loans.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates during the three months ended June 30, 2022 as compared to those disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates," in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 16, 2022.

Recent Accounting Pronouncements

See Note 2 to our financial statements contained elsewhere in this Form 10-Q for information concerning recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of June 30, 2022, there have been no material changes surrounding our market risk, including interest rate risk, foreign currency exchange risk, and inflation risk, from the discussion provided in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 16, 2022.

Item 4. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in our reports that we file or submit pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time

periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Under the supervision and with participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we carried out an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 under the Exchange Act that occurred during the three months ended June 30, 2022, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently a party to any material legal proceedings. However, from time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Regardless of outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 16, 2022.

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

Not applicable.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of eFFECTOR Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on August 31, 2021).
3.2	Amended and Restated Bylaws of eFFECTOR Therapeutics, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on August 31, 2021).
4.1	Specimen common stock certificate (incorporated by reference to Exhibit 4.1 to the Company's Form S-4 (333-257091) filed on August 5, 2021).
4.2	Warrant Agreement, dated January 7, 2021, by and between Continental Stock Transfer & Trust Company and Locust Walk Acquisition Corp. (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on January 13, 2021).
10.1	Third Amendment to Loan and Security Agreement, dated April 28, 2022, by and among eFFECTOR and Oxford Finance LLC (incorporated by reference Exhibit 10.1 to the Company's Form 10-Q filed on May 10, 2022)
10.2#^	General Release of Claims, effective as of April 8, 2022, by and between eFFECTOR and Premal Patel, M.D., Ph.D.
10.3#^	Consulting Agreement, dated April 1, 2022, by and between eFFECTOR and Premal Patel, M.D., Ph.D.
10.4#^	General Release of Claims, effective as of July 22, 2022, by and between eFFECTOR and Alana McNulty.
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

# Indicates a management contract or compensatory plan.

^ Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule upon request by the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

eFFECTOR Therapeutics, Inc.

Date: August 9, 2022

By: /s/ Stephen Worland
Stephen Worland, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 9, 2022

By: /s/ Michael Byrnes
Michael Byrnes
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.2

GENERAL RELEASE OF CLAIMS

This GENERAL RELEASE OF CLAIMS (this "***Release***") is entered into by and between eFFECTOR Therapeutics, Inc. (the "***Company***"), and Premal Patel, M.D., Ph.D. ("***Employee***"), as of the Effective Date (as defined below).

WHEREAS, the Company and Employee are parties to that certain Amended and Restated Employment Agreement, effective as of August 25, 2021 (the "***Employment Agreement***"); and

WHEREAS, Employee's employment with the Company and its subsidiaries will terminate effective April 1, 2022 (the "***Termination Date***"); and

WHEREAS, the Company and Employee now wish to fully and finally resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the benefits payable to Employee described in Section 2(d) below, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. Effective Date; Termination of Employment.

(a) Effective Date. This Release shall become effective upon the occurrence of both of the following events: (i) execution of the Release by the parties; and (ii) expiration of the revocation period applicable under Section 3(d) below without Employee having given notice of revocation. The date of the last to occur of the foregoing events shall be referred to in this Release as the "***Effective Date***." Until and unless both of the foregoing events occur, this Release shall be null and void. Employee understands that Employee will not be given any benefits under this Release unless the Effective Date occurs on or before the date that is thirty (30) days following the Termination Date (as defined below).

(b) Termination of Employment. Employee's employment with the Company will terminate effective as of the Termination Date, including his position as Chief Medical Officer (and any other officer titles or officer positions he may hold) of the Company (and any of its affiliates and subsidiaries). Employee shall execute any additional documentation necessary to effectuate such resignations. Employee's "separation from service" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"), shall be the Termination Date.

2. Termination Date Matters.

(a) Compensation Through Termination Date. On the Termination Date, the Company shall issue to Employee his final paycheck, reflecting (A) Employee's fully earned but unpaid base salary, through the Termination Date at the rate then in effect, and (B) all accrued, unused paid time off due Employee through the Termination Date.

Subject to Sections 2(b) and (d) below, Employee acknowledges and agrees that with his final check, Employee received all monies, bonuses, commissions, expense reimbursements, paid time off, or other compensation he earned or was due during his employment by the Company.

(b) Expense Reimbursements. The Company, within thirty (30) days after the Termination Date, will reimburse Employee for any and all reasonable and necessary business expenses incurred by Employee in connection with the performance of his job duties prior to the Termination Date, which expenses shall be submitted to the Company with supporting receipts and/or documentation no later than thirty (30) days after the Termination Date.

(c) Benefits. Subject to Section 2(d)(ii) below, Employee's entitlement to health benefits from the Company, and eligibility to participate in the Company's benefit plans, shall cease on the last day of the calendar month in which the Termination Date occurs, except to the extent Employee elects to and is eligible to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), for himself and any covered dependents, in accordance with the provisions of COBRA. Employee's entitlement to other benefits from the Company, and eligibility to participate in the Company's other benefit plans and programs, shall cease on the Termination Date.

