Corporate Action Notice

BNY MELLON

February 26, 2024

Mandatory Exchange for Cash & CVR/Termination

Gracell Biotechnologies Inc.
ADS CUSIP: 38406L103
ADS ISIN: US38406L1035
ADS Ticker Symbol: GRCL
Ratio (ADS: Underlying Shares): 1:5

BNY Mellon has received notice that Gracell Biotechnologies Inc. has entered into an Agreement and Plan of Merger with AstraZeneca Treasury Limited (“Parent”) and Grey Wolf Merger Sub, a wholly owned subsidiary of Parent. Under the terms of the Merger Agreement, at the effective time of the Merger, remaining outstanding Ordinary Shares will be cancelled in exchange for the right to receive cash consideration of USD 2.00 per Ordinary Share, without interest and one contingent value right (each a “CVR”) per Ordinary Share. Each Gracell Biotechnologies Inc. American Depositary Share (“ADS”) will automatically convert into the right to receive USD 10.00 in cash per ADS without interest and less USD 0.05 per ADS cancellation fees and less any applicable taxes and five CVRs.

BNY Mellon hereby announces that **the ADS anticipated payment date is February 29, 2024**, for registered holders of the ADSs of Gracell Biotechnologies Inc. to surrender their American Depositary Receipts (“ADRs”) to BNY Mellon for cancellation on a mandatory basis in order to receive the following:

Payment of Merger Consideration:	
Gross Rate per ADS:	USD 10.000000
Cancellation Fee per ADS:	(USD 0.050000)
Net Rate per ADS:	USD 9.950000

Five (5) CVRs per ADS

Holders of Gracell Biotechnologies Inc. ADS in the Direct Registration System or in brokerage accounts will have their ADSs automatically exchanged for the cash proceeds and CVRs.

Consequently, BNY Mellon hereby notifies ADR holders of Gracell Biotechnologies Inc. that the agreement between BNY Mellon and ADR holders will terminate the day on which there are no remaining outstanding ADSs and all CVR entitlements transferred to ADS holders.

To learn more about DRs, please contact DRBrokerSolutions@bnymellon.com or visit our website at adrbnymellon.com.

PLEASE SEE INVESTOR DISCLOSURE ON LAST PAGE.

Investor Disclosure

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Nothing herein shall be deemed to constitute an offer to sell or a solicitation of an offer to buy securities.

BNY Mellon collects fees from DR holders pursuant to the terms and conditions of the DRs and any deposit agreement under which they are issued. From time to time, BNY Mellon may make payments to an issuer to reimburse and/or share revenue from the fees collected from DR holders, or waive fees and expenses to an issuer for services provided, generally related to costs and expenses arising out of establishment and maintenance of the DR program. BNY Mellon may pay a rebate to brokers in connection with unsponsored DR issuances; brokers may or may not disclose or pass back some or all of such rebate to the DR investor. BNY Mellon may also use brokers, dealers or other service providers that are affiliates and that may earn or share fees and commissions.

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In those instances where BNY Mellon's Custodian executes DR foreign currency transactions, the Custodian has no obligation to obtain the most favorable exchange rate or to ensure that the method by which the rate will be determined will be the most favorable rate, and BNY Mellon makes no representation that the rate is the most favorable rate and will not be liable for any direct or indirect losses associated with the rate. In certain instances, BNY Mellon may receive dividends and other distributions from an issuer of securities underlying DRs in U.S. dollars rather than in a foreign currency. In such cases, BNY Mellon will not engage in or be responsible for any foreign currency transactions and it makes no representation that the rate obtained by an issuer is the most favorable rate and it will not be liable for any direct or indirect losses associated with the rate.

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