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

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**SCHEDULE TO**  
(Rule 13e-4)

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

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**STOKE THERAPEUTICS, INC.**

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

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

**86150R107**  
(CUSIP Number of Class of Securities)

**Edward M. Kaye, M.D.**  
Chief Executive Officer  
Stoke Therapeutics, Inc.  
45 Wiggins Avenue  
Bedford, Massachusetts 01730  
(781) 430-8200

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

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*Copies to:*

**Stephen J. Tulipano**  
Chief Financial Officer  
Stoke Therapeutics, Inc.  
45 Wiggins Avenue  
Bedford, Massachusetts 01730  
(781) 430-8200

**Effie Toshav, Esq.**  
**Robert A. Freedman, Esq.**  
**Julia Forbess, Esq.**  
Fenwick & West LLP  
555 California Street  
San Francisco, California  
(415) 875-2300

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

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

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

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

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

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

The information set forth under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” in the Offer to Exchange Eligible Options for New Restricted Stock Units dated November 2, 2023 (the “**Exchange Offer**”), attached hereto as Exhibit (a)(1)(A), is incorporated herein by reference.

**Item 2. Subject Company Information.**

(a) Name and Address.

Stoke Therapeutics, Inc., a Delaware corporation (the “**Company**”), is the issuer of the securities subject to the Exchange Offer. The Company’s principal executive offices are located at 45 Wiggins Avenue, Bedford, Massachusetts 01730, and the telephone number of its principal executive offices is (781) 430-8200.

(b) Securities.

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

An option will be eligible for exchange (an “**Eligible Option**”) if it was granted under the Company’s 2014 Equity Incentive Plan, as amended (the “**2014 Plan**”) or its 2019 Equity Incentive Plan (the “**2019 Plan**”) and together with the 2014 Plan, the “**Plans**”), and has a per share exercise price equal to or greater than \$14.00 (which is the 52-week high trading price of our common stock as of November 2, 2023). As of October 30, 2023, Eligible Options to purchase 4,050,742 shares of Common Stock were outstanding.

Pursuant to the Exchange Offer, in exchange for the tender and cancellation of Eligible Options, the Company will grant one or more awards of restricted stock units (each, a “**New RSU**”) following the Expiration Time (as defined in the Exchange Offer) subject to the terms and conditions described in the Exchange Offer.

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

(c) Trading Market and Price.

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

**Item 3. Identity and Background of Filing Person.**

(a) Name and Address.

The Company is both the filing person and the subject company. The information set forth under Item 2(a) above and under Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

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

Stoke Therapeutics, Inc.  
45 Wiggins Avenue  
Bedford, Massachusetts 01730

The directors and executive officers of the Company as of October 1, 2023 are set forth below:

<b>Name</b>	<b>Title</b>
Edward M. Kaye, M.D.	Chief Executive Officer & Director
Huw M. Nash, Ph.D.	Chief Operating Officer and Chief Business Officer
Stephen J. Tulipano, CPA	Chief Financial Officer
Barry S. Ticho, M.D., Ph.D., FACC	Chief Medical Officer
Jonathan Allan, J.D.	General Counsel & Corporate Secretary
Jennifer C. Burstein, CPA	Director
Seth L. Harrison, M.D.	Chairman of the Board of Directors
Adrian R. Krainer, Ph.D.	Director
Arthur A. Levin, Ph.D.	Director
Garry E. Menzel, Ph.D.	Director
Ian F. Smith	Director
Julie Anne Smith	Director
Arthur O. Tzianabos, Ph.D.	Director

**Item 4. Terms of the Transaction.**

(a) Material Terms.

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” and the information set forth in the Offering Memorandum under Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”), Section 3 (“*Procedures for Tendering Eligible Options*”), Section 4 (“*Withdrawal Rights*”), Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”), Section 6 (“*Conditions of the Exchange Offer*”), Section 9 (“*Information Concerning Stoke Therapeutics; Financial Information*”), Section 11 (“*Accounting Consequences of the Exchange Offer*”), Section 12 (“*Legal Matters; Regulatory Approvals*”), Section 13 (“*Material United States Tax Consequences*”), Section 14 (“*Extension of the Exchange Offer; Termination; Amendment*”) and Section 15 (“*Consideration; Fees and Expenses*”) is incorporated herein by reference.

(b) Purchases.

The information set forth under Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

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

(e) Agreements Involving the Subject Company’s Securities.

The information set forth under Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference. The documents incorporated herein by reference as Exhibit (d)(1) through Exhibit (d) (9) also contain information regarding agreements relating to securities of the Company.

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

(a) *Purposes.*

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

(b) *Use of Securities Acquired.*

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

(c) *Plans.*

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

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

(a) *Source of Funds.*

The consideration used in the Exchange Offer will be New RSUs. The information set forth in Item 4(a) above, and the information set forth under Section 15 (“*Consideration; Fees and Expenses*”) of the Offering Memorandum, are incorporated herein by reference.

(b) *Conditions.*

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

(d) *Borrowed Funds.*

Not applicable.

**Item 8. Interest in Securities of the Subject Company.**

(a) *Securities Ownership.*

The information set forth under Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Securities Transactions.*

The information set forth under Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

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

(a) *Solicitations or Recommendations.*

Not applicable.

**Item 10. Financial Statements.**

(a) *Financial Information.*

The information set forth under Section 9 (“*Information Concerning Stoke Therapeutics; Financial Information*”), including Section 16 (“*Additional Information*”) of the Offering Memorandum is incorporated herein by reference.



(b) *Pro Forma Information.*

Not applicable.

**Item 11. Additional Information.**

(a) Agreements, Regulatory Requirements and Legal Proceedings.

- (1) The information set forth under Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.
- (2) The information set forth under Section 12 (“*Legal Matters; Regulatory Approvals*”) of the Offering Memorandum is incorporated herein by reference.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.

(c) *Other Material Information.*

Not applicable.

**Item 12. Exhibits.**

Exhibit Number	Description
(a)(1)(A)	<a href="#">Offer to Exchange Eligible Options for New Restricted Stock Units, dated November 2, 2023</a>
(a)(1)(B)	<a href="#">Form of Announcement to Eligible Employees that Exchange Program has Opened</a>
(a)(1)(C)	<a href="#">Form of Email Confirming Receipt of Election(s)</a>
(a)(1)(D)	<a href="#">Form of Reminder Email to Eligible Employees Regarding the Exchange Offer Deadline</a>
(a)(1)(E)	<a href="#">Form of Frequently Asked Questions</a>
(a)(1)(F)	<a href="#">Story Boards for Employee Education Videos</a>
(a)(1)(G)	<a href="#">Screenshots from Exchange Offer Website</a>
(a)(1)(H)	<a href="#">Stoke Therapeutics Stock Option Exchange Program PowerPoint Deck</a>
(a)(1)(I)	<a href="#">Script for Power Point Deck</a>
(b)	Not applicable
(d)(1)	<a href="#">Stoke Therapeutics, Inc. 2019 Equity Incentive Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 99.1 to the Registrant’s Registration Statement on Form S-8 filed with the Commission on June 19, 2019 (SEC File No. 333-231700))</a>
(d)(2)	<a href="#">Stoke Therapeutics, Inc. 2014 Equity Incentive Plan, as amended, and forms of award agreements thereunder (incorporated by reference to Exhibit 10.2 to the Registrant’s Registration Statement on Form S-1 filed with the Commission on May 23, 2019 (SEC File No. 333-231700))</a>
(g)	Not applicable
(h)	Not applicable
107	<a href="#">Filing Fee Table</a>

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

Not applicable.

**SIGNATURES**

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

**STOKE THERAPEUTICS, INC.**

By: /s/ Stephen J. Tulipano  
Stephen J. Tulipano  
Chief Financial Officer

Dated: November 2, 2023

NOVEMBER 2, 2023

STOKE THERAPEUTICS, INC.

## SUMMARY TERM SHEET — OVERVIEW

## OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS

**THIS OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., EASTERN TIME,  
ON DECEMBER 1, 2023, UNLESS EXTENDED**

By this Offer to Exchange Eligible Options for restricted stock units (as the context requires, this document and the actions taken hereby, the “**Exchange Offer**”), Stoke Therapeutics, Inc., which we refer to in this document as “**we**,” “**us**,” “**our**,” “**Stoke Therapeutics**,” or the “**Company**,” is giving each Eligible Employee (as defined below) the opportunity to exchange one or more Eligible Options (as defined below) for New RSUs (as defined below), as discussed below and in the attached disclosure document for the Exchange Offer beginning on page 20 (the “**Offering Memorandum**”).

The “**Expiration Time**” of the Exchange Offer is 11:59 p.m., Eastern Time, on December 1, 2023. If we extend the period of time during which this Exchange Offer remains open, the term “Expiration Time” will refer to the last time and date on which this Exchange Offer expires.

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

- on the date the Exchange Offer commences, you are providing services to Stoke Therapeutics as an employee and have not submitted a notice of resignation or been notified by Stoke Therapeutics that your employment is being terminated; and
- on the date on which the surrendered Eligible Options are canceled and the New RSUs (as defined below) are granted to replace them, you continue to provide services to Stoke Therapeutics as an employee and have not submitted a notice of resignation or been notified by Stoke Therapeutics that your employment is being terminated.

An individual is not an Eligible Employee if they (i) currently provide services to Stoke Therapeutics as an advisor, consultant, or contractor or (ii) have ever served as a non-employee member of our Board of Directors (the “**Board**”).

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

- is held by an Eligible Employee;
- is outstanding as of the closing of the Exchange Offer;
- has an exercise price equal to or greater than \$14.00 (which is the 52-week high trading price of our common stock as of November 2, 2023); and
- was granted under our 2014 Equity Incentive Plan, as amended (the “**2014 Plan**”) or our 2019 Equity Incentive Plan (the “**2019 Plan**”) and together with the 2014 Plan, the “**Plans**”).

See the Offering Memorandum below for additional information regarding the terms of the Offering, including without limitation the information in Section 1 (“**Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**”) and Section 2 (“**Purpose of The Exchange Offer; Additional Considerations**”).

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

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

Eligible Option Exercise Price (\$)	Exchange Ratio (Surrendered Eligible Options to New RSUs)
\$14.00 to \$29.99	3.20 to 1
\$30.00 to \$39.99	5.30 to 1
\$40.00 to \$49.99	7.50 to 1
\$50.00 to \$59.99	7.70 to 1
\$60.00 and up	7.75 to 1

- Your New RSUs will be granted under the 2019 Plan.
- Your New RSUs will not be fully vested on the date they are granted, even if the corresponding exchanged Eligible Options were previously vested and exercisable.
- New RSUs granted in exchange for the vested shares underlying Eligible Options will be subject to a new vesting schedule and will vest on the first anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service (as defined in the 2019 Plan) with the Company on such date.
- New RSUs granted in exchange for the unvested shares underlying Eligible Options will be subject to a new vesting schedule such that 50% of the unvested underlying shares will vest on the first anniversary of the New RSUs Grant Date and the remaining 50% of the unvested underlying shares will vest on the second anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service with the Company on each such date.

*Exchange Ratio.* The number of shares subject to Eligible Options that an Eligible Employee must surrender in order to receive a New RSU to be issued one share is referred to as an “exchange ratio”.

The exchange ratios were calculated to result in an approximate “value for value” exchange, meaning that they were determined in a manner intended to result in the grant of a New RSU, for accounting purposes, with an aggregate fair value that is approximately the same as the fair value of the Eligible Options the New RSU replaces, calculated based on the closing price of our common stock on The Nasdaq Global Select Market (“*Nasdaq*”) as of October 30, 2023. Such a fair value exchange is intended to balance the retention and incentive goals of the Exchange Offer and the interests of our stockholders, including reducing our total number of outstanding options, avoiding further dilution to our stockholders and minimizing the accounting expense of the New RSUs.

The exchange ratios were determined with reference to the fair value of the vested and unvested Eligible Options (calculated using the Black-Scholes option valuation model in compliance with ASC Topic 718) within the relevant grouping. In determining fair value, the Black-Scholes model takes into account many variables and estimates, such as our current stock price, the volatility of the price of our common stock, and the remaining term of an Eligible Option. We do not expect the incremental compensation expense, if any, to be material. We will recognize any such incremental compensation expense ratably over the vesting period of the New RSUs.

See Section 1 (“**Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**”), Section 7 (“**Price Range of Our Common Stock**”) and Section 9 (“**Information Concerning Stoke Therapeutics; Financial Information**”) of the Offering Memorandum for additional information.

**Process to Participate.** The commencement date of the Exchange Offer is November 2, 2023 (the “**Exchange Commencement Date**”). We are making the Exchange Offer upon the terms and subject to the conditions described in the Offering Memorandum and in the related Election Form (as defined below) distributed with the Offering Memorandum. The Exchange Offer is voluntary with respect to each Eligible Option you hold. You are not required to participate in the Exchange Offer. If you hold more than one option grant that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of the shares underlying any selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be canceled, and your New RSUs will be granted with the New RSU Terms effective promptly following the Expiration Time (such date, the “**New RSU Grant Date**”).

See the “**Risk Factors**” section of this Exchange Offer beginning on page 17 for a discussion of risks and uncertainties that you should consider before agreeing to exchange your Eligible Options for New RSUs. You should consider, among other things, these risks and uncertainties before deciding whether to participate in the Exchange Offer.

Shares of our common stock are quoted on Nasdaq under the symbol “STOK.” On October 30, 2023, the closing price of our common stock as reported on Nasdaq was \$3.57 per share.

**We recommend that you obtain current market quotations for our common stock before deciding whether to elect to exchange your Eligible Options.**

**Although our Board and the compensation committee of our Board (the “Compensation Committee”) have approved this Exchange Offer, neither we, our Board, our Compensation Committee, nor our management are making or will make any recommendation as to whether you should exchange, or refrain from exchanging, any or all of your Eligible Options for New RSUs in the Exchange Offer. You must make your own decision regarding whether to surrender your Eligible Options for exchange after taking into account your own personal circumstances or preferences. You are encouraged to consult your personal legal counsel, accountant, financial, and/or tax advisor(s) as you deem appropriate if you have questions about your financial or tax situation as it relates to this offer.**

You should direct any questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offering Memorandum, the Election Form (as defined below), the Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com).