(d) Termination Benefits. In exchange for Employee's agreement to be bound by the terms of this Release, including, but not limited to, the release of claims in Section 3, Employee shall be entitled to receive the following benefits, which shall be the exclusive benefits to which Employee is entitled, unless Employee has materially breached the provisions of this Release, in which case Section 4(e) shall apply:

(i) Equity Awards. Employee holds stock options (the "***Stock Options***") to purchase shares of the Company's common stock issued to Employee by the Company pursuant to certain stock option agreements (the "***Stock Option Agreements***"). Subject to the occurrence of the Effective Date, Employee's Stock Options shall continue to be eligible to vest during the Consulting Period for a period of up to six (6) months following the Termination Date (as defined in the Consulting Agreement described below) pursuant to the terms of the Consulting Agreement (as defined below). Subject to the occurrence of the Effective Date, Employee's vested Stock Options, including any Stock Options that vest during the Consulting Period pursuant to the terms of the Consulting Agreement, shall be amended so that they may be exercised by Employee (or Employee's legal guardian or legal representative) until the date that is twelve (12) months following the Termination Date (but in no event beyond the original expiration date of such Stock Options). Except as modified above, Employee's Stock Options shall continue to be governed by the terms and conditions of the Stock Option Agreements and the Company's equity plan pursuant to which such Stock Options were granted. Employee acknowledges and agrees that the foregoing extension to the exercise period of such stock options may cause an incentive stock option to be reclassified as a non-qualified stock option, and that Employee, and not the Company, shall be solely responsible for any tax consequences relating to such reclassification. In addition, Employee's right to any "Earn-Out Shares" in respect of Employee's Stock Options pursuant to the terms of the Merger Agreement dated May 26, 2021, among the Company, Locust Walk Acquisition Corp., and the other parties thereto (the "***Merger Agreement***") shall continue to be governed by the Merger Agreement.

(ii) Benefits. Subject to Employee's valid election to continue healthcare coverage pursuant to the provisions of COBRA, the Company shall pay Employee on a monthly basis during the COBRA Period (as defined below) an amount equal to the employer portion of the premium cost for such COBRA coverage, based on the cost sharing levels in effect on the Termination Date, for Employee and Employee's eligible dependents who were covered under the Company's group health plans as of the Termination Date (calculated by reference to the premium as of the Termination Date). For purposes of this Agreement, "***COBRA Period***" shall mean the period beginning on the Termination Date and ending on the earlier of December 31, 2022 and the date on which Employee becomes eligible to receive benefits

under a "group health plan" (within the meaning of Section 4980B of the Code) of Employee's subsequent employer, if any, or otherwise becomes ineligible for continued coverage under COBRA.

(iii) Consulting Agreement. Employee shall be eligible to continue to serve as a consultant to the Company following the Termination Date pursuant to the terms and conditions of the Consulting Agreement attached hereto as Exhibit A (the "***Consulting Agreement***").

3. General Release of Claims by Employee.

(a) Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, stockholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "***ADEA***"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release any claim which, by law, may not be released, including the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by applicable law (including California Labor Code Section 2802) or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Claims based on any right Employee may have to enforce the Company's executory obligations under this Release;

(vi) Employee's right to bring to the attention of the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing or any similar state agency in any other jurisdiction claims of discrimination; provided, however, that Employee does release his right to secure any damages for alleged discriminatory treatment;

(vii) Employee's right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; and

(viii) Any other Claims that cannot be released as a matter of law.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

(c) Employee acknowledges that he is entitled to have twenty-one (21) days' time in which to consider this Releas Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered in person to Stephen T. Worland, Ph.D., Chief Executive Officer and President of the Company, within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) This Release has been negotiated individually and is not part of a group exit incentive or other termination program.

(g) Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

4. Confirmation of Continuing Obligations.

(a) PIIA. Employee hereby expressly reaffirms his obligations under the Company's Proprietary Information and Inventions Agreement (the "***PIIA***") a copy of which is attached to this Release as Exhibit B and incorporated herein by reference, and agrees that such obligations shall survive the Termination Date.

(b) Solicitation of Employees. Employee shall not, for twelve (12) months following the Termination Date, directly or indirectly, solicit or encourage to leave the employment of the Company or any of its affiliates, any employee of the Company or any of its affiliates.

(c) Nondisparagement. Employee agrees that he shall not disparage or otherwise communicate negative statements or opinions about the Company, the members of its Board of Directors, officers, employees, shareholders or agents. The Company agrees that neither the members of its Board of Directors nor its officers shall disparage or otherwise communicate negative statements or opinions about Employee.

(d) Return of Property. By signing below, Employee represents and warrants that he has returned to the Company all of the Company's property, documents (hard copy or electronic files), and information prior to signing this Release, he has not nor will he copy or transfer any Company information, nor will he maintain any Company information after the Termination Date, except to the extent approved by the Chief Executive Officer and President of the Company and required for the performance of his services under the Consulting Agreement.

(e) Remedy in the Event of Breach. In addition to all other rights and remedies available to the Company under law or in equity, the Company shall be entitled to withhold all benefits under Section 2(d) from Employee in the event of his material breach of this Release, including this Section 3.

(f) Whistleblower Provision. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Proprietary Information (as defined in the Proprietary Information Agreement) that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Proprietary Information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the Proprietary Information to his attorney and use the Proprietary Information in the court proceeding, if the Employee files any document containing the Proprietary Information under seal, and does not disclose the Proprietary Information, except pursuant to court order. In addition, nothing in any part of this Release waives or otherwise limits Employee's rights to testify in a California judicial or legislative proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of any Company Releasee, provided Employee has been required or requested to attend the proceeding pursuant to a California court order or

subpoena, or a written request from the California legislature.

5. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to Employee's employment or this Release shall be settled by final and binding arbitration in San Diego, California, before a single neutral arbitrator in accordance with the National Rules for the Resolution of Employment Disputes (the "***Rules***") of the American Arbitration Association ("***AAA***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.adr.org. Arbitration may be compelled pursuant to the California Arbitration Act (Code of Civil Procedure §§ 1280 et seq.). If the parties are unable to agree upon an arbitrator, one shall be appointed by the AAA in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; however, Employee and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, AAA's administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 5 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Release or relating to Employee's employment; provided, however, that Employee shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) claims for unpaid wages or waiting time penalties brought before the California Division of Labor Standards Enforcement; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Release; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that Employee shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Release shall not limit either party's right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction pursuant to California Code of Civil Procedure § 1281.8 or any similar statute of an applicable jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Each party hereby expressly waives his, her or its right to a jury trial.