#### **IMPORTANT INFORMATION**

The statements in this document concerning the Eligible Options, the Plans and the New RSUs are summaries of the material terms but are not complete descriptions thereof. The full text of these documents has been filed with the U.S. Securities and Exchange Commission (the “SEC”) and we strongly encourage you to review such documents. See Section 16 of the Offering Memorandum, entitled “**Additional Information**” for more information regarding the Tender Offer Statement on Schedule TO (the “**Schedule TO**”).

**If you choose to participate in the Exchange Offer, you must properly log into the website for the Exchange Offer, review the online disclosures and complete the election form on the Exchange Offer website (the “Election Form”). These actions must all be taken by you no later than 11:59 p.m. Eastern**

Time, on December 1, 2023 (or such later time and date as may apply if the Exchange Offer is extended). Your delivery of all documents regarding the Exchange Offer, including the Election Form, is at your own risk. We encourage you to submit an Election Form, even if you elect not to exchange any of your Eligible Options.

*The URL that you can utilize to launch the Exchange Offer website is: <https://equitysolutions.aon.com/UWSO/Participant/>*

You are responsible for making sure that the Election Form is timely submitted as indicated above. You should save a copy of the confirmation email (the “**Confirmation Email**”) sent to you after you complete and submit your Election Form via the Exchange Offer website. The Confirmation Email will provide evidence that you submitted your Election Form. If you do not receive a Confirmation Email, please contact [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com) to confirm that your election was made.

Only elections that are properly completed and actually received by us by the Expiration Time via the Election Form on the Exchange Offer website at <https://equitysolutions.aon.com/UWSO/Participant/> will be accepted. Elections submitted by any other means, including hand delivery, interoffice, email, U.S. mail (or other post) and Federal Express (or similar delivery service) are not permitted.

You do not need to return your stock option agreements for your Eligible Options to be cancelled and exchanged in the Exchange Offer. If you participate in the Exchange Offer, we will provide you with a RSU Agreement promptly following the Expiration Time via your E\*Trade account. A form of RSU Agreement is filed as an exhibit to the Schedule TO filed with the Securities and Exchange Commission on November 2, 2023 (the “**SEC**”) and to which this Exchange Offer is an exhibit, which Schedule TO may be amended.

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

**We have not authorized anyone to give you any information or to make any representation in connection with the Exchange Offer other than the information and representations contained in this Offer to Exchange and in the related Election Form. If anyone makes any recommendation or representation to you or gives you any information, you should not rely upon that recommendation, representation or information as having been authorized by us.**

**You should not assume that the information provided in this Offer to Exchange is accurate as of any date other than the date shown on the first page of this Offer to Exchange. This Offer to Exchange summarizes various documents and other information. These summaries are qualified in their entirety by reference to the documents and information to which they relate.**

**Nothing in this document shall be construed to give any person the right to remain in the employ or service of the Company or its subsidiaries or affiliates or to affect our right to terminate the employment or service of any person at any time with or without cause to the extent permitted under law. Nothing in this document should be considered a contract or guarantee of wages or compensation.**

**We reserve the right to amend or terminate the Plans at any time, and the grant of an award under the Plans or this Exchange Offer does not in any way obligate the Company to grant additional awards or offer further opportunities to participate in any option exchange in any future year. The grant of any award under the Plans and any future awards granted under the 2019 Plan or in relation to this Exchange Offer is wholly discretionary in nature and is not to be considered part of any normal or expected compensation that is or would be subject to severance, resignation, redundancy, termination or similar pay, other than to the extent required by local law.**

## OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS

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

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#### Q1. Why is Stoke Therapeutics making the Exchange Offer?

Since January 2021, when our stock closed as high as \$67.32 (on January 18, 2021), declines in our stock price have steadily eroded the retentive and incentive value of stock options granted. For example, on August 31, 2023, our stock closed at \$5.62.

Stock incentive awards are an essential part of our total compensation structure. This significant decline in the price of our common stock has a meaningful impact on the total compensation actually earned by our employees. This impact on total compensation negatively affects our ability to retain and motivate our employees, whom we rely upon to achieve our business plans and strategic objectives.

During the course of 2023, the Board and the Compensation Committee began considering, with input from Aon, the Compensation Committee's independent compensation consultant, whether implementing the Exchange Offer would assist with our retention efforts. These discussions were undertaken in the context of this sustained decline in the market price of the Company's shares, which has resulted in a situation where, as of October 30, 2023, the Company had a total of approximately 9,339,319 outstanding options, 47% of which were underwater at a stock price of \$14.00, which represents the 52-week high trading price of our common stock as of November 2, 2023. Of the Eligible Options, approximately 48% were granted two or more years before November 2, 2023. Options priced below \$14.00, the 52-week high trading price of our common stock as of November 2, 2023 will not be eligible for exchange.

We have heard from employees that they view their underwater options as having little or no value due to the difference between the exercise prices of those options and the current market price of our stock. We believe that the exchange of underwater stock options for New RSUs would help reduce employee turnover in both the short and medium term. The Board and the Compensation Committee believe that the underwater options no longer function as the retention and incentive tool that they believe is necessary to retain employees and to motivate them to increase long-term stockholder value.

In addition to the benefit for employees, we expect that the Exchange Offer will meaningfully reduce our equity overhang, by eliminating a sizable number of outstanding options that, under their current terms and conditions, are likely to remain unexercised for the foreseeable future. Under the ratios included in the terms of the Exchange Offer, these underwater Eligible Options would be replaced by a smaller number of New RSUs, meaningfully reducing the total number of shares of outstanding equity included in our overhang.

#### *Reasons for Proposing the Exchange Offer*

Taking into account the advice of Aon and other relevant considerations, the Board and the Compensation Committee determined that the Exchange Offer would be effective and aligned with stockholder interests for the reasons summarized below.

- *Reasonable, balanced incentives.* We believe that the Exchange Offer is reasonable and balanced and has the potential for meaningful positive impact on employee retention, motivation and performance.
- *Reduction in overhang.* The underwater options contribute to our stock option overhang until they are exercised or expire and the Exchange Offer is expected to reduce such overhang by eliminating the underwater Eligible Options that are currently outstanding and issued to our employees, because eligible participants will receive New RSUs covering fewer shares than the exchanged options.
- *Impact on accounting expense.* Under applicable accounting rules, we are required to continue to recognize compensation expense related to these underwater stock options as they vest, even if they are never exercised because they remain underwater. We believe the Exchange Offer will allow us to recapture retentive and incentive value from the compensation expense on our financial statements with respect to the Eligible Options. The New RSUs are not expected to result in significant additional compensation expense, and, therefore, will not have a material adverse impact on our reported earnings.



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

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

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

- on the date the Exchange Offer commences, you are providing services to Stoke Therapeutics as an employee and have not submitted a notice of resignation or been notified by Stoke Therapeutics that your employment is being terminated; and
- on the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, you continue to provide services to Stoke Therapeutics as an employee and have not submitted a notice of resignation or been notified by Stoke Therapeutics that your employment is being terminated.

An individual is not an Eligible Employee if they (i) currently provide services to Stoke Therapeutics as an advisor, consultant, or contractor or (ii) have ever served as a non-employee member of our Board.

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

**Q3. Which options are subject to the Exchange Offer?**

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

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

- is held by an Eligible Employee;
- is outstanding as of the closing of the Exchange Offer;
- has an exercise price equal to or greater than \$14.00 (which is the 52-week high trading price of our common stock as of November 2, 2023); and
- was granted under one of the Plans.

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

**Q4. How do RSUs differ from stock options?**

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

	<b>Stock Options</b>	<b>RSUs</b>
What they are	The right to purchase a fixed number of shares of Stoke Therapeutics common stock at a fixed exercise price for a fixed period of time.	The right to receive a fixed number of shares of Stoke Therapeutics common stock in the future with no exercise or purchase price.
How they work	Once a stock option grant vests, you can exercise the vested portion at any time until the expiration date of that option. Exercising means you buy the	Once an RSU vests, a share of Stoke Therapeutics common stock is issued to you and at no cost to you, other than withholding taxes associated with the RSU. The value you receive for an RSU

stock at the exercise price set on the date of grant. If the price of our common stock is greater than the exercise price when you exercise and sell the shares, you receive the gain (after payment of applicable taxes).

However, when our stock price is *less* than the exercise price, the stock option has no intrinsic value and is considered to be underwater.

upon issuance of the common stock will be based on the then-current Stoke Therapeutics stock price. Once our stock is issued to you following the vesting of the RSU, you can either keep it as an investment or sell it.

Example (assumes vested options and RSUs and no taxes)

If you are awarded a stock option with a per share exercise price of \$31.50 and the Stoke Therapeutics stock price subsequently increases to \$40, the option will be worth \$8.50 if exercised on that later date.

If the stock price on the grant date of your RSU is \$10, and the Stoke Therapeutics stock price subsequently increases to \$20, each RSU will be worth \$20 if the RSU has been vested and settled as of that later date.

If you are awarded a stock option with a per share exercise price of \$31.50 and the Stoke Therapeutics stock price subsequently decreases to \$25, the option will have no intrinsic value as of that later date.

If the stock price on the grant date of your RSU is \$10, and the Stoke Therapeutics stock price subsequently decreases to \$5, each RSU will be worth \$5 if the RSU has been vested and settled as of that later date.

**Q5. Will the terms and conditions of my New RSUs be the same as my exchanged options?**

No. The terms and conditions of your New RSUs will be different from the exchanged options. The vesting schedule of the New RSUs will be different from your exchanged options – see Q8 below for more information. The tax treatment of the New RSUs may differ significantly from the tax treatment of your exchanged options. See Section 13 of the Offering Memorandum (“**Material United States Tax Consequences**”) for more information. New RSUs will be granted under the 2019 Plan and will be subject to a restricted stock unit grant notice and agreement provided to you, a form of which is filed with the SEC as an exhibit to the Schedule TO.

**Q6. How many New RSUs will I receive for the Eligible Options I exchange?**

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

Eligible Option Exercise Price (\$)	Exchange Ratio (Surrendered Eligible Options to New RSUs)
\$14.00 to \$29.99	3.20 to 1
\$30.00 to \$39.99	5.30 to 1
\$40.00 to \$49.99	7.50 to 1
\$50.00 to \$59.99	7.70 to 1
\$60.00 and up	7.75 to 1

The exchange ratios were calculated, for accounting purposes, to approximate a “value-for-value” exchange, meaning that they were determined in a manner intended to result in the grant of a New RSU, for accounting purposes, with an aggregate fair value that is approximately the same as the aggregate fair value of the Eligible Options that the New RSU replaces, calculated based on the closing price of our common stock on Nasdaq as of October 30, 2023.

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

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

**Q7. Will my New RSUs have an exercise or purchase price?**

Your New RSUs will not have an exercise or purchase price. Each New RSU will represent your right to receive a number of shares of our common stock upon vesting without payment by you.

**Q8. When will my New RSUs vest?**

Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become vested and exercisable.

The shares underlying any New RSUs granted in exchange for vested shares underlying Eligible Options will be subject to a new vesting schedule and will vest on the first anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service (as defined in the 2019 Plan) with the Company on such date.

Your New RSUs granted in exchange for the unvested shares underlying Eligible Options will be subject to a new vesting schedule such that 50% of the shares will vest on the first anniversary of the New RSUs Grant Date and the remaining 50% of the shares will vest on the second anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service with the Company on each such date.

**Q9. Do I need to exercise my New RSU in order to receive shares?**

No. Unlike stock options, which you must exercise and pay an exercise price in order to receive the vested shares subject to the option, you do not need to exercise RSUs in order to receive shares. If your New RSUs vest in accordance with the vesting schedule described above and set forth in the applicable RSU agreement, you will automatically receive the shares subject to the New RSUs upon or following vesting. Generally, shares subject to New RSUs that do not vest will be forfeited to Stoke Therapeutics, as determined in accordance with the 2019 Plan.

**Q10. If I participate in the Exchange Offer, when will my New RSUs be granted?**

Unless we amend or terminate the Exchange Offer in accordance with its terms, we will grant you New RSUs in exchange for Eligible Options with respect to which you properly made a valid election (and did not validly

revoke that election), effective as of the New RSU Grant Date, following the Expiration Time. However, it may take a few weeks from the Expiration Time for you to receive your New RSUs.

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

**Q11. What happens to my New RSUs if I terminate my employment or Service with Stoke Therapeutics?**

Vesting of your New RSUs will cease upon termination of your employment or Service (as defined in the 2019 Plan) with Stoke Therapeutics. Your then-unvested New RSUs will be forfeited.

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

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

**Q12. Must I participate in the Exchange Offer?**

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

**Q13. How should I decide whether or not to participate in the Exchange Offer?**

We are providing substantial information to assist you in making your own informed decision. Please read all the information contained in the various sections of the Offering Memorandum below, including the information in Section 2 ("**Purpose of The Exchange Offer; Additional Considerations**"), Section 7 ("**Price Range of Our Common Stock**"), Section 9 ("**Information Concerning Stoke Therapeutics; Financial Information**"), Section 10 ("**Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities**"), Section 13 ("**Material United States Tax Consequences**") and Section 16 ("**Additional Information**") of the Offering Memorandum. You should seek further advice from your legal counsel, accountant and financial advisor. Participation in the Exchange Offer is entirely your decision and should be made based on your personal circumstances. No one from Stoke Therapeutics is, or will be, authorized to provide you with legal, tax, financial or other advice or recommendations regarding whether you should participate in the Exchange Offer.

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

- The Exchange Offer is not a one-for-one exchange. You will receive fewer shares subject to your New RSUs than your Eligible Options.
- Options provide value upon exercise only if our common stock price increases after the grant date. RSUs provide value upon vesting even if our common stock price does not increase after the grant

date. However, because the exchange ratios for the Exchange Offer are value-based, and will be less than one-for-one, it is possible that, at some point in the future, Eligible Options you chose to exchange would have been economically more valuable than the New RSUs received by you pursuant to the Exchange Offer.

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

Please also review the “**Risk Factors**” that appear on page 17.

**Q14. How do I find out how many Eligible Options I have and what their exercise prices are?**

The Election Form is available on the Exchange Offer website and includes a list of your Eligible Options as of November 2, 2023. At any time during the Exchange Offer, you may contact us via email at [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com) to confirm the number of option grants that you have and the grant dates, remaining term, exercise prices, vesting schedule and other information regarding such option grants.

**Q15. Can I tender for exchange stock options that I have already fully exercised?**

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

**Q16. Can I tender for exchange the remaining unexercised portion of an Eligible Option that I have already partially exercised?**

Yes. If you exercised an Eligible Option in part before November 2, 2023, the remaining unexercised portion of the Eligible Option can be tendered for exchange in the Exchange Offer.

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

**Q17. Can I tender for exchange a portion of an Eligible Option?**

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

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

**Q18. What if I am on an authorized leave of absence during the Exchange Offer?**

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

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

**Q19. What happens if my employment with Stoke Therapeutics terminates before the Expiration Time?**

If you have tendered Eligible Options under the Exchange Offer and your employment with Stoke Therapeutics terminates for any reason on or prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, you will no longer be eligible to participate in the Exchange Offer. Accordingly, we will not accept your Eligible Options for exchange, and you will not be eligible to receive New RSUs. In such a case, you may be able to exercise the vested portion of your Eligible Options for a limited time after your termination date, subject to and in accordance with their original terms.

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

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

**Q20. Will I owe taxes if I participate in the Exchange Offer?**

Neither the acceptance of your Eligible Options for exchange nor the grant of any New RSUs will be a taxable event for U.S. federal income tax purposes. However, you will recognize income for income tax and other tax purposes on the vesting of the New RSUs and delivery of the underlying shares to you.

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

See Section 13 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information regarding the tax aspects of the Exchange Offer.

**Q21. Are there tax considerations relating to my Eligible Options that are Incentive Stock Options?**

To the extent the Exchange Offer remains open for 30 calendar days (or longer), then all eligible incentive stock options intended to qualify as eligible incentive stock option under Section 422 of the Code (“*Incentive Stock Options*”) which are not accepted in the Exchange Offer will be considered “modified.” This will result in a deemed re-grant of such Incentive Stock Options such that the date of grant for purposes of the two-year holding period necessary to receive favorable U.S. tax treatment for your Incentive Stock Options will restart. The Exchange Offer is currently scheduled to remain outstanding for 30 calendar days or more, and therefore will result in an automatic modification of Incentive Stock Options to the extent they are not exchanged for New RSUs. The result of such a modification is that your Eligible Options may continue to be Incentive Stock Options (subject to the limitations on Incentive Stock Options under U.S. tax rules), but the date of grant for purposes of the Incentive Stock Option holding periods applicable to such Eligible Options will be the date the Exchange Offer commenced (November 2, 2023). Therefore, in order to receive favorable tax treatment with respect to such Eligible Options in the event of a deemed modification, you must not dispose of the shares received from the exercise of the Eligible Options within two years from the date the Exchange Offer commenced (November 2, 2023) or within one year from the date of exercise.

**You should consult with your personal legal counsel, accountant, financial, and/or tax advisor(s) to determine the personal tax consequences to you of participating in the Exchange Offer. If you are a resident of or subject to the tax laws in more than one country, you should be aware that there may be additional or different income tax, social insurance contributions and other tax consequences that may apply to you.**

See Section 13 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information.

**Q22. What will happen to my Eligible Options if I participate in the Exchange Offer?**

We will cancel all Eligible Options tendered by you and accepted by Stoke Therapeutics for exchange in the Exchange Offer. As a result, you will no longer be able to exercise any portion of the canceled Eligible Options. You will receive New RSUs in exchange for such canceled Eligible Options – see Q5 and Q6 for more information.

**Q23. Is it possible for my New RSUs to be or become underwater?**

No. Since New RSUs do not have an exercise or purchase price, New RSUs will never become underwater, and will always have value unless our stock price drops to \$0. The value of the New RSUs (and any shares issued to you upon vesting and settlement of a New RSU) will change with fluctuations in our stock price.

**Q24. What happens to Eligible Options that I choose not to tender or that are not accepted for exchange in the Exchange Offer?**

If you choose not to participate, your Eligible Options will remain outstanding until they are exercised or expire by their terms, retain their current exercise price, retain their current vesting schedule and retain all of the other terms and conditions as set forth in the Plans and option agreement related to such Eligible Options. If your Eligible Options are Incentive Stock Options, they will be considered “modified” for tax purposes as discussed in Q21 above. See also Section 13 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information.

We will not accept for exchange any options that are tendered that do not qualify as Eligible Options. If you tender an option that is not accepted for exchange, we will send you a separate email following the Expiration Time notifying you that your tendered option was not accepted for exchange. Any such options that are not accepted for exchange will remain outstanding until they are exercised or expire by their terms, retain their current exercise price, retain their current vesting schedule and retain all of the other terms and conditions as set forth in the Plans and option agreement related to such options.

**Q25. How long do I have to decide whether to participate in the Exchange Offer?**

The Exchange Offer expires at 11:59 p.m., Eastern Time, on December 1, 2023 (or such later date as may apply if the Exchange Offer is extended). We will not make any exceptions to this deadline. However, although we do not currently intend to do so, we may, in our sole discretion, extend the expiration date of the Exchange Offer at any time. If we extend the Exchange Offer, we will publicly announce the extension and the new expiration date no later than 9:00 a.m., Eastern Time, on the next business day after the last previously scheduled or announced expiration date.

See Section 14 of the Offering Memorandum (“*Extension of Exchange Offer; Termination; Amendment*”) for more information.

#### **Q26. How do I tender my Eligible Options for exchange?**

If you are an Eligible Employee, you must tender your Eligible Options for exchange at any time before the Exchange Offer expires at 11:59 p.m. Eastern Time, on December 1, 2023 (or such later time and date as may apply if the Exchange Offer is extended).

To validly tender your Eligible Options, you must submit a properly completed Election Form through the online election process, which is described below.

##### Online Election Process

1. Near the start of the Exchange Offer, you will receive an announcement email, dated November 2, 2023, announcing the Exchange Offer (the "**Announcement Email**"). You can access the Exchange Offer through a link in the Announcement Email or at <https://equitysolutions.aon.com/UWSO/Participant/> and enter your Stoke Therapeutics email address and the password you have created for use with Exchange Offer website. If this is the first time you are accessing the Exchange Offer website, you will need to register for a new account and create a password. Your email address (which will also be your username) is your Stoke Therapeutics email address. You will also need to provide the registration code included in the Announcement Email.

2. After logging into the Exchange Offer website, review the Exchange Offer materials and other information available on the Exchange Offer website and proceed through to the Election Form. You will be provided with personalized information regarding the Eligible Options that you hold, including the grant date and per share exercise price of each of your Eligible Option grants, the number of shares subject to each of your Eligible Option grants as of November 2, 2023, and the number of RSUs that would be issued in exchange for each Eligible Option grant.

3. On the Election Form on the Exchange Offer website, select the appropriate box next to each of your Eligible Option grants to indicate which Eligible Option grants you choose to exchange in the Exchange Offer, then click "Confirm and Submit".

4. Review your Election Form on the Exchange Offer website, confirm that you are satisfied with your Election Form, then, after reviewing, submit your Election Form via the Exchange Offer website.

5. Upon submitting your Election Form via the Exchange Offer website, a Confirmation Email will be generated by the Exchange Offer website and emailed to your Stoke Therapeutics email address or other email that you provided to us. Please save a copy of the Confirmation Email for your records. At this point, you will have completed the election process. If you do not receive a Confirmation Email, please contact [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com) to confirm that your election was made.

You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled effective as of the Expiration Time if we accept your Eligible Options for exchange. We will separately send to you the grant documents relating to your New RSUs following the grant date for your New RSUs for your electronic acceptance.

Your Eligible Options will not be considered tendered until we receive a properly completed and submitted Election Form via the Exchange Offer website. We must receive your properly completed and submitted Election Form before 11:59 p.m. Eastern Time on December 1, 2023 (or such later time and date as may apply if the Exchange Offer is extended). **If you miss this deadline, you will be irrevocably treated as having not elected to participate in the Exchange Offer.**

We will accept delivery of your election through the online election process only, which you may access through the link above. You are responsible for making sure that the Election Form is properly submitted online through



this process. You must allow for sufficient time to complete and submit your Election Form to ensure that we receive your Election Form before the Expiration Time.

We reserve the right to reject any or all tenders of Eligible Options that we determine are not in appropriate form or that we determine would be unlawful to accept. Subject to our rights to extend, terminate and amend the Exchange Offer, we expect to accept all properly tendered Eligible Options at the Expiration Time, which is 11:59 p.m. Eastern Time, on December 1, 2023.

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

**Q27. Can I withdraw previously tendered Eligible Options?**

Yes. You may withdraw your tendered Eligible Options through the Exchange Offer website at any time before the Exchange Offer expires at 11:59 p.m. Eastern Time, on December 1, 2023 (or such later time and date as may apply if the Exchange Offer is extended). In addition, although we intend to accept all validly tendered Eligible Options immediately after the Expiration Time, if we have not accepted your Eligible Options within 40 business days of the commencement of the Exchange Offer, you may withdraw your election to exchange your Eligible Options at any time thereafter.

To change an election you previously made with respect to some or all of your Eligible Option grants, including an election to withdraw some or all of your Eligible Option grants from the Exchange Offer, you must submit a valid new Election Form indicating only the Eligible Option grants you wish to exchange in the Exchange Offer or a valid new Election Form indicating that you do not want to exchange your Eligible Options, by completing the election process outlined below by Expiration Time, which, unless the Exchange Offer is extended, is 11:59 p.m. Eastern Time, on December 1, 2023. You must allow sufficient time to complete and submit your new Election Form to ensure that we receive it before the Expiration Time.

*Election Changes and Withdrawals*

1. You can access the Exchange Offer website at <https://equitysolutions.aon.com/UWSO/Participant/> and enter your Stoke Therapeutics email address and the password you have created for use with this website.
2. After logging into the Exchange Offer website, review the information and proceed through to the Election Form. You will be provided with your Eligible Option schedule containing personalized information regarding the Eligible Option grants you hold, as described in Question 26.
3. On the Election Form, select the appropriate box next to your Eligible Option grants previously selected to be tendered in the Exchange Offer to indicate those Eligible Option grants that you do not want to exchange in the Exchange Offer, or to make other changes to your previous election, then click "Confirm and Submit".
4. Review your Election Form, confirm that you are satisfied with your Election Form after reviewing and then submit your Election Form via the Exchange Offer website.
5. Upon submitting your Election Form, a Confirmation Email will be generated by the Exchange Offer website and emailed to your Stoke Therapeutics email address. Please save a copy of the Confirmation Email for your records. At this point, you will have completed the election process. If you do not receive a Confirmation Email, please contact [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com) to confirm that your election was made.

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

Once you have withdrawn Eligible Options, you may re-tender Eligible Options again by submitting a new Election Form and following the procedures described for validly tendering stock option grants in the Exchange Offer as discussed in Question 27 above.

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

**Q28. How will I know whether you have received my Election Form or my Notice of Withdrawal?**

We will send you a Confirmation Email or other form of communication, as appropriate, to confirm receipt of your Election Form, shortly after we receive it. However, it is your responsibility to ensure that you submit your final Election Form prior to the Expiration Time.

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

**Q29. What will happen if I do not return my Election Form by the deadline?**

If we do not receive an Election Form from you by the Expiration Time, then all of your Eligible Options will remain outstanding at their original exercise price and subject to their original terms, except for the impact on ISO status as discussed in Q21 above. If you prefer not to tender any of your Eligible Options for exchange in the Exchange Offer, you do not need to do anything.

See Section 3 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*") and Section 13 of the Offering Memorandum ("*Material United States Tax Consequences*") for more information.

**Q30. What if I have any questions regarding the Exchange Offer?**

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

## RISK FACTORS

Participation in the Exchange Offer involves a number of potential risks and uncertainties, including those described below. You should consider, among other things, these risks and uncertainties before deciding whether or not to tender your Eligible Options for exchange in the manner described in the Exchange Offer. You should carefully review the risk factors set forth below and those contained in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the “SEC”) on March 6, 2023 and our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2023 and June 30, 2023, filed with the SEC on May 4, 2023 and August 7, 2023, respectively, as well as the other information provided in the Exchange Offer and the other materials that we have filed or will file in the future with the SEC, before making a decision as to whether or not to tender your Eligible Options. See Section 16 of the Offering Memorandum (“**Additional Information**”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review these reports.

### **Risks Related to the Exchange Offer**

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

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

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

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

***New RSUs granted to you in the Exchange Offer will be entirely unvested as of the New RSU Grant Date and will have a vesting schedule that is different from the vesting schedule of your exchanged Eligible Options. Such vesting requires that you remain in the service of Stoke Therapeutics. If your service with us terminates for any or no reason, your unvested New RSUs will terminate automatically.***

New RSUs granted in exchange for the vested shares underlying Eligible Options will be subject to a new vesting schedule and will vest on the first anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service with the Company on such date. New RSUs granted in exchange for the unvested shares underlying Eligible Options will be subject to a new vesting schedule such that 50% of the shares will vest on the first anniversary of the New RSUs Grant Date and the remaining 50% of the shares will vest on the second anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service with the Company on each such date.

The new vesting schedule will be applicable to your New RSUs even if your Eligible Options already vested in whole or in part.