6. Additional Representations and Warranties By Employee. Employee represents that Employee has no pending complaints or charges against the Company Releasees, or any of them, with any state or federal court, or any local, state or federal agency, division, or department based on any event(s) occurring prior to the date Employee signs this Release. Employee further represents that Employee will not in the future, file, participate in, encourage, instigate or assist in the prosecution of any claim, complaints, charges or in any lawsuit by any party in any state or federal court against the Company Releasees, or any of them. unless such aid or assistance is ordered by a court or government agency or sought by compulsory legal process, claiming that the Company Releasees, or any of them, have violated any local, state or federal laws, statutes, ordinances or regulations based upon events occurring prior to the execution of this Release.

7. Miscellaneous.

(a) Notices. Any notice required or permitted by this Release shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy

or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Employee at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(b) Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

(c) Governing Law and Venue. This Release is to be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in San Diego, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

(d) Entire Agreement. This Release, together with the PIIA, the Consulting Agreement and the other agreements referenced herein, including the Consulting Agreement, if applicable, constitutes the entire understanding between the parties with respect to its subject matter, superseding all prior agreements and understandings, written or oral, with respect to its subject matter, including, without limitation, the Employment Agreement. This Release may not be amended or modified, nor any provision hereof waived, other than by a writing signed by Employee and an authorized representative of the Company.

(e) Survival. The covenants, agreements, representations and warranties contained in or made in this Release shall survive the Termination Date or any termination of this Release.

(f) Counterparts. This Release may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument. agreement. This Release may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(g) Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Release shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Release shall be void. This Release does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Release.

(h) Withholding and other Deductions. All compensation payable to Employee hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(i) Code Section 409A. To the extent applicable, this Release shall be interpreted in accordance with Section 409A of the Code, and Department of Treasury regulations and other interpretive

guidance issued thereunder. To the extent that any provision in this Release is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Release shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code. For purposes of Section 409A of the Code, the right to a series of installment payments under this Release shall be treated as a right to a series of separate payments. For purposes of this Release, all references to Employee's "termination of employment" shall mean your "separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)). Any reimbursement of expenses or in-kind benefits payable under this Release shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit. The parties acknowledge that the Termination Date will constitute the date of Employee's involuntary "separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)).

(j) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Release shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(k) Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Release. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

(l) KNOWING AND VOLUNTARY; RIGHT TO ADVICE OF COUNSEL. EMPLOYEE REPRESENTS AND AGREES THAT, PRIOR TO SIGNING THIS RELEASE, EMPLOYEE HAS HAD THE OPPORTUNITY TO DISCUSS THE TERMS OF THIS RELEASE WITH LEGAL COUNSEL OF HIS CHOOSING. EMPLOYEE FURTHER REPRESENTS AND AGREES THAT HE IS ENTERING INTO THIS RELEASE KNOWINGLY AND VOLUNTARILY. EMPLOYEE AFFIRMS THAT NO PROMISE WAS MADE TO CAUSE HIM TO ENTER INTO THIS RELEASE, OTHER THAN WHAT IS PROMISED IN THIS RELEASE. EMPLOYEE FURTHER CONFIRMS THAT HE HAS NOT RELIED UPON ANY OTHER STATEMENT OR REPRESENTATION BY ANYONE OTHER THAN WHAT IS IN THIS RELEASE AS A BASIS FOR HIS RELEASE. EMPLOYEE ACKNOWLEDGES THAT HE HAS THE RIGHT, AND IS ENCOURAGED, TO CONSULT WITH HIS LAWYER; BY HIS SIGNATURE BELOW, EMPLOYEE ACKNOWLEDGES THAT HE HAS CONSULTED, OR HAS ELECTED NOT TO CONSULT, WITH HIS LAWYER CONCERNING THIS RELEASE.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Release as of the date first set forth above.

EFFECTOR THERAPEUTICS, INC.

By: /s/ Stephen T. Worland, Ph.D.
Name: Stephen T. Worland, Ph.D.
Title: President and CEO

EMPLOYEE

/s/ Premal Patel, M.D., Ph.D.
Premal Patel, M.D., Ph.D.

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Exhibit 10.3

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "***Agreement***") is entered into between Premal Patel, M.D., Ph.D. ("***Consultant***"), and eFFECTOR Therapeutics, Inc., (the "***Company***"), dated as of April 1, 2022 (the "***Effective Date***").

WHEREAS, the Consultant was employed by the Company or one of its subsidiaries pursuant to that certain Amended and Restated Employment Agreement, effective as of August 25, 2021;

WHEREAS, the Consultant's employment with the Company and its subsidiaries terminated effective April 1, 2022; and

WHEREAS, the Company desires to continue to engage the Consultant as an independent contractor following his termination of employment on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Services.

(a) Scope of Services. Effective as of the Effective Date, the Company hereby retains the Consultant and the Consultant hereby agrees to render such consulting services to the Company as are mutually agreed upon by the Consultant and the Company ("***Services***") during the Consulting Period (as defined below). The Consultant shall, upon the request or direction of an authorized representative of the Company, provide such additional information, advice and assistance concerning matters that are within the scope of the Consultant's knowledge and expertise. The Consultant agrees to perform the Services and any other obligations or activities hereunder in accordance with (i) the terms of this Agreement; (ii) all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any applicable government authority, court, tribunal, arbitrator, agency, legislative body or commission; and (iii) all Company policies, procedures and guidance memoranda provided to the Consultant in connection with the Consultant's performance under this Agreement.

(b) Availability. The Consultant shall devote such percentage of his business time and effort to the performance of the Services hereunder as may be mutually agreed upon by the Chief Executive Officer and President of the Company and the Consultant. The Consultant shall use his reasonable best efforts to make himself available to provide the Services under this Agreement at such times as may be requested by the Company. The Company shall reasonably accommodate the Consultant's schedule when requesting the Consultant's assistance pursuant to this Section 1(b). The Consultant represents and warrants that the Consultant will perform the Services in a location and manner selected by the Consultant but in all events in a location and manner, and at times, so as not to violate his commitments to any third party and so as not to compromise the Company's potential intellectual property rights regarding the products of the Consultant's Services.