Vesting requires the passage of time and that your services to us continue through each vesting date. If you do not remain an employee with us or continue to provide Services through each date your New RSUs are scheduled

to vest, you will not have the right to receive all of the shares subject to those New RSUs. Instead, the unvested portion of your New RSUs generally will expire immediately upon your termination. As a result, you may not receive any value from your New RSUs. Nothing in the Exchange Offer should be construed to confer upon you the right to remain an employee of Stoke. The terms of your employment or service with us remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in service with Stoke until the completion date or thereafter.

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

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

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

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

The New RSUs will be subject to a new vesting schedule that differs from the vesting schedules of the Eligible Options that you exchange, as described above. Therefore, none of the New RSUs will be vested on the New RSU Grant Date even if your Eligible Options are fully or partially vested. Accordingly, if your service with us terminates after you exchange your Eligible Options for New RSUs, you may not be able to realize as much value from your New RSUs as you could have realized from the Eligible Options you exchanged. For example, if you do not exchange your vested Eligible Options for New RSUs, and your service with us terminates, if our stock price increases above the exercise price per share of your vested Eligible Options, you would still be able to exercise (subject to the deadlines in the applicable option agreement) and sell the underlying shares of common stock for these vested Eligible Options at a gain. However, if you exchange your vested Eligible Options for New RSUs, and your service with us terminates after you receive New RSUs but before such New RSUs have vested, you will receive no value from being granted the New RSUs.

***The Exchange Offer may have tax ramifications for you.***

If you are a U.S. taxpayer and participate in the Exchange Offer, you will not be required under current U.S. law to recognize income for U.S. federal income tax purposes at the time of the exchange and, with respect to New RSUs, on the New RSU Grant Date. However, you generally will have taxable ordinary income when the New RSUs vest and the shares underlying your New RSUs are issued to you, at which time Stoke Therapeutics generally also will have a tax withholding obligation. You also may have taxable capital gains when you sell the shares underlying the New RSUs. Note that the tax treatment of New RSUs differs significantly from the tax treatment of your exchanged Eligible Options, and as a result of your participation in this offer, your tax liability could be higher than if you had kept your exchanged Eligible Options. For additional detailed information regarding the tax treatment of stock options, including ISOs and NSOs, see Section 13 of the Offering Memorandum ("**Material United States Tax Consequences**"). We encourage you to consult with your tax advisors when determining whether to participate in the Exchange Offer, as each individual's tax circumstances are unique.

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**Risks that are Related to Our Business and Common Stock**

You should carefully review the risk factors contained in our periodic and other reports filed with the SEC, including those in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, and our Annual Report on Form 10-K for the year ended December 31, 2022, and also the other information provided in this Exchange Offer (including the Schedules to this Exchange Offer) and the other materials that we have filed or will file in the future with the SEC, before making a decision on whether to surrender your eligible stock options for exchange. You may access these filings electronically at the SEC's website at <http://www.sec.gov> or on our Investor Relations website at <http://investor.stoketherapeutics.com>. In addition, upon request we will provide you with a copy of any or all of the documents to which we have referred you (without charge to you).

## OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUs

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## OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUs

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

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

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

*Eligible Employees*

You are an "**Eligible Employee**" if:

- on the date the Exchange Offer commences, you are providing services to Stoke Therapeutics as an employee and have not submitted a notice of resignation or been notified by Stoke Therapeutics that your employment is being terminated; and
- on the date on which the surrendered Eligible Options are canceled and the New RSUs (as defined below) are granted to replace them, you continue to provide services to Stoke Therapeutics as an employee and have not submitted a notice of resignation or been notified by Stoke Therapeutics that your employment is being terminated.

An individual is not an Eligible Employee if they (i) currently provide services to Stoke Therapeutics as an advisor, consultant, or contractor or (ii) have ever served as a non-employee member of our Board of Directors (the "**Board**").

You will not be eligible to tender Eligible Options for exchange in the Exchange Offer if you cease to be an Eligible Employee for any reason prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, including due to your voluntary resignation, retirement, involuntary termination, layoff, death or disability. An individual who is on an authorized leave of absence and is otherwise an Eligible Employee on the Expiration Date will be eligible to tender Eligible Options in the Exchange Offer. A leave of absence is considered "authorized" if it was approved in accordance with our policies.

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

*Eligible Options*

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

- is held by an Eligible Employee;

- is outstanding as of the closing of the Exchange Offer;
- has an exercise price equal to or greater than \$14.00 (which is the 52-week high trading price of our common stock as of November 2, 2023); and
- was granted under our 2014 Equity Incentive Plan, as amended (the “2014 Plan”) or our 2019 Equity Incentive Plan, as amended (the “2019 Plan” and together with the 2014 Plan, the “Plans”).

*The Proposed Exchange*

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

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

Eligible Option Exercise Price (\$)	Exchange Ratio (Surrendered Eligible Options to New RSUs)
\$14.00 to \$29.99	3.20 to 1
\$30.00 to \$39.99	5.30 to 1
\$40.00 to \$49.99	7.50 to 1
\$50.00 to \$59.99	7.70 to 1
\$60.00 and up	7.75 to 1

- Your New RSUs will be granted under the 2019 Plan.
- Your New RSUs will not be fully vested on the date they are granted, even if the corresponding exchanged Eligible Options were previously vested and exercisable.
- New RSUs granted in exchange for the vested shares underlying Eligible Options will be subject to a new vesting schedule and will vest on the first anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service (as defined in the 2019 Plan) with the Company on such date
- New RSUs granted in exchange for the unvested shares underlying Eligible Options will be subject to a new vesting schedule such that 50% of the shares will vest on the first anniversary of the New RSUs Grant Date and the remaining 50% of the shares will vest on the second anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service with the Company on each such date.

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

*Exchange Ratios applicable to all New RSUs*

The exchange ratios were calculated, for accounting purposes, to approximate a “value-for-value” exchange, meaning that they were determined in a manner intended to result in the grant of a New RSU, for accounting



purposes, with an aggregate fair value that is approximately the aggregate fair value of the Eligible Options the New RSU replaces, calculated based on the closing price of our common stock on Nasdaq as of October 30, 2023. Such a fair value exchange is intended to balance the compensatory goals of the Exchange Offer and the interests of our stockholders, including reducing our total number of outstanding options, avoiding further dilution to our stockholders and minimizing the accounting expense of the grants of New RSUs. Fractions of New RSUs will not be granted and cash will not be paid for any fractional shares. New RSUs calculated according to the exchange ratios that result in fractional shares will be rounded down to the nearest whole share of our common stock.

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

#### *Expiration and Extension of the Exchange Offer*

The Exchange Offer is scheduled to expire at 11:59 p.m., Eastern Time, on Friday, December 1, 2023, unless we, in our sole discretion, extend the expiration date of the Exchange Offer (such time and date referred to herein as the “**Expiration Time**”). See Section 14 (“**Extension of Exchange Offer; Termination; Amendment**”) for a description of our rights to extend, terminate and amend the Exchange Offer.

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

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

We believe that an effective and competitive employee incentive program is imperative for the future growth and success of our company. We rely on our employees to implement our strategic initiatives and expand and develop our business. Competition for many of these employees, particularly in the biotechnology industry, is intense and many companies use stock options as a means of attracting, motivating, and retaining their best employees. Stock options historically constituted a key part of our hiring, incentive, and retention programs because our Board believes that equity compensation encourages employees to act like owners of the business, motivating them to work toward our success and rewarding their contributions by allowing them to benefit from increases in the value of our common stock.

When the Compensation Committee approves the grant of a stock option, it establishes the exercise price that the employee must pay to purchase shares of our common stock when the option is exercised. The per share exercise price is set at the closing price of a share of our common stock as reported by Nasdaq on the date the option is granted. Thus, an employee receives value only if the employee exercises an option and sells the purchased shares at a price that exceeds the stock option’s exercise price.

Since January 2021, when our stock closed as high as \$67.32 (on January 18, 2021), declines in our stock price have steadily eroded the retentive and incentive value of stock options granted. For example, on October 30, 2023, the closing price for our common stock as reported on Nasdaq was \$3.57 per share, resulting in many of our options being underwater. The Company has heard from employees that they view their underwater options as having little or no value. As a result, we believe that these underwater options are no longer effective as performance and retention incentives. We believe that to enhance long-term stockholder value we need to

maintain competitive employee incentive and retention programs. An equity stake in the success of our company is a critical component of these programs. Although we continue to believe that stock options are an important component of our employees' total compensation, many of our employees view their existing stock options as having little or no value due to the difference between the exercise prices and the current market price of our common stock. As a result, for many employees, these options are ineffective at providing the incentives and retention value that our Board believes is necessary to motivate our employees to increase long-term stockholder value. We believe that it is essential to continue to retain and motivate our best employees, and that the inherent value of the New RSUs and new vesting periods of the New RSUs may be more effective in retaining and incentivizing employees than the existing underwater options. We believe the Exchange Offer will provide us with an opportunity to restore for Eligible Employees an incentive to remain with us and contribute to the future growth and success of our company.

In addition, the Exchange Offer will reduce our stock option overhang by eliminating underwater options that are currently outstanding and replacing them with New RSUs covering a fewer number of shares than the exchanged options.

In deciding whether to tender one or more Eligible Options pursuant to the Exchange Offer, you should know that we continually evaluate and explore strategic opportunities as they arise. At any given time, we may be engaged in discussions or negotiations with respect to one or more corporate transactions of the type described below. We also grant equity awards in the ordinary course of business to our current and new employees, including our executive officers. Our directors and employees, including our executive officers, from time to time may acquire or dispose of our securities. We may from time to time repurchase our own outstanding securities after we have announced any decision by the Board to authorize us to do so, in accordance with applicable securities laws. In addition, we may pursue opportunities to raise additional capital through the issuance of equity or convertible debt securities. If this occurs, the percentage ownership of our stockholders could be significantly diluted, and these newly-issued securities may have rights, preferences or privileges senior to those of existing stockholders. We cannot assure you that additional financing will be available on terms favorable to Stoke Therapeutics, or at all.

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

- any extraordinary corporate transaction, such as a material merger, reorganization or liquidation, involving us;
- any purchase, sale or transfer of a material amount of our assets;
- any material change in our present dividend policy or our indebtedness or capitalization;
- any material change in our present Board or executive management team, including any plans to change the number or term of our directors or to fill any existing vacancies on the Board or to change the material terms of any executive officer's employment;
- any other material change in our corporate structure or business;
- our common stock being delisted from any national securities exchange or ceasing to be authorized for quotation in an automated quotation system operated by a national securities association;
- our common stock becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**");
- the suspension of our obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- the acquisition by any person of any of our securities or the disposition of any of our securities, other than in the ordinary course of business or pursuant to existing options or other rights; or

- any change in our certificate of incorporation or bylaws, or any actions that may impede the acquisition of control of us by any person.

In the ordinary course of business, Stoke Therapeutics makes changes in the composition and structure of its Board and/or management. Stoke Therapeutics expects that it will continue to make changes in this regard.

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

### Section 3. Procedures for Tendering Eligible Options.

**Procedure for valid election to exchange Eligible Options** Participation in the Exchange Offer is voluntary. If you are an Eligible Employee at the start of the Exchange Offer you will have received an announcement email from Stoke Therapeutics on November 2, 2023, announcing this Exchange Offer. If you do not want to participate, then no action is necessary. If you choose to participate in the Exchange Offer, you must do the following before 11:59 p.m., Eastern Time, on the Expiration Date, which is expected to be December 1, 2023.

The procedure for the valid election to exchange options is outlined below:

1. Click on the link to the option exchange website (the “**Exchange Offer Website**”) in the announcement email you received on November 2, 2023, announcing the Exchange Offer, or go to the Exchange Offer Website at <https://equitysolutions.aon.com/UWSO/Participant/>. Register for an account on the Exchange Offer Website using the instructions provided to you in the announcement email (or if you previously logged into the Exchange Offer Website, log in using your updated login credentials).
2. After logging in to the Exchange Offer Website, review the information and proceed through to the “Election Form” page. You will be provided with personalized information regarding each eligible option grant you hold, including:
  - the grant date of the Eligible Option;
  - the per share exercise price of the Eligible Option;
  - the number of shares of our common stock subject to each Eligible Option and the number of such shares that are vested as of November 2, 2023 (assuming vesting in accordance with the applicable vesting schedule, and no exercise or early termination occurs, through such date);
  - the number of shares of our common stock subject to the New RSU grant that would be granted in exchange for each Eligible Option; and
  - the vesting schedule of each New RSU grant.
3. On the “Election Form” page, make your selection next to each of your Eligible Options to indicate which Eligible Options you choose to exchange in the Exchange Offer by selecting “Exchange for New RSU” or choose not to exchange in the Exchange Offer by selecting “Do Not Exchange.”
4. Proceed through the Exchange Offer Website by following the instructions provided. Review your election and confirm that you are satisfied with your election. After reviewing, acknowledging and agreeing to the terms and conditions stated on the Confirm Elections page and in the Exchange Offer documents, submit your election. If you do not acknowledge and agree to the terms and conditions, you will not be permitted to submit your election.
5. Upon submitting your election, a Confirmation Email will be generated by the Exchange Offer Website. Please print and keep a copy of the confirmation statement for your records. A copy of the

confirmation statement will also be sent to your email. At this point, you will have completed the election process via the Exchange Offer Website.

We must receive your properly completed and submitted election by the expiration of the Exchange Offer, currently expected to be 11:59 p.m., Eastern Time, on December 1, 2023.

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

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

To validly tender your Eligible Options pursuant to the Exchange Offer, you must remain an Eligible Employee and your employment with us must not have terminated for any reason, including due to your voluntary resignation, retirement, involuntary termination, layoff, death or disability, prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them.