(c) Books and Records. The Consultant shall keep and maintain appropriate books and records with timely and accurate entries relating to the Services and to any inventions that are made, conceived, created, developed, or reduced to practice by the Consultant either alone or jointly with others. Such books and records, to the extent related to the Services, are deemed to be the Company's proprietary information. The Consultant shall keep and maintain such documents, records, notebooks, and

correspondence related to or arising out of or in connection with the Services separate and segregate them from all documents, records, notebooks, and correspondence related to or arising out of or in connection with the Consultant's employment or consulting relationships with any third party.

2. Term and Termination.

(a) During the period commencing on the Effective Date and ending on September 30, 2022 (the "***Consulting Period***"), the Consultant will provide the Services to the Company. The Consulting Period may be terminated earlier as provided in this Section 2 or extended by mutual agreement of the Consultant and the Chief Executive Officer and President of the Company.

(b) This Agreement may be terminated by either the Company or the Consultant at any time prior by giving thirty (30) days' written notice of termination. Such notice may be given at any time for any reason, with or without cause. In addition, the Company may terminate this Agreement at any time without the need for prior written notice in the event of the Consultant's breach of this Agreement, the Release, the Company's Proprietary Information and Inventions Agreement (the "***PIIA***") or any of the other agreements referenced therein.

(c) Termination of this Agreement shall not affect (i) the Company's obligation to pay for Services previously rendered by the Consultant or expenses reasonably incurred by the Consultant for which the Consultant is entitled to reimbursement under Section 3 of this Agreement, or (ii) the Consultant's continuing obligations to the Company under Section 5 of this Agreement.

(d) This Agreement shall terminate automatically in the event that certain General Release of Claims, dated as of April 1, 2022, to be entered into by the Company and Consultant in connection with Consultant's termination of employment (the "***Release***"), does not become effective in accordance with its terms by the deadline for such effectiveness set forth therein.

3. Compensation.

(a) Compensation for Services. During the Consulting Period, the Consultant shall be compensated for his Services as follows:

(i) The Company will pay to the Consultant consulting fees of $600.00 per hour, payable in arrears on a monthly basis.

(ii) Except as set forth in the Release or any amendment to this Agreement, the Consultant shall not be entitled to any other compensation or benefits for the Services.

(b) Equity Awards. Consultant holds stock options (the "***Stock Options***") to purchase shares of the Company's common stock issued to Consultant by the Company pursuant to certain stock option agreements (the "***Stock Option Agreements***"). During the Consulting Period, Consultant's Stock Options shall continue to vest and be exercisable in accordance with the terms of the Stock Option Agreements and the Company's equity plan pursuant to which such Stock Options were granted; provided, however, that in no event shall any such vesting occur following September 30, 2022, notwithstanding any extension of the Consulting Period. Upon the earlier to occur of (i) the last day of the Consulting Period or (ii) the sixth-month anniversary of the Effective Date, and regardless of whether Consultant continues to provides Services to the Company following such date pursuant to this Agreement or otherwise, all of Consultant's then-unvested Stock Options shall terminate. Additionally, pursuant to the terms of Release, Consultant's vested Stock Options, including any Stock Options that vest during the Consulting Period, shall be amended so that they may be exercised by Consultant (or Consultant's legal guardian or legal

representative) until the date that is twelve (12) months following the Effective Date (but in no event beyond the original expiration date of such Stock Options). Except as modified above, Consultant's vested Stock Options, and the period of time during which Consultant may exercise any such vested Stock Options pursuant to the Release, shall continue to be governed by the terms and conditions of the Stock Option Agreements and the Company's equity plan pursuant to which such Stock Options were granted. Consultant's Stock Option Agreements, to the extent inconsistent with the foregoing, are hereby amended to the extent necessary to implement this Section 3(b). In addition, Consultant's right to any "Earn-Out Shares" in respect of Consultant's Stock Options pursuant to the terms of the Merger Agreement dated May 26, 2021, among the Company, Locust Walk Acquisition Corp., and the other parties thereto (the "***Merger Agreement***") shall continue to be governed by the Merger Agreement.

(c) No Right to Employee Benefits. The Consultant acknowledges that the Consultant shall not be eligible to participate in any plan or program which, as a condition of eligibility for such plan or program, requires the Consultant to be an employee of the Company.

(d) Expense Reimbursements. During the Consulting Period, the Company shall reimburse the Consultant for reasonable and pre-approved out-of-pocket business expenses incurred in connection with the performance of his Services hereunder, subject to (i) such policies as the Company may from time to time establish, and (ii) the Consultant furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures.

(e) No Right to Other Payments. Other than the payments to which the Consultant may become entitled under this Agreement, the Consultant acknowledges and agrees that with he has received all monies, bonuses, commissions, expense reimbursements, paid time off, or other compensation he earned or was due during his employment by the Company.

4. Relationship of the Parties; No Conflicts.

(a) Independent Contractor. Notwithstanding any provision of this Agreement to the contrary, the Consultant is and shall at all times be an independent contractor and not an employee of the Company or any of its affiliates, and shall be free to exercise his discretion and judgment as to the methods and means of performing the Services.

(b) No Agency Relationship. Nothing contained in this Agreement shall be construed as creating an agency relationship between the Company or any of its affiliates and the Consultant and, without the Company's prior written consent, the Consultant shall have no authority hereunder to bind the Company or any of its affiliates or make any commitments on behalf of the Company or any of its affiliates. The Consultant shall not take any action in connection with the rendering of Services hereunder which the Consultant reasonably believes would cause any third party to assume that he has such authority.

(c) Taxes and Withholding. The Consultant shall have no claim under this Agreement or otherwise against the Company or its affiliates for workers' compensation, unemployment compensation, sick leave, vacation pay, group insurance arrangements, or any other employee benefits. The Consultant is solely responsible for providing, at the Consultant's own expense, all taxes, withholdings and other similar statutory obligations including, but not limited to, disability insurance, unemployment insurance, Social Security, FICA, FUTA, SDI and federal, state or any other employee payroll taxes for the Consultant and the Consultant's employees, subcontractors and consultants, and the Consultant will defend, indemnify and hold the Company and its affiliates harmless from any and all claims made by any entity on account of an alleged failure by the Consultant to satisfy any such tax or withholding obligations or resulting from the Consultant being determined not to be an independent contractor. Except as otherwise required under applicable law, the Company shall not withhold on behalf of the Consultant hereunder, any sums for income

tax, unemployment insurance, social security or any other withholding pursuant to any law or requirement of any government agency. The Consultant shall comply at the Consultant's expense with all applicable provisions of worker's compensation laws, unemployment compensation laws, federal Social Security laws and all other applicable federal, state, and local laws, regulations and codes relating to terms and conditions of employment required to be fulfilled by employers or independent contractors.

(d) No Violation of Third Party Obligations. The Consultant represents and warrants that neither this Agreement nor the performance thereof will conflict with or violate any obligation of the Consultant or right of any third party.

5. Restrictive Covenants.

(a) Continuing Obligations. The Consultant hereby expressly reaffirms his obligations under the PIIA which is attached hereto as Exhibit A, which is incorporated herein by reference. The Consultant agrees that his obligations under the PIIA shall continue to apply during the Consulting Period and shall survive any termination of his Services to the Company.

(b) Solicitation of Employees. Consultant shall not, during the Consulting Period and for a period of twelve (12) months following the end of the Consulting Period, directly or indirectly, solicit or encourage to leave the employment of the Company or any of its affiliates, any employee of the Company or any of its affiliates.

(c) Nondisparagement. Consultant agrees that he shall not disparage or otherwise communicate negative statements or opinions about the Company, the members of its Board of Directors, officers, employees, shareholders or agents. The Company agrees that neither the members of its Board of Directors nor its officers shall disparage or otherwise communicate negative statements or opinions about Consultant.

(d) Return of Property. Upon the termination of his Services hereunder, the Consultant shall return to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, including, without limitation, his Company-issued laptop, documents (hard copy or electronic files), it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. The Consultant further represents and warrants that he has not nor will he copy or transfer any Company information, nor will he maintain any Company information after the cessation of his Services hereunder.

(e) Whistleblower Provision. Nothing herein shall be construed to prohibit the Consultant from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. The Consultant acknowledges that the Company has provided the Consultant with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) the Consultant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) the Consultant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if the Consultant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Consultant may disclose the proprietary information to the Consultant's attorney and use the proprietary information in the court proceeding, if the Consultant files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to

court order. In addition, nothing in any part of this Agreement waives or otherwise limits Consultant's rights to testify in a California judicial or legislative proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, provided Consultant has been required or requested to attend the proceeding pursuant to a California court order or subpoena, or a written request from the California legislature.

6. Rights and Remedies Upon Breach. If the Consultant breaches or threatens to commit a breach of any of the provisions of Section 5 of this Agreement, the Company shall have the right and remedy to have such provisions specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of such provisions would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. The Company shall also have any other rights and remedies available to the Company under law or in equity.

7. Insurance; Indemnification. The Consultant is solely responsible for providing, at the Consultant's own expense, workers' compensation insurance for the Consultant, and the Consultant agrees to hold harmless and indemnify the Company and its officers, directors, stockholders and affiliates for any and all claims arising out of any injury, disability or death of the Consultant. The Consultant shall indemnify, defend and hold the Company and its officers, directors, stockholders and affiliates, free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest, penalties, attorney's fees and costs, that the Company or such parties may incur as a result of a breach by the Consultant of any representation, warranty or obligation set forth under this Agreement or any fraudulent, grossly negligent or intentionally wrongful act of the Consultant.

8. Employment of Assistants. Should the Consultant deem it necessary to employ assistants to aid him in the performance of the Services, the Consultant shall so notify the Company and obtain the Company's prior written consent. The parties agree that the Company will not direct, supervise, or control in any way such assistants to the Consultant in their performance of Services. The parties further agree that such assistants are employed solely by the Consultant, and that the Consultant alone is responsible for providing workers' compensation insurance for his employees, for paying the salaries and wages of his employees, and for ensuring that all required tax withholdings are made. The Consultant further represents and warrants that he maintains workers' compensation insurance coverage for his employees and acknowledges that the Consultant alone has responsibility for such coverage.

9. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to this Agreement shall be settled by final and binding arbitration in San Diego, California, before a single neutral arbitrator in accordance with the National Rules for the Resolution of Employment Disputes (the "Rules") of the American Arbitration Association ("***AAA***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.adr.org. Arbitration may be compelled pursuant to the California Arbitration Act (Code of Civil Procedure §§ 1280 et seq.). If the parties are unable to agree upon an arbitrator, one shall be appointed by the AAA in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; however, Consultant and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, AAA's administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 9 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Consultant's Services; provided, however, that Consultant shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) claims for unpaid wages or waiting time penalties

brought before the California Division of Labor Standards Enforcement; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that Consultant shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Agreement shall not limit either party's right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction pursuant to California Code of Civil Procedure § 1281.8 or any similar statute of an applicable jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Each party hereby expressly waives his, her or its right to a jury trial.