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

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

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

*Our Acceptance Constitutes an Agreement.*

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

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

#### Section 4. Withdrawal Rights.

You may change an election you previously made with respect to some or all of your Eligible Options, including an election to withdraw all of your Eligible Options from this Exchange Offer, only in accordance with the provisions of this section. Just as you may not tender only part of an Eligible Option grant, you also may not withdraw your election with respect to only a portion of an Eligible Option grant. If you elect to withdraw a previously tendered Eligible Option grant, you must withdraw the entire Eligible Option, but you are not required to withdraw any other tendered Eligible Options.

We will permit any Eligible Options tendered in the Exchange Offer to be withdrawn at any time during the period the Exchange Offer remains open. Please note that, upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time. In addition, although we intend to accept all validly tendered Eligible Options promptly after the Expiration Time, due to certain requirements under U.S. securities laws, if we have not accepted your tendered Eligible Options by 11:59 p.m. Eastern Time on December 28, 2023 (which is the 40th business day following the commencement of the offer), you may withdraw your Eligible Options at any time thereafter but prior to our acceptance.

**Procedure for valid election changes and withdrawals** Election changes and withdrawals via the Exchange Offer Website can be processed using the following process:

The procedure for the valid election to exchange options is outlined below:

1. Click on the link to the Exchange Offer Website in the announcement email you received on November 2, 2023, announcing the Exchange Offer, or go to the Exchange Offer Website at <https://equitysolutions.aon.com/UWSO/Participant/>. Log in to the Exchange Offer Website using the login instructions provided to you in the announcement email (or if you previously logged into the Exchange Offer Website, your updated login credentials).
2. After logging in to the Exchange Offer Website, review the information and proceed through to the “Election Form” page. You will be provided with personalized information regarding each eligible option grant you hold, including:
  - the grant date of the Eligible Option;
  - the per share exercise price of the Eligible Option;
  - the number of shares of our common stock subject to each Eligible Option and the number of such shares that are vested as of November 2, 2023 (assuming vesting in accordance with the applicable vesting schedule, and no exercise or early termination occurs, through such date);
  - the number of shares of our common stock subject to the New RSU grant that would be granted in exchange for each Eligible Option; and
  - the vesting schedule of each New RSU grant.
3. On the “Election Form” page, make your selection next to each of your Eligible Options to indicate which Eligible Options you choose to exchange in the Exchange Offer by selecting “Exchange for New RSU” or choose not to exchange in the Exchange Offer by selecting “Do Not Exchange.”
4. Proceed through the Exchange Offer Website by following the instructions provided. Review your election and confirm that you are satisfied with your election. After reviewing, acknowledging and agreeing to the terms and conditions stated on the Confirm Elections page and in the Exchange Offer documents, submit your election. If you do not acknowledge and agree to the terms and conditions, you will not be permitted to submit your election.
5. Upon submitting your election, a Confirmation Email will be generated by the Exchange Offer Website. Please print and keep a copy of the confirmation statement for your records. A copy of the

confirmation statement will also be sent to your email. At this point, you will have completed the election process via the Exchange Offer Website.

You are responsible for making sure that, if you wish to withdraw tendered Eligible Options, your election form on the Exchange Offer Website (the "**Election Form**") is delivered via the Exchange Offer website as indicated in Section 3 above.

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

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

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

Upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time, unless extended. On the New RSU Grant Date, we expect to cancel the Eligible Options we have accepted in exchange for the grant of the New RSUs with the New RSU Terms. If the Expiration Time is extended, then the New RSU Grant Date will be similarly extended.

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

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

#### **Section 6. Conditions of the Exchange Offer.**

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

- there shall have been threatened or instituted any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or other person, domestic or foreign, before any court, authority, agency or tribunal that (i) directly or indirectly challenges the making of the Exchange Offer or the exchange of some or all of the Eligible Options tendered for exchange, (ii) otherwise relates in any manner to the Exchange Offer, or (iii) in our reasonable judgment, could materially affect our business, condition (financial or other), assets, income, operations, prospects or stock ownership;

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

our earnings in connection with the Exchange Offer, other than as contemplated as of the commencement date of this Exchange Offer (as described in Section 11 of this Offering Memorandum, “**Accounting Consequences of this Exchange Offer**”);

- any changes occur in our business, financial condition, assets, income, operations, prospects or stock ownership that, in our reasonable judgment, is or may be material to Stoke Therapeutics;
- Any event or events occur that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to Stoke Therapeutics (see Section 2 of this Offering Memorandum, “**Purpose of the Exchange Offer; Additional Consideration**,” for a description of the contemplated benefits of the Exchange Offer to Stoke Therapeutics); and
- Any rules or regulations by any governmental authority, Nasdaq, or other regulatory or administrative authority or any national securities exchange have been enacted, enforced, or deemed applicable to us that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to Stoke Therapeutics (see Section 2 of this Offering Memorandum, “**Purpose of the Exchange Offer; Additional Consideration**,” for a description of the contemplated benefits of the Exchange Offer to Stoke Therapeutics).

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

#### Section 7. Price Range of Our Common Stock.

The Eligible Options give Eligible Employees the right to purchase shares of our common stock at a fixed exercise price. None of the Eligible Options are traded on any trading market. Our common stock trades on Nasdaq under the symbol “*STOK*.”

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

<b>Year Ending December 31, 2022</b>	<b>High</b>	<b>Low</b>
First Quarter	\$26.60	\$16.62
Second Quarter	\$24.97	\$ 9.55
<b>Year Ended December 31, 2021</b>	<b>High</b>	<b>Low</b>
First Quarter	\$71.58	\$35.40
Second quarter	\$41.60	\$28.80
Third quarter	\$34.83	\$23.22
Fourth quarter	\$33.06	\$17.76
<b>Year Ended December 31, 2020</b>	<b>High</b>	<b>Low</b>
First quarter	\$34.69	\$15.82
Second quarter	\$30.39	\$19.00
Third quarter	\$37.88	\$22.10
Fourth quarter	\$64.54	\$33.26

As of September 18, 2023, we had 6 stockholders of record, and 44,293,115 shares of our common stock were issued and outstanding. Because brokers and other institutions hold many of our shares on behalf of stockholders,



we are unable to estimate the total number of beneficial stockholders represented by these record holders. On October 30, 2023, the closing price for our common stock as reported on Nasdaq was \$3.57 per share. We recommend that you obtain current market quotations for our common stock before deciding whether or not to tender your Eligible Options for exchange. The price of our common stock has been, and in the future may be, volatile and could decline. The trading price of our common stock has fluctuated in the past and is expected to continue to do so in the future as a result of a number of factors, many of which are outside our control. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies and that have often been unrelated or disproportionate to the operating performance of those companies.

**Among other things, you should evaluate current market quotations for shares of our common stock before deciding whether or not to accept this offer.**

#### **Section 8. Source and Amount of Consideration; Terms of New RSUs.**

##### ***Consideration***

We will grant New RSUs in exchange for Eligible Options properly elected to be exchanged by Eligible Employees and accepted by us for exchange. New RSUs are equity awards under which Stoke Therapeutics promises to issue shares in the future, provided the vesting criteria are satisfied. Subject to the terms and conditions of this Exchange Offer, upon our acceptance of your properly tendered Eligible Options, you will be entitled to receive a lesser number of New RSUs as described in Section 2 of this Offer to Exchange. Fractional RSUs will be rounded down to the nearest whole RSU or nearest whole share on a grant-by-grant basis. Fractional RSUs will not be granted in the Exchange Offer. You do not have to make any cash payment to Stoke Therapeutics to receive your New RSUs. You also do not have to make any cash payment to Stoke Therapeutics to receive the shares subject to the New RSUs upon vesting. The receipt of shares upon vesting of New RSUs will be subject to taxation as described in Section 13 of this Offer to Exchange. In addition, you may incur brokerage and/or wire fees if you sell shares of Stoke Therapeutics common stock issued to you upon vesting of New RSUs.

If we receive and accept tenders from Eligible Employees of all Eligible Options, options to purchase an aggregate of 4,050,742 shares would be surrendered and we will grant New RSUs covering a total of approximately 1,079,887 shares of Stoke Therapeutics common stock.

The following description summarizes the material terms of the 2019 Plan. Our statements in this Exchange Offer concerning the 2019 Plan and the New RSUs are merely summaries and do not purport to be complete. The statements are subject to, and are qualified in their entirety by reference to, the 2019 Plan, the form of RSU agreement under the 2019 Plan and the form of option agreement under the 2014 Plan and the 2019 Plan. Each of these documents is included as an exhibit to the Schedule TO, which is available on the SEC website at [www.sec.gov](http://www.sec.gov). You may also visit your E\*Trade account to download a copy of these documents. We will promptly furnish to you copies of these documents upon request at our expense.

##### ***2019 Equity Incentive Plan***

The 2019 Plan permits the granting of Incentive Stock Options, Non-qualified Stock Options, restricted stock, RSUs, stock appreciation rights and certain other awards. As of June 30, 2023, the number of shares subject to equity awards outstanding under the 2019 Plan was 8,563,680. The 2019 Plan is administered by the Compensation Committee of our Board. Subject to the other provisions of the 2019 Plan, our Compensation Committee has the power to determine the terms, conditions and restrictions of the awards granted under the 2019 Plan, including the number of shares subject to an award and the vesting criteria.

### **General Terms of New RSUs**

New RSUs will be granted under the 2019 Plan and will be subject to an RSU agreement between you and Stoke Therapeutics. RSUs are a different type of equity award than stock options and, therefore, the terms and conditions of the New RSUs will vary from the terms and conditions of the Eligible Options that you tendered for exchange. You should also note that the vesting schedule of your New RSUs will differ from your exchanged Eligible Options, as described below.

Options represent the right to purchase shares (“exercise”) of Stoke Therapeutics common stock at a fixed price for a specified term (generally ten years from the date of grant, subject to earlier termination in the event of your termination of employment or Service), and options are generally subject to a time-based vesting schedule that requires your continued employment or Service. Each New RSU will represent a right to receive one share of common stock of Stoke Therapeutics on a specified future date but only if the New RSU vests. Your New RSUs will not have a cash purchase price and you do not have to make any cash payment to Stoke Therapeutics to receive your New RSUs or the shares upon vesting, though the receipt of shares will be subject to taxation and withholding requirements.

- New RSUs granted in exchange for the vested shares underlying Eligible Options will be subject to a new vesting schedule and will vest on the first anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service (as defined in the 2019 Plan) with the Company on such date.
- New RSUs granted in exchange for the unvested shares underlying Eligible Options will be subject to a new vesting schedule such that 50% of the shares will vest on the first anniversary of the New RSUs Grant Date and the remaining 50% of the shares will vest on the second anniversary of the New RSUs Grant Date, subject to the Eligible Employee’s continued employment or Service with the Company on each such date.

New RSUs generally may not be transferred, other than by will or the laws of descent and distribution, unless indicated otherwise in your RSU agreement.

### **Registration and Sale of Shares Underlying New RSUs**

All of the shares of our common stock issuable upon the vesting of the New RSUs have been registered under the U.S. Securities Act of 1933, as amended, or the Securities Act on registration statements on Form S-8 filed with the SEC. Unless you are an employee who is considered an affiliate of Stoke Therapeutics for purposes of the Securities Act, you will be able to sell the shares issuable upon vesting of your New RSUs free of any transfer restrictions under applicable U.S. securities laws.

### **U.S. Federal Income Tax Consequences**

You should refer to Section 13 of this Offer to Exchange for a discussion of the U.S. federal income tax consequences of the New RSUs and exchanged Eligible Options, as well as the consequences of accepting or rejecting this offer. If you are a citizen or tax resident of the U.S. and are also subject to the tax laws of another non-U.S. jurisdiction, you should be aware that there might be other tax and social insurance contribution consequences that may apply to you. Certain Eligible Employees may be subject to the tax laws in the U.S. and to the tax laws in other jurisdictions. We strongly recommend that you consult with your personal legal counsel, accountant, financial, and/or tax advisor(s) to discuss the consequences to you of this transaction.

### **Section 9. Information Concerning Stoke Therapeutics; Financial Information.**

#### *Information Concerning Stoke Therapeutics.*

We are a biotechnology company dedicated to addressing the underlying cause of severe diseases by upregulating protein expression with RNA-based medicines. Using our proprietary TANGO (Targeted

Augmentation of Nuclear Gene Output) approach, we are developing antisense oligonucleotides to selectively restore protein levels to help people with severe genetic epilepsies and other diseases that are caused by an individual gene. Our lead program is a potentially disease-modifying treatment for Dravet syndrome, a severe and progressive form of genetic epilepsy. Beyond genetic epilepsies, we are advancing several other early programs, with an initial focus on haploinsufficient diseases of the central nervous system and the eye.

We are a Delaware corporation. We maintain our principal executive offices at 45 Wiggins Avenue, Bedford, Massachusetts 01730. Our telephone number is (781) 430-8200. We maintain a corporate website at [www.stoketherapeutics.com](http://www.stoketherapeutics.com) as well as various product websites. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Exchange Offer.

*Financial Information.*

This Offering Memorandum should be read in conjunction with the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K (File No. 001-38938) for the year ended December 31, 2022, filed with the SEC on March 6, 2023 (our “*Annual Report*”), and in our Quarterly Reports on Form 10-Q (File No. 001-38938) for the quarters ended March 31, 2023 and June 30, 2023, filed with the SEC on May 4, 2023 and August 7, 2023, respectively (our “*Quarterly Reports*”), which are incorporated herein by reference.

*Additional Information.*

For more information about Stoke Therapeutics, please refer to our Annual Report, our Quarterly Reports and our other filings made with the SEC. We recommend that you review the materials that we have filed with the SEC before making a decision on whether or not to tender your Eligible Options. We will also provide without charge to you, upon your written or oral request, a copy of any or all of the documents to which we have referred you. See Section 16 (“*Additional Information*”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review such reports.

**Section 10. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities.**

Our non-employee members of our Board are not eligible to participate in the Exchange Offer. Accordingly, none of these individuals are Eligible Employees, and they do not hold any Eligible Options. Our executive officers, including named executive officers, are eligible to participate in the Exchange Offer.