10. Miscellaneous.

(a) Entire Agreement; Modification. This Agreement, the Release, the PIIA and the other agreements referenced herein and therein set forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements between them concerning such subject matter; provided, however, that the Consultant hereby reaffirms his obligations under any previous confidentiality, assignment of inventions or noncompetition agreement with the Company and its subsidiaries or any predecessor and further agrees that this Agreement does not supersede or modify his continuing obligations thereunder. This Agreement may be amended or modified only with the written consent of the Consultant and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of the Consultant, be assigned by the Company, in its sole and unfettered discretion, to any affiliate or any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. Unless expressly provided otherwise, "***Company***" as used herein shall mean the Company as defined in this Agreement and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 4, 5, 6, 7, 8, 9 and 10 of this Agreement shall survive any termination of the Consultant's Services or any termination of this Agreement.

(d) Third-Party Beneficiaries. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the Consultant at the address set forth on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(f) Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified

to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

(g) Non-transferability of Interest. None of the rights of the Consultant to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of the Consultant. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of the Consultant to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(h) Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in San Diego, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

(i) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(j) Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but the Consultant has participated in the negotiation of its terms. Furthermore, the Consultant acknowledges that the Consultant has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

(k) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(l) Section 409A. The compensation and benefits payable under this Agreement are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. The amount of expenses reimbursed or in-kind benefits payable during any taxable year of the Consultant's will not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of the Consultant's, and the Consultant's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

(m) Taxes; Right to Seek Independent Advice. The Consultant understands and agrees that all payments under this Agreement will be subject to appropriate tax withholding and other deductions,

as and to the extent required by law. The Consultant acknowledges and agrees that neither the Company nor the Company's counsel has provided any legal or tax advice to the Consultant and that the Consultant is free to, and is hereby advised to, consult with a legal or tax advisor of the Consultant's choosing.

(n) RIGHT TO ADVICE OF COUNSEL. THE CONSULTANT ACKNOWLEDGES THAT HE HAS THE RIGHT, AND IS ENCOURAGED, TO CONSULT WITH HIS LAWYER; BY HIS SIGNATURE BELOW, THE CONSULTANT ACKNOWLEDGES THAT HE HAS CONSULTED, OR HAS ELECTED NOT TO CONSULT, WITH HIS LAWYER CONCERNING THIS AGREEMENT.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EFFECTOR THERAPEUTICS, INC.

By: /s/ Stephen T. Worland, Ph.D.

Print Name: Stephen T. Worland, Ph.D.
Title: President and CEO

Date: April 1, 2022

PREMAL PATEL, M.D., PH.D.

/s/ Premal Patel, M.D., Ph.D.

Date: April 1, 2022

Exhibit 10.4

GENERAL RELEASE OF CLAIMS

This GENERAL RELEASE OF CLAIMS (this "***Release***") is entered into by and between eFFECTOR Therapeutics, Inc. (the "***Company***"), and Alana B. McNulty ("***Employee***"), as of the Effective Date (as defined below).

WHEREAS, the Company and Employee are parties to that certain Amended and Restated Employment Agreement, effective as of August 25, 2021 (the "***Employment Agreement***"); and

WHEREAS, Employee's employment with the Company and its subsidiaries will terminate effective July 15, 2022 (the "***Termination Date***"); and

WHEREAS, the Company and Employee now wish to fully and finally resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the benefits payable to Employee described in Section 2(d) below, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that she would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. Effective Date; Termination of Employment.

(a) Effective Date. This Release shall become effective upon the occurrence of both of the following events: (i) execution of the Release by the parties; and (ii) expiration of the revocation period applicable under Section 3(d) below without Employee having given notice of revocation. The date of the last to occur of the foregoing events shall be referred to in this Release as the "***Effective Date***." Until and unless both of the foregoing events occur, this Release shall be null and void. Employee understands that Employee will not be given any benefits under this Release unless the Effective Date occurs on or before the date that is thirty (30) days following the Termination Date (as defined below).

(b) Termination of Employment. Employee's employment with the Company will terminate effective as of the Termination Date, including her position as Chief Business Officer (and any other officer titles or officer positions she may hold) of the Company (and any of its affiliates and subsidiaries). Employee shall execute any additional documentation necessary to effectuate such resignations.

2. Termination Date Matters.

(a) Compensation Through Termination Date. On the Termination Date, the Company shall issue to Employee her final paycheck, reflecting (A) Employee's fully earned but unpaid base salary, through the Termination Date at the rate then in effect, and (B) all accrued, unused paid time off due Employee through the Termination Date. Subject to Sections 2(b) and (d) below, Employee acknowledges and agrees that with her final check, Employee received all monies, bonuses, commissions, expense reimbursements, paid time off, or other compensation she earned or was due during her employment by the Company.

(b) Expense Reimbursements. The Company, within thirty (30) days after the Termination Date, will reimburse Employee for any and all reasonable and necessary business expenses incurred by Employee in connection with the performance of her job duties prior to the Termination Date, which expenses shall be submitted to the Company with supporting receipts and/or documentation no later than thirty (30) days after the Termination Date.

(c) Benefits. Subject to Section 2(d)(iii) below, Employee's entitlement to health benefits from the Company, and eligibility to participate in the Company's benefit plans, shall cease on the last day of the calendar month in which the Termination Date occurs, except to the extent Employee elects to and is eligible to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), for herself and any covered dependents, in accordance with the provisions of COBRA. Employee's entitlement to other benefits from the Company, and eligibility to participate in the Company's other benefit plans and programs, shall cease on the Termination Date.

(d) Termination Benefits. In exchange for Employee's agreement to be bound by the terms of this Release, including, but not limited to, the release of claims in Section 3, Employee shall be entitled to receive the following benefits, which shall be the exclusive benefits to which Employee is entitled, unless Employee has materially breached the provisions of this Release, in which case Section 4(e) shall apply:

(i) Severance. Employee shall be entitled to receive Employee's monthly base salary as in effect immediately prior to the Termination Date for an additional nine (9) months after the Termination Date in accordance with the Company's usual payroll practices, with the first installment commencing on the first payroll date that is thirty (30) days following the Termination Date (and any installment payments which would otherwise have been paid to Employee before the thirtieth (30^{th}) day following the Termination Date will be paid together with the first installment).

(ii) Equity Awards. Employee holds stock options (the "***Stock Options***") to purchase shares of the Company's common stock issued to Employee by the Company pursuant to certain stock option agreements (the "***Stock Option Agreements***"). Subject to the occurrence of the Effective Date, any Stock Options that are outstanding and vested as of the Termination Date shall be amended so that they may be exercised by Employee (or Employee's legal guardian or legal representative) until the date that is twenty-four (24) months following the Termination Date (but in no event beyond the original expiration date of such Stock Options). Except as modified above, Employee's Stock Options shall continue to be governed by the terms and conditions of the Stock Option Agreements and the Company's equity plans pursuant to which such Stock Options were granted. Employee acknowledges and agrees that the foregoing extension to the exercise period of such Stock Options may cause an incentive stock option to be reclassified as a non-qualified stock option, and that Employee, and not the Company, shall be solely responsible for any tax consequences relating to such reclassification. Upon the Termination Date, Employee's outstanding Stock Options shall cease vesting and any unvested Stock Options shall terminate. In addition, Employee's right to any "Earn-Out Shares" in respect of Employee's Stock Options pursuant to the terms of the Merger Agreement dated May 26, 2021, among the Company, Locust Walk Acquisition Corp., and the other parties thereto (the "***Merger Agreement***") shall be forfeited in accordance with the terms of the Merger Agreement.

(iii) Benefits. Subject to Employee's valid election to continue healthcare coverage pursuant to the provisions of COBRA, the Company shall pay Employee on a monthly basis during the COBRA Period (as defined below) an amount equal to the employer portion of the premium cost for such COBRA coverage, based on the cost sharing levels in effect on the Termination Date, for Employee and

Employee's eligible dependents who were covered under the Company's group health plans as of the Termination Date (calculated by reference to the premium as of the Termination Date). For purposes of this Agreement, "***COBRA Period***" shall mean the period beginning on the Termination Date and ending on the earlier of the nine (9)-month anniversary of the Termination Date and the date on which Employee becomes eligible to receive benefits under a "group health plan" (within the meaning of Section 4980B of the Internal Revenue Code of 1986, as amended (the "***Code***"), of Employee's subsequent employer, if any, or otherwise becomes ineligible for continued coverage under COBRA. Notwithstanding the previous sentence, with regard to such COBRA continuation coverage, if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Employee a taxable monthly payment in an amount equal to the monthly COBRA premium that Employee would be required to pay to continue Employee's and her covered dependents' group insurance coverages in effect on the Termination Date (which amount shall be based on the premiums for the first month of COBRA coverage).

3. General Release of Claims by Employee.

(a) Employee, on behalf of herself and her executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, stockholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of her employment with or service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "***ADEA***"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release any claim which, by law, may not be released, including the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by applicable law (including California Labor Code Section 2802) or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Claims based on any right Employee may have to enforce the Company's executory obligations under this Release;

(vi) Employee's right to bring to the attention of the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing or any similar state agency in any other jurisdiction claims of discrimination; provided, however, that Employee does release her right to secure any damages for alleged discriminatory treatment;

(vii) Employee's right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; and

(viii) Any other Claims that cannot be released as a matter of law.

(b) EMPLOYEE ACKNOWLEDGES THAT S HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS S HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

(c) Employee acknowledges that she is entitled to have twenty-one (21) days' time in which to consider this Releas Employee further acknowledges that the Company has advised her that she is waiving her rights under the ADEA, and that Employee should consult with an attorney of her choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after her execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this

Release must be made in writing and delivered in person to Stephen T. Worland, Ph.D., Chief Executive Officer and President of the Company, within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after her execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) This Release has been negotiated individually and is not part of a group exit incentive or other termination program.

(g) Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

4. Confirmation of Continuing Obligations.

(a) PIIA. Employee hereby expressly reaffirms her obligations under the Company's Proprietary Information and Inventions Agreement (the "***PIIA***") a copy of which is attached to this Release as Exhibit A and incorporated herein by reference, and agrees that such obligations shall survive the Termination Date.

(b) Solicitation of Employees. Employee shall not, for twelve (12) months following the Termination Date, directly or indirectly, solicit or encourage to leave the employment of the Company or any of its affiliates, any employee of the Company or any of its affiliates.

(c) Nondisparagement. Employee agrees that she shall not disparage or otherwise communicate negative statements or opinions about the Company, the members of its Board of Directors, officers, employees, shareholders or agents. The Company agrees that neither the members of its Board of Directors nor its officers shall disparage or otherwise communicate negative statements or opinions about Employee.

(d) Return of Property. By signing below, Employee represents and warrants that she has returned to the Company all of the Company's property, documents (hard copy or electronic files), and information prior to signing this Release, she has not nor will she copy or transfer any Company information, nor will she maintain any Company information after the Termination Date.

(e) Remedy in the Event of Breach. In addition to all other rights and remedies available to the Company under law or in equity, the Company shall be entitled to withhold all benefits under Section 2(d) from Employee in the event of her material breach of this Release, including this Section 3.

(f) Whistleblower Provision. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Proprietary Information (as defined in the Proprietary Information Agreement) that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Proprietary Information that is made in a complaint or other document filed in a lawsuit or other

proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the Proprietary Information to her attorney and use the Proprietary Information in the court proceeding, if the Employee files any document containing the Proprietary Information under seal, and does not disclose the Proprietary Information, except pursuant to court order. In addition, nothing in any part of this Release waives or otherwise limits Employee's rights to testify in a California judicial or legislative proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of any Company Releasee, provided Employee has been required or requested to attend the proceeding pursuant to a California court order or subpoena, or a written request from the California legislature. Further, nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful.