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

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

**Section 11. Accounting Consequences of the Exchange Offer.**

We have adopted the provisions of the Financial Accounting Standard Board’s *Accounting Standards Update 2014-12, Compensation—Stock Compensation (Topic 718)* (“*ASC Topic 718*”) regarding accounting for share-

based payments. Under ASC Topic 718, we will recognize the grant date fair value of the tendered Eligible Options plus the incremental compensation cost of the New RSUs. The incremental compensation cost will be measured as the excess, if any, of the fair value of the New RSUs over the fair value of the original Eligible Options prior to exchange. The fair value of New RSUs will be measured as of the New RSU Grant Date and the fair value of the Eligible Options surrendered will be measured as of the Expiration Time. This incremental compensation cost will be recognized in compensation expense ratably over the vesting period of the New RSUs.

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

#### **Section 12. Legal Matters; Regulatory Approvals.**

The Exchange Offer is required to comply with the SEC's rules and regulations, including the requirements of Schedule TO. We are not aware of any material pending or threatened legal actions or proceedings relating to the Exchange Offer. We are not aware of any margin requirements or anti-trust laws applicable to the Exchange Offer. We are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acceptance of Eligible Options for exchange and grant of New RSUs as contemplated by the Exchange Offer, or of any regulatory requirements that we must comply with or approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the completion of the Exchange Offer as contemplated herein. Should any such compliance or approval or other action be required, we currently contemplate that we will use commercially reasonable efforts to comply with such requirements or seek such approval or take such other action. We cannot assure you that any such compliance or approval or other action, if needed, would be achieved or obtained or would be achieved or obtained without substantial conditions or that the failure to achieve such compliance or obtain any such approval or other action would not adversely affect our business. Our obligation under the Exchange Offer to accept tendered Eligible Options for exchange and to grant New RSUs with the New RSU Terms would be subject to achieving such compliance or obtaining any such governmental approval or other action.

#### **Section 13. Material United States Tax Consequences.**

The following is a summary of the anticipated material United States federal income tax consequences of the Exchange Offer. This discussion is based on the U.S. Internal Revenue Code, its legislative history, treasury regulations promulgated thereunder, and administrative and judicial interpretations as of the date of this Exchange Offer, all of which are subject to change, possibly on a retroactive basis. This tax summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to apply in all respects to all categories of Eligible Employees. This summary does not address applicable state, local or non-U.S. taxes to which you may be subject. In addition, the tax consequences for individuals who are subject to the tax laws of a country other than the United States or of more than one country may differ from the United States federal income tax consequences summarized herein. The rules governing the tax treatment of stock options are complex.

The Exchange Offer is expected to be treated as a non-taxable exchange for U.S. federal income tax purposes, and we and Eligible Employees will not recognize income for U.S. federal income tax purposes upon the surrender of Eligible Options and grant of New RSUs.

**We strongly recommend that you consult your personal legal counsel, accountant, financial, and/or tax advisor(s) with respect to the federal, state, local and foreign tax consequences of participating in the Exchange Offer, as the tax consequences to you are dependent on your individual tax situation.**

*Tax Effects of Rejecting the Offer*

To the extent the Exchange Offer remains open for 30 calendar days (or longer), then all eligible incentive stock options intended to qualify as eligible incentive stock option under Section 422 of the Code ("**Incentive Stock Options**" or "**ISOs**") which are not accepted in the Exchange Offer will be considered "modified." If any of your Eligible Options are currently treated as ISOs your Eligible Options may cease to be treated as ISOs. If the fair market value of our common stock as of the Expiration Time is less than the exercise price currently in effect for your Eligible Options, the Board can take action to "retest" your Eligible Options to determine if they can again be treated as ISOs. However, even if they can again be treated as ISOs, your 2-Year Holding Period (as defined below) under your Eligible Options (as further described below in the section called "**Taxation of Incentive Stock Options**") will start over on the original Expiration Time.

*Tax Effects of Accepting the Offer*

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

*Taxation of Incentive Stock Options*

Generally, an optionholder will not recognize any income, gain or loss on the granting of an ISO. Upon the exercise of an ISO, an optionholder is typically not subject to United States federal income tax except for the possible imposition of alternative minimum tax. Rather, the optionholder is taxed for United States federal income tax purposes at the time he or she disposes of the stock subject to the option.

If the date upon which the optionholder disposes of the stock subject to an ISO is more than two years from the date on which the ISO was granted (the "**2-Year Holding Period**") and more than one year from the date on which the optionholder exercised the option (the "**1-Year Holding Period**"), then the optionholder's entire gain or loss is characterized as long-term capital gain or loss, rather than as ordinary income. However, if the optionholder fails to satisfy either the 2-Year Holding Period or the 1-Year Holding Period, then a portion of the optionholder's gain from the sale of the stock subject to the ISO will be characterized as ordinary income and a portion may be short-term capital gain if the 1-Year Holding Period has not been satisfied. The portion that is characterized as ordinary income will be equal to the lesser of (a) the excess of the fair market value of the stock on the date of exercise over the exercise price of the option and (b) the excess of the sale price over the exercise price of the option. This deferral of the recognition of tax until the time of sale of the stock, as well as the possible treatment of the "spread" as long-term capital gain, are the principal advantages of your options being treated as ISOs.

If you tender your Eligible Options for exchange in the Exchange Offer, you will lose the benefits of ISOs. Your New RSUs will be subject to different tax treatment, as described below. Likewise, if you do not tender your Eligible Options that are ISOs, they may nonetheless cease to be treated as ISOs as discussed above under "*Tax Effects of Rejecting the Offer*".

*Taxation of Nonstatutory Stock Options ("NSOs")*

Generally, an optionholder will not recognize any income, gain or loss on the granting of an NSO. Upon the exercise of an NSO, an optionholder will recognize ordinary income on each purchased share equal to the

difference between the fair market value of the stock on the date of exercise and the exercise price of the NSO. Such gain will be subject to withholding for income, employment and payroll taxes, and such withholding must be satisfied as a condition to such exercise.

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

#### *Taxation of Restricted Stock Units*

Generally, an individual will not recognize any income, gain or loss on the granting of an RSU. Upon the vesting of an RSU and the issuance of the vested RSU shares, an individual will recognize ordinary income on each issued share equal to the fair market value of the shares on the date of issuance. At the time we deliver the shares to you, we will have an obligation to withhold applicable income taxes as well as social security taxes, taxes, and these tax withholding obligations will be satisfied in the manner specified in the 2019 Plan and the award agreement between you and Stoke thereunder governing the RSU, including any applicable sub-plans, appendices or addenda thereto.

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

#### *Material Non-U.S. Tax Consequences*

The tax consequences for individuals employed by us or providing services to us outside of the U.S. and individuals otherwise subject to income tax and social insurance contributions outside of the U.S. may differ from the U.S. federal income tax consequences summarized above and will depend on the tax rules and regulations in the applicable jurisdiction.

**We strongly recommend that you consult your personal legal counsel, accountant, financial, and/or tax advisor(s) with respect to the federal, state, local and foreign tax consequences of participating in the offer.**

**In addition, if you are a resident of more than one country, you should be aware that there might be tax and social insurance consequences for more than one country that may apply to you. We strongly recommend that you consult with your personal legal counsel, accountant, financial, and/or tax advisor(s) to discuss the consequences to you of this transaction.**

#### **Section 14. Extension of the Exchange Offer; Termination; Amendment.**

We may, from time to time, extend the period of time during which the Exchange Offer is open and delay accepting any Eligible Options tendered to us by disseminating notice of the extension to Eligible Employees by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by Rule 13e-4(e)(3) under the Exchange Act. If the Exchange Offer is extended, we will provide appropriate notice of the extension and the new Expiration Time no later than 9:00 a.m. Eastern Time on the next business day following the previously scheduled Expiration Time. For purposes of the Exchange Offer, a "business day" means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:00 a.m. through 11:59 p.m., Eastern Time.

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

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

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

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

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

#### **Section 15. Considerations; Fees and Expenses.**

Subject to the terms and conditions of this Exchange Offer, upon our acceptance of your properly tendered Eligible Options, you will be entitled to receive New RSUs calculated using an exchange ratio based on the exercise price of your tendered Eligible Options, as described in Section 1 of this Offering Memorandum. New RSUs will be unvested as of the New RSU Grant Date, as described in Section 1 of this Offering Memorandum.

If we receive and accept tenders from Eligible Employees of all Eligible Options (comprising a total of options to purchase 4,050,742 shares outstanding as of October 30, 2023) subject to the terms and conditions of this Exchange Offer, we will grant New RSUs covering a total of approximately 1,079,887 shares of common stock.

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

#### **Section 16. Additional Information.**

With respect to the Exchange Offer, we have filed the Schedule TO, as may be amended, of which the Exchange Offer is a part. The Exchange Offer document does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. Before making a decision on whether or not to tender your Eligible

Options, we highly recommend that you review the Schedule TO, as may be amended, including its exhibits, and the following materials that we have filed with the SEC:

- our Annual Report on Form 10-K for the year ended [December 31, 2022](#), filed with the SEC on March 6, 2023;
- our Quarterly Reports on Form 10-Q for the quarters ended [March 31, 2023](#) and [June 30, 2023](#), filed with the SEC on [May 4, 2023](#) and [August 7, 2023](#), respectively;
- our Definitive Proxy Statement on Schedule 14A for our 2023 Annual Meeting of Stockholders, filed with the SEC on [April 27, 2023](#) and amended on [May 24, 2023](#);
- our Definitive Proxy Statement on Schedule 14A for our Special Meeting of Stockholders, filed with the SEC on [September 28, 2023](#);
- our Current Reports on Form 8-K filed with the SEC on [March 15, 2023](#), [May 4, 2023](#), [June 20, 2023](#), [July 25, 2023](#), [August 7, 2023](#) and [September 20, 2023](#); and
- the description of our common stock contained in our Form 8-A filed with the SEC on [June 11, 2019](#), as updated by the description of our common stock contained in Exhibit 4.2 to our Annual Report on Form 10-K for the year ended [December 31, 2022](#) and including any amendments or reports filed for the purpose of updating such description.

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

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

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

#### **Section 17. Miscellaneous.**

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

WE ENCOURAGE YOU TO REVIEW THE RISK FACTORS CONTAINED IN OUR ANNUAL REPORT AND QUARTERLY REPORTS BEFORE YOU DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS PURSUANT TO THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION



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

We are pleased to announce that Stoke Therapeutics' Option Exchange Program opens today. You are receiving this email because you are eligible to exchange certain underwater options for a fewer number of new Restricted Stock Units (RSUs) with a substantially similar value. The Exchange Offer is currently scheduled to remain open through 11:59 p.m., Eastern Daylight Time, on December 1, 2023.

Stoke Therapeutics has chosen Aon to help with the administration of our Exchange Program. To access the Exchange Program Website, view information regarding your Eligible Options and make your election(s), you will first need to visit the following website to register.

- <https://equitysolutions.aon.com/UWSO/Participant/Account/Register>
- Provide the following registration code when prompted:
- Complete your registration using your work email address (@stoketherapeutics.com)

As noted above, you have until **11:59 p.m., Eastern Daylight Time, on December 1, 2023** to make election(s).

We plan to hold employee education sessions **today** on November 2 and again on November 8 to provide additional information about the Exchange Program.

Please understand that we cannot advise you on whether you should participate in the Exchange Program. Participation in the Exchange Program is entirely your decision and at your discretion, and you should decide whether to participate based on your personal circumstances and preferences. We strongly recommend that you closely review the Offer to Exchange materials, attend an employee education session and consult with your tax and financial advisors to address any questions you may have as you decide whether to participate.

**The Exchange Offer is being made pursuant to the terms and conditions set forth in Stoke Therapeutics, Inc.'s Tender Offer Statement on Schedule TO and the exhibits attached thereto, including the Offer to Exchange and the Offering Memorandum, filed with the Securities and Exchange Commission, which are available free of charge at [www.sec.gov](http://www.sec.gov) or on the Exchange Offer website located at <https://equitysolutions.aon.com/UWSO/Participant/>. You should read these written materials carefully because they contain important information about the Exchange Offer, including risks related thereto.**

*This is an automatically generated email. Please do not respond to this email as this mailbox is not monitored.*

From: [awardchoice@aon.com](mailto:awardchoice@aon.com) <[awardchoice@aon.com](mailto:awardchoice@aon.com)>  
Sent: Wednesday, November 1, 2023 10:24 AM  
To: [REDACTED]  
Subject: Confirmation of Receipt of Option Exchange Election

This email is to confirm receipt of your election(s) to participate or to decline in Stoke Therapeutics, Inc.'s Option Exchange Program through the Exchange Program Website. If you did not make an election and believe you are receiving this email in error, please contact [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com) for further instructions.

The elections that have been made to your account on 11/1/2023 are as follows:

Grants you have chosen to exchange:

- **Transaction #4552:** Grant Number [REDACTED] with [REDACTED] outstanding options was exchanged at a ratio of [REDACTED]. Following completion of the tender offer, you will have [REDACTED] of these new RSUs granted.

Grants you have chosen to not exchange:

- Grant Number: [REDACTED] at a ratio of [REDACTED] was not elected to be exchanged.
- Grant Number: [REDACTED] at a ratio of [REDACTED] was not elected to be exchanged.

Grants you previously chose to exchange and will remain as such:

- Grant Number [REDACTED] with [REDACTED] outstanding options was previously exchanged at a ratio of [REDACTED]. Upon completion of the election period, you will have [REDACTED] of these new RSUs granted.
- Grant Number [REDACTED] with [REDACTED] outstanding options was previously exchanged at a ratio of [REDACTED]. Upon completion of the election period, you will have [REDACTED] of these new RSUs granted.
- Grant Number [REDACTED] with [REDACTED] outstanding options was previously exchanged at a ratio of [REDACTED]. Upon completion of the election period, you will have [REDACTED] of these new RSUs granted.

If you have any questions regarding these changes, please contact [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com) and reference the transaction numbers listed above.

Your election(s) may be changed or withdrawn at any time before **11:59 p.m., Eastern Daylight Time, on Friday, December 1, 2023**. You can request copies of documents relating to the Option Exchange by email to [ExchangeQuestions@StokeTherapeutics.com](mailto:ExchangeQuestions@StokeTherapeutics.com).

The Exchange Offer is being made pursuant to the terms and conditions set forth in Stoke Therapeutics, Inc.'s Tender Offer Statement on Schedule TO and the exhibits attached thereto, including the Offer to Exchange and the Offering Memorandum, filed with the Securities and Exchange Commission, which are available free of charge at [www.sec.gov](http://www.sec.gov) or on the Exchange Offer website located at <https://www.equitysolutions.aon.com/UW50/Participant/>. You should read these written materials carefully because they contain important information about the Exchange Offer, including risks related thereto.

*This is an automatically generated email. Please do not respond to this email as this mailbox is not monitored.*

As an Eligible Employee in Stoke Therapeutics' Exchange Program to exchange Eligible Options for New RSUs (restricted stock units), we are pleased to inform you that the Exchange Offer is still open and you can make or change your election(s) until the Exchange Offer expires at **11:59 p.m., Eastern Daylight Time, on December 1, 2023.**

To access the Exchange Program Website, view information regarding your Eligible Options and make your election(s), you will first need to register at the following website.

- <https://equitysolutions.aon.com/UWSO/Participant/Account/Register>
- Provide the following registration code when prompted:
- Complete your registration using your work email address (@stoketherapeutics.com)

If you have already registered, log in using the URL above with the username and password you created when you registered.

Please understand that we cannot advise you on whether you should participate in the Exchange Program. Participation in the Exchange Program is entirely your decision and at your discretion, and you should decide whether to participate based on your personal circumstances and preferences. We strongly recommend that you closely review the Offer to Exchange materials, attend an employee education session and consult with your tax and financial advisors to address any questions you may have as you decide whether to participate.

**The Exchange Offer is being made pursuant to the terms and conditions set forth in Stoke Therapeutics, Inc.'s Tender Offer Statement on Schedule TO and the exhibits attached thereto, including the Offer to Exchange and the Offering Memorandum, filed with the Securities and Exchange Commission, which are available free of charge at [www.sec.gov](http://www.sec.gov) or on the Exchange Offer website located at <https://equitysolutions.aon.com/UWSO/Participant/>. You should read these written materials carefully because they contain important information about the Exchange Offer, including risks related thereto.**

*This is an automatically generated email. Please do not respond to this email as this mailbox is not monitored.*

## FAQ: About Offer to Exchange Eligible Options for Restricted Stock Units



### What is the Offer to Exchange Eligible Options for Restricted Stock Units (RSUs)?

The exchange offer (the “**Exchange Offer**”) is an offer for Eligible Employees (as defined below) to exchange significantly out-of-the-money or “underwater” stock options for new restricted stock units (“RSUs”) on an approximately value-neutral basis.

### Who is eligible to participate in the Exchange Offer?

The Exchange Offer is open to Eligible Employees. You are an “**Eligible Employee**” if: (i) you are a current employee of Stoke Therapeutics as of the date the Exchange Offer commences; and (ii) on the date which the surrendered Eligible Options (as defined below) are canceled, and the new RSUs are granted to replace them, you continue to be a current employee of Stoke Therapeutics. Advisers, consultants, contractors, and current or former non-employee directors are not Eligible Employees.

### What stock options are eligible to be exchanged in the Exchange Offer?

A stock option eligible to be tendered in the Exchange Offer (an “**Eligible Option**”) is an outstanding stock option (including both non-qualified stock options and incentive stock options) that has not been exercised and is: (i) held by an Eligible Employee on the date the Exchange Offer commences and continues to be held by an Eligible Employee through the expiration of the Exchange Offer (which is December 1, 2023, 11:59 p.m. Eastern Time, unless extended); (ii) was granted pursuant to the Stoke Therapeutics 2014 Equity Incentive Plan or the Stoke Therapeutics 2019 Equity Incentive Plan; and (iii) has a per share exercise price greater than or equal to \$14.00, which is the 52-week high trading price of Stoke’s common stock as of the launch of this Exchange Offer. For the purposes of clarity, only unexercised stock options are considered to be outstanding.

### Can I exchange some of my other stock options for RSUs?

No. Only the stock options indicated on the website for the Exchange Offer and as described as “Eligible Options” in this FAQ and the other Exchange Offer documents are eligible for this Exchange Offer.

### If I choose to participate in the Exchange Offer, do I have to exchange all of my Eligible Options?

No. If you hold more than one Eligible Option grant, you may elect to participate in the Exchange Offer on a grant- by-grant basis, meaning that you will be allowed to tender for exchange one option grant without tendering for exchange any other grants. However, if you elect to exchange an Eligible Option grant, you must elect to exchange the entire Eligible Option grant (i.e., all of the unexercised stock options that are subject to that Eligible Option grant).

### What is an RSU?

An RSU is an equity award in which a promise is made to issue stock, usually at no cost, when vesting restrictions have been met. We have general education materials on the Finance Page of StokeCENTRAL that provides some helpful information on RSUs.

**How many RSUs will I receive if I exchange my Eligible Options?**

The number of new RSUs exchanged for Eligible Options will depend on the strike price of the options that are being exchanged. Refer to the following chart to see the exchange ratio for each strike price range.

Exchange Ratio	Strike Price Range
3.20 for 1	\$14.00 to \$29.99
5.30 for 1	\$30.00 to \$39.99
7.50 for 1	\$40.00 to \$49.99
7.70 for 1	\$50.00 to \$59.99
7.75 for 1	\$60.00 and Above

The exchange ratios were calculated to approximate a “value-for-value” exchange, meaning that they were determined in a manner intended to result in the grant of a new RSU with an aggregate fair value that is approximately the same as the aggregate fair value of the Eligible Options the new RSU replaces.

**If I participate in the Exchange Offer, what is the vesting on the new RSUs?**

All RSUs issued in the Exchange Offer will be subject to the new vesting schedule, regardless of whether the tendered Eligible Options were vested or unvested at the time of exchange. The new vesting schedule of the RSUs will depend on whether the options exchanged were vested or not. RSUs received in exchange for vested options will vest on the first anniversary of the date on which the Eligible Options are surrendered and the new RSUs are granted. RSUs received in exchange for unvested options will vest 50% on the first anniversary of the grant date and the remaining 50% will vest on the second anniversary of the grant date. The vesting of all RSUs received in the exchange is subject to you remaining in continuous service with Stoke Therapeutics on each applicable vesting date.

**If I exchange Eligible Options that have already vested, will any of the RSUs I receive also be vested?**

No. All RSUs issued in the Exchange Offer will be subject to the new vesting schedule, regardless of whether the tendered Eligible Options were vested or unvested at the time of exchange. For example, an Eligible Option that has a four-year vesting schedule that vested in equal installments on each of December 31, 2021, 2022, 2023 and 2024 would be exchanged for RSUs that would not be vested on the date of their grant. Because only 50% of the Eligible Option (the 2021 and 2022 installments) is vested at the time of the exchange, 50% of the RSUs received would have a vesting schedule of 1 year and vest on the first anniversary of the date on which the New RSUs are granted. The other 50% of the RSUs received in exchange for the 50% of the Eligible Option (the 2023 and 2024 installments) that is unvested at the time of the exchange would have a vesting schedule of 2 years and vest in equal installments on each of the first and second anniversaries of the date on which the New RSUs are granted.

**Why are we exchanging options for RSUs?**

Stock incentive awards are an essential part of Stoke’s total compensation structure. These awards provide each employee with an incentive to contribute to our success and to stay with the company. Our team members have indicated that they view their underwater options as having little or no value. We believe this exchange provides the best potential equity compensation value for employees with underwater options.

**What is the timeline of the Exchange Offer?**

The Exchange Offer commenced November 2, 2023, and will expire December 1, 2023 at 11:59 p.m. Eastern Time, unless extended. If we extend the offering period, we will issue a press release, email or other

communication dis-closing the extension no later than 9:00 a.m. Eastern Time, on December 4, 2023 (the U.S. business day following the previously scheduled completion date).

Eligible Options properly tendered in the Exchange Offer and accepted by us for exchange will be cancelled at the expiration of the Exchange Offer, and your RSUs will be granted with the terms described above promptly following the expiration of the Exchange Offer.

All options tendered will be subject to review by Stoke Therapeutics to confirm they were (i) Eligible Options and (ii) properly tendered. No tender of Eligible Options will be deemed to have been properly made until all defects or irregularities have been cured by the tendering Eligible Employee or waived by Stoke Therapeutics.

**Do I have to participate in the Exchange Offer?**

No. Participation in the Exchange Offer is completely voluntary. Any Eligible Options that you do not elect to tender for exchange will not be cancelled and will remain outstanding in accordance with their existing terms. *We encourage you to submit an election, even if you elect not to exchange any of your Eligible Options.*

We make no recommendation as to whether you should participate in the Exchange Offer. You must make your own decision whether to participate. You should speak with your financial, legal or tax advisors as necessary, before deciding whether to participate in the Exchange Offer.

**How do I participate in the Exchange Offer?**

Please take the time to educate yourself about the Exchange Offer by reviewing the resources and Offering Materials on the Exchange Offer website, available at <https://equitysolutions.aon.com/UWSO/Participant/>. If you choose to participate in the Exchange Offer, you must elect to do so through this website. To log into the website, please go to <https://equitysolutions.aon.com/UWSO/Participant/>. The first time you access the website, you will need to register for a new account and create a password. Your email address (which will also be your username) is your Stoke Therapeutics email address (name@stoketherapeutics.com). You will also need to provide the registration code previously emailed to you.

Please review the Exchange Offer website for more information and for instructions on how to elect to participate, change a prior election and withdraw your election before the end of the offering period. By making one or more elections in the Exchange Offer, you will be confirming that you have read these materials.

**Can I withdraw previously tendered Eligible Options?**

Yes. You may withdraw your tendered Eligible Options at any time before the Exchange Offer expires December 1, 2023 at 11:59 p.m. Eastern Time, unless extended.

You are responsible for making sure that you properly update your elections on the Exchange Offer website for any tendered Eligible Option that you wish to subsequently withdraw. You must allow sufficient time to complete and submit your new election on the Exchange Offer website to ensure that we receive it before the Expiration Time.

Once you have withdrawn Eligible Options, you may re-tender such Eligible Options by making a new election on the Exchange Offer website prior to the Expiration Time.

**If I participate in the Exchange Offer, will I be taxed?**

Neither the acceptance of your Eligible Options for exchange nor the grant of any new RSU will be a taxable event for U.S. federal income tax purposes. However, the vesting of the new RSU is a taxable event.

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

**Are there tax considerations relating to my Eligible Options that are Incentive Stock Options?**

Because the Exchange Offer is expected to remain open for 30 calendar days all eligible Incentive Stock Options which are not accepted in the Exchange Offer will be considered "modified." This will result in a deemed re-grant of such Incentive Stock Options such that the date of grant for purposes of the two-year holding period necessary to receive favorable U.S. tax treatment for your Incentive Stock Options will restart. The result of such a modification is that your Eligible Options may continue to be Incentive Stock Options (subject to the limitations on Incentive Stock Options under U.S. tax rules), but the date of grant for purposes of the Incentive Stock Option holding periods applicable to such Eligible Options will be the date the Exchange Offer commenced (November 2, 2023). Stock options that are not Eligible Options (i.e. those with an exercise price less than \$14.00) will not be impacted by the Exchange Offer.

**If I participate in the Exchange Offer, how will I receive my RSUs?**

If you elect to participate in the Exchange Offer, you will receive an email from E\*TRADE that will direct you to go to E\*TRADE to review and accept your newly issued RSUs. The RSUs will be held at E\*Trade.

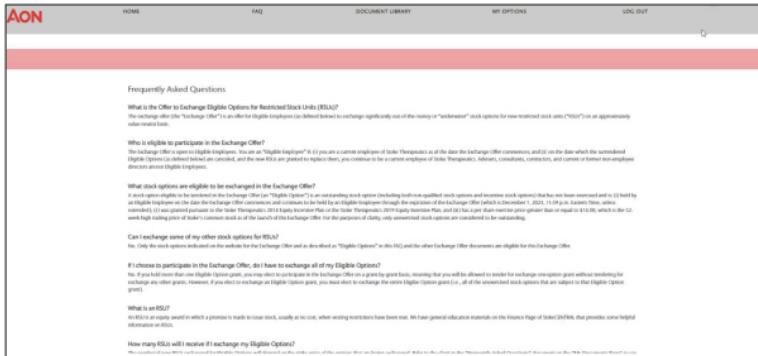
Please note that it may take a few weeks from the expiration of the Exchange Offer for you to receive an email related to your RSUs and for the grant of RSUs to be reflected in your online E\*TRADE account. If your account has not been updated for the RSUs within a few weeks following the expiration of the Exchange Offer, please contact [ExchangeQuestions@stoketherapeutics.com](mailto:ExchangeQuestions@stoketherapeutics.com). You will receive the shares of common stock subject to your RSUs if and when your RSUs vest.

**Who should I contact with questions?**

If you have any questions, please email [ExchangeQuestions@stoketherapeutics.com](mailto:ExchangeQuestions@stoketherapeutics.com)



Website Screenshots



Information in this

**How many RSUs will I receive if I exchange my Eligible Options?**

The number of new RSUs exchanged for Eligible Options will depend on the strike price of the options that are being exchanged. Refer to the chart in the "Eligible Incentive Options" document on the "My Documents Page" on the Exchange Offer for each strike price. The Exchange Offer does not have a "cash for stock" exchange, meaning that they were determined a certain number of shares of RSUs that an option holder can receive for each share of the aggregate fair value of the Eligible Options for each strike price.