5. Arbitration. To the extent permitted by applicable law, any dispute, claim or controversy based on, arising out of or relating to Employee's employment or this Release shall be settled by final and binding arbitration in San Diego, California, before a single neutral arbitrator in accordance with the National Rules for the Resolution of Employment Disputes (the "***Rules***") of the American Arbitration Association ("***AAA***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.adr.org. Arbitration may be compelled pursuant to the California Arbitration Act (Code of Civil Procedure §§ 1280 et seq.). If the parties are unable to agree upon an arbitrator, one shall be appointed by the AAA in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; however, Employee and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, AAA's administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 5 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Release or relating to Employee's employment; provided, however, that Employee shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) claims for unpaid wages or waiting time penalties brought before the California Division of Labor Standards Enforcement; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Release; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that Employee shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Release shall not limit either party's right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction pursuant to California Code of Civil Procedure § 1281.8 or any similar statute of an applicable jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Each party hereby expressly waives his, her or its right to a jury trial.

6. Additional Representations and Warranties By Employee. Employee represents that Employee has no pending complaints or charges against the Company Releasees, or any of them, with any state or federal court, or any local, state or federal agency, division, or department based on any event(s) occurring prior to the date Employee signs this Release. Employee further represents that Employee will not in the future, file, participate in, encourage, instigate or assist in the prosecution of any claim, complaints, charges or in any lawsuit by any party in any state or federal court against the Company

Releasees, or any of them. unless such aid or assistance is ordered by a court or government agency or sought by compulsory legal process, claiming that the Company Releasees, or any of them, have violated any local, state or federal laws, statutes, ordinances or regulations based upon events occurring prior to the execution of this Release.

7. Miscellaneous.

(a) Notices. Any notice required or permitted by this Release shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Employee at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(b) Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

(c) Governing Law and Venue. This Release is to be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in San Diego, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

(d) Entire Agreement. This Release, together with the PIIA, and the other agreements referenced herein, constitutes the entire understanding between the parties with respect to its subject matter, superseding all prior agreements and understandings, written or oral, with respect to its subject matter, including, without limitation, the Employment Agreement. This Release may not be amended or modified, nor any provision hereof waived, other than by a writing signed by Employee and an authorized representative of the Company.

(e) Survival. The covenants, agreements, representations and warranties contained in or made in this Release shall survive the Termination Date or any termination of this Release.

(f) Counterparts. This Release may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument. agreement. This Release may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(g) Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Release shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to

this Release shall be void. This Release does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Release.

(h) Withholding and other Deductions. All compensation payable to Employee hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(i) Code Section 409A. To the extent applicable, this Release shall be interpreted in accordance with Section 409A of the Code, and Department of Treasury regulations and other interpretive guidance issued thereunder. To the extent that any provision in this Release is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Release shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code. For purposes of Section 409A of the Code, the right to a series of installment payments under this Release shall be treated as a right to a series of separate payments. For purposes of this Release, all references to Employee's "termination of employment" shall mean her "separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)). Any reimbursement of expenses or in-kind benefits payable under this Release shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit. The parties acknowledge that the Termination Date will constitute the date of Employee's involuntary "separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)).

(j) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Release shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(k) Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Release. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

(l) **KNOWING AND VOLUNTARY; RIGHT TO ADVICE OF COUNSEL. EMPLOYEE REPRESENTS AND AGREES THAT, PRIOR TO SIGNING THIS RELEASE, EMPLOYEE HAS HAD THE OPPORTUNITY TO DISCUSS THE TERMS OF THIS RELEASE WITH LEGAL COUNSEL OF HER CHOOSING. EMPLOYEE FURTHER REPRESENTS AND AGREES THAT SHE IS ENTERING INTO THIS RELEASE KNOWINGLY AND VOLUNTARILY. EMPLOYEE AFFIRMS THAT NO PROMISE WAS MADE TO CAUSE HER TO ENTER INTO THIS RELEASE, OTHER THAN WHAT IS PROMISED IN THIS RELEASE. EMPLOYEE FURTHER CONFIRMS THAT SHE HAS NOT RELIED UPON ANY OTHER STATEMENT OR REPRESENTATION BY ANYONE OTHER THAN WHAT IS IN THIS RELEASE AS A BASIS FOR HER RELEASE. EMPLOYEE ACKNOWLEDGES THAT SHE HAS THE RIGHT, AND IS ENCOURAGED, TO CONSULT WITH HER LAWYER; BY HER**

SIGNATURE BELOW, EMPLOYEE ACKNOWLEDGES THAT SHE HAS CONSULTED, OR HAS ELECTED NOT TO CONSULT, WITH HER LAWYER CONCERNING THIS RELEASE.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Release as of the date first set forth above.

EFFECTOR THERAPEUTICS, INC.

By: /s/ Steve Worland, Ph.D.
Name: Steve Worland, Ph.D.
Title: President and Chief Executive Officer

EMPLOYEE

/s/ Alana B. McNulty
Alana B. McNulty

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Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen T. Worland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eFFECTOR Therapeutics, Inc.;

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

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

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

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

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

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

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

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

By: /s/ Stephen Worland

Stephen T. Worland, Ph.D.
President, Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Byrnes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eFFECTOR Therapeutics, Inc.;

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

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

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

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

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

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

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

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

By: /s/ Michael Byrnes
Michael Byrnes
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of eFFECTOR Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 9, 2022

By: /s/ Stephen Worland

Stephen T. Worland, Ph.D.
President, Chief Executive Officer and Director

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of eFFECTOR Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 9, 2022

By: /s/ Michael Byrnes
Michael Byrnes
Chief Financial Officer