**If I participate in the Exchange Offer, what is the vesting on the new RSUs?**

All RSUs issued in the Exchange Offer will be subject to the same vesting schedule, regardless of whether the underlying Eligible Options were vested or unvested at the time of exchange. The new vesting schedule of the RSUs will depend on whether the options exchanged were vested or not. RSUs received in exchange for vested options will vest on the first anniversary of the date on which the Eligible Options are surrendered and the new RSUs are granted. This accelerated vesting for accelerated options will only apply for the anniversary of the grant date of the underlying RSUs and not the second anniversary of the grant date. The vesting of all RSUs issued in the exchange is subject to you remaining in continuous service with Intel throughout each applicable vesting date.

**If I exchange Eligible Options that have already vested, will any of the RSUs I receive also be vested?**

All RSUs issued in the Exchange Offer will be subject to the same vesting schedule, regardless of whether the underlying Eligible Options were vested or unvested at the time of exchange. For example, an Eligible Option that has a four year vesting schedule that would be equal to 25% of the total RSUs granted on each of December 1, 2021, 2022, 2023 and 2024 would be exchanged for RSUs that would vest on the date of their grant. Because only 25% of the Eligible Options were vested at the time of the Exchange Offer, the RSUs will be granted with a vesting schedule of 25% per year for the anniversary of the date on which the RSUs are granted. The other 75% of the RSUs received in exchange for the 25% of the Eligible Options that were not vested will be granted with a vesting schedule of 25% per year and will be equal to 25% of the total RSUs received in exchange for each of the RSUs that were not vested at the time of the Exchange Offer.

**Why are we exchanging options for RSUs?**

Intel has implemented an accelerated vesting structure. This award provides each employee with an incentive to contribute to our success and to stay with the company. Our team members have indicated that they view their outstanding options as being tied to our success. We believe this exchange provides the best practical equity compensation value for employees with outstanding options.

**What is the timeline of the Exchange Offer?**

The Exchange Offer commences on December 1, 2021, at 11:59 p.m. Eastern Time, unless extended. We will email all eligible periods. We will issue a press release, email or other communication detailing the execution of Intel's RSU Exchange Offer on December 1, 2021 (the "Exchange Offer"). Business days following the previously scheduled completion date. Eligible Options properly tendered in the Exchange Offer and accepted by Intel in exchange will be considered as the expiration of the Exchange Offer, and RSUs will be granted with the terms described above promptly following the expiration of the Exchange Offer. All options tendered will be subject to Intel's Terms and Conditions to confirm they were (i) Eligible Options and (ii) properly tendered. For tender of Eligible Options will not be deemed to have been properly made until all actions or regulations have been taken by the necessary Intel employees as required by Intel's Terms and Conditions.

**Do I have to participate in the Exchange Offer?**

No, participation in the Exchange Offer is completely voluntary. Any Eligible Options that you do not elect to tender for exchange will not be cancelled and will remain outstanding in accordance with their existing terms. We encourage you to submit an election, even if you elect not to exchange any of your Eligible Options. We believe the accelerated vesting of RSUs will be a benefit to you. You should participate in the Exchange Offer. You may trade your own decision whether to participate. You should speak with your financial, legal or tax adviser as necessary, before deciding whether to participate in the Exchange Offer.

**How do I participate in the Exchange Offer?**

Please refer to the tender period above the Exchange Offer by reviewing the instructions and offering materials on the Exchange Offer website, available at <https://myintelsupport.com/RSUExchange>. If you choose to participate in the Exchange Offer, you must elect to do so through the website. To be able to tender, please go to <https://myintelsupport.com/RSUExchange>. The first time you access the website, you will need to register for a new account and create a password. Your email address which will also be your username for your Intel's Terms and Conditions website (<https://myintelsupport.com/RSUExchange>). You will also need to provide the registration code provided to you. Please review the Exchange Offer website for more information and for instructions on how to elect to participate, change a password and whether your election before the end of the offering period. By making an election to participate in the Exchange Offer, you will be confirming that you have read these instructions.

Company: Intel | Symbol: INTC | Location: Lincoln, Nebraska | © 2021 Intel Corp.

If the exchange will be extended or the expiration of the Exchange Offer, you may have the option to tender your options before the expiration of the Exchange Offer. The expiration date for options tendered in the Exchange Offer will be the expiration date of the underlying Eligible Options and (ii) properly tendered. For tender of Eligible Options will not be deemed to have been properly made until all actions or regulations have been taken by the necessary Intel employees as required by Intel's Terms and Conditions.

**Do I have to participate in the Exchange Offer?**

No, participation in the Exchange Offer is completely voluntary. Any Eligible Options that you do not elect to tender for exchange will not be cancelled and will remain outstanding in accordance with their existing terms. We encourage you to submit an election, even if you elect not to exchange any of your Eligible Options. We believe the accelerated vesting of RSUs will be a benefit to you. You should participate in the Exchange Offer. You may trade your own decision whether to participate. You should speak with your financial, legal or tax adviser as necessary, before deciding whether to participate in the Exchange Offer.

**How do I participate in the Exchange Offer?**

Please refer to the tender period above the Exchange Offer by reviewing the instructions and offering materials on the Exchange Offer website, available at <https://myintelsupport.com/RSUExchange>. If you choose to participate in the Exchange Offer, you must elect to do so through the website. To be able to tender, please go to <https://myintelsupport.com/RSUExchange>. The first time you access the website, you will need to register for a new account and create a password. Your email address which will also be your username for your Intel's Terms and Conditions website (<https://myintelsupport.com/RSUExchange>). You will also need to provide the registration code provided to you. Please review the Exchange Offer website for more information and for instructions on how to elect to participate, change a password and whether your election before the end of the offering period. By making an election to participate in the Exchange Offer, you will be confirming that you have read these instructions.

**Can I withdraw previously tendered Eligible Options?**

No, you may not withdraw previously tendered Eligible Options if you have tendered them in the Exchange Offer before December 1, 2021 at 11:59 p.m. Eastern Time, unless extended. You are responsible for making sure you properly update your election on the Exchange Offer website and you will not be eligible to withdraw. You will also need to update and confirm your election on the Exchange Offer website to confirm that you receive the Exchange Offer. You may not tender previously tendered Eligible Options, you may not tender previously tendered Eligible Options for making a new election on the Exchange Offer website prior to the Expiration Time.

**If I participate in the Exchange Offer, will I be taxed?**

Intel will withhold taxes on the RSUs granted to you in exchange for your Eligible Options. The amount of tax withheld will depend on the tax rate in the state where you are located. However, the vesting of the new RSUs is a taxable event. You should consult with your tax adviser to determine the potential tax consequences of participating in the Exchange Offer. If you are an Eligible Option holder who is subject to the tax rate of a country other than the United States or whose tax residence you should discuss with your tax adviser as necessary, before participating in the Exchange Offer. We believe the accelerated vesting of RSUs will be a benefit to you. You should participate in the Exchange Offer. You may trade your own decision whether to participate. You should speak with your financial, legal or tax adviser as necessary, before deciding whether to participate in the Exchange Offer.

**Are there tax considerations relating to my Eligible Options that are Incentive Stock Options?**

Because the Exchange Offer is required to remain open for 30 calendar days after the expiration date of the underlying Eligible Options which are not accepted in the Exchange Offer will be considered "vested." This will result in a deemed-to-be grant of such Incentive Stock Options and that the date of grant for purposes of the regular holding period necessary to receive benefits (i.e., 10 years) for your incentive stock Options will remain. The result of such a modification that your Eligible Options may continue to be Incentive Stock Options (subject to the limitations on incentive stock Options under U.S. tax rules). For the date of grant for purposes of the incentive stock Options holding period, applicable to all Eligible Options will be the date the Exchange Offer commenced on December 1, 2021. Stock options that are not Eligible Options or a stock option with a strike price that is not applicable will be exchanged by the Exchange Offer.

**If I participate in the Exchange Offer, how will I receive my RSUs?**

If you elect to participate in the Exchange Offer, you will receive an email from PTM&C that will direct you to go to PTM&C to review and accept your newly issued RSUs. The RSUs will be held in PTM&C. Please note that in any case you will not be able to receive the RSUs until the expiration of the Exchange Offer. You will receive an email from Intel that will direct you to go to PTM&C to review and accept your newly issued RSUs. If you are unable to log in, please contact Intel's HR Helpdesk at [hrhelpdesk@intel.com](mailto:hrhelpdesk@intel.com). You will receive the RSUs in your RSU account and will be able to trade them on the RSU website following the expiration of the Exchange Offer. Please contact [Exchange@intel.com](mailto:Exchange@intel.com) for more information. You will receive the RSUs in your RSU account and will be able to trade them on the RSU website following the expiration of the Exchange Offer.

**Who should I contact with questions?**

Please contact [Exchange@intel.com](mailto:Exchange@intel.com) for more information.

Company: Intel | Symbol: INTC | Location: Lincoln, Nebraska | © 2021 Intel Corp.

AON HOME FAQ DOCUMENT LIBRARY MY OPTIONS LOG OUT

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Documents for Stoke Therapeutics, Inc.

Exchange Offer Frequently Asked Questions.pdf

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The election period closes on 11/15/2024

### My Eligible Options

The options below are available for exchange. Using the checkboxes on the right, please select to exchange your options for new \$100s from each. Options you have selected to exchange already during this options exchange program have been highlighted.

Option Number	Option Type	Exercise Price	Contract Size	Exercise Date	Exercise Window	Exchange Ratio	Class	Share Class	Exchange Period	Exchange Decision
001	Call	120.00	100	11/15/2024	11/15/2024	1:1	RSU	Common	A portion of your new \$100 will vest after one year, the remaining will vest after two years. See the FAQ for more details.	<input type="checkbox"/> Exchange
002	Call	120.00	100	11/15/2024	11/15/2024	1:1	RSU	Common	100% will vest after one year.	<input type="checkbox"/> Exchange
003	Call	140.00	100	11/15/2024	11/15/2024	1:1	RSU	Common	A portion of your new \$100 will vest after one year, the remaining will vest after two years. See the FAQ for more details.	<input type="checkbox"/> Exchange
004	Call	140.00	100	11/15/2024	11/15/2024	1:1	RSU	Common	A portion of your new \$100 will vest after one year, the remaining will vest after two years. See the FAQ for more details.	<input type="checkbox"/> Exchange
005	Call	170.00	100	11/15/2024	11/15/2024	1:1	RSU	Common	100% will vest after one year.	<input type="checkbox"/> Exchange
006	Call	170.00	100	11/15/2024	11/15/2024	1:1	RSU	Common	A portion of your new \$100 will vest after one year, the remaining will vest after two years. See the FAQ for more details.	<input type="checkbox"/> Exchange

\*Note that there are other options available for this program. The actual underlying value may differ.

Please confirm your elections. You may change your elections until the option exchange period closes on 12/1/2023.



**Exchanges**

You have elected to exchange the following options:

Existing Awards							Exchange Awards		
Grant Number	Grant Type	Exercise Price	Grant Date	Options Outstanding*	Options Vested*	Exchange Ratio	Grant Type	New RSUs Granted*	New Vesting Schedule
	NQ	\$28.68					RSU		100% one year after the grant date
	NQ	\$60.00					RSU		A portion of your new RSU will vest after one year, the remaining will vest after two years. See the FAQs for more details.

**No Change**

You have elected not to exchange the following options:

Grant Number	Grant Type	Exercise Price	Grant Date	Options Outstanding*	Options Vested
	ISO	\$28.68			
	ISO	\$60.00			
	ISO	\$20.34			
	NQ	\$20.34			

\*Note that these values are rounded for display purposes. The actual underlying value may differ.

CONFIRM & SUBMIT

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Period closes on 12/1/2023. You have 31 days left to make an election.

**Changes Saved Successfully!**

Thank you for updating your options. A confirmation email has been sent to your email on file. If you have any questions or need to make further changes, please contact [Change@centennialglobal.com](mailto:Change@centennialglobal.com). You'll be redirected to your home page in 4 seconds.



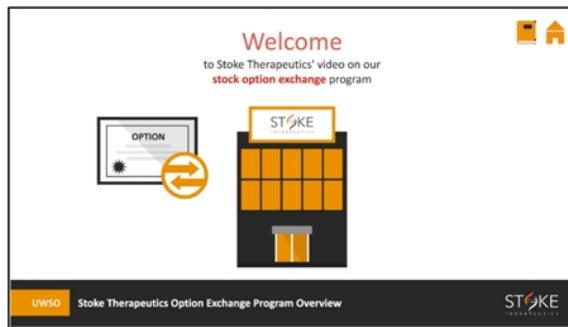
**Scene 1 (00m00s - 00m06s)**

Description:

[equity.aon.com/viewer/StokeTherapeutics23/UWSO/1a1672bbf8df4236](https://equity.aon.com/viewer/StokeTherapeutics23/UWSO/1a1672bbf8df4236)

Words on screen:

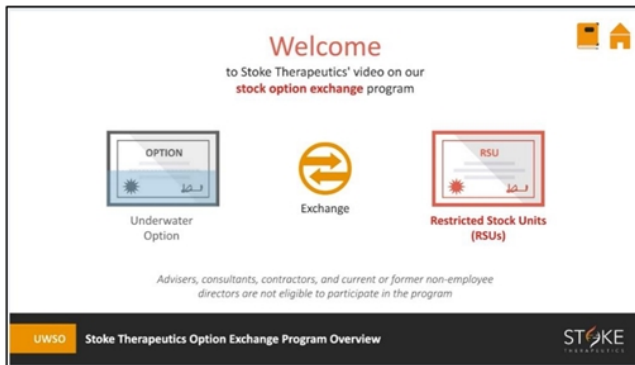
Stoke Therapeutics Option Exchange Program Overview



**Scene 2 (00m06s - 00m11s)**

Script:  
Welcome to this video that will explain the Stoke Therapeutics stock option exchange program.

- Words on-screen:
- Welcome to Stoke Therapeutics' video on our stock option exchange program
  - UWSO: Stoke Therapeutics Option Exchange Program Overview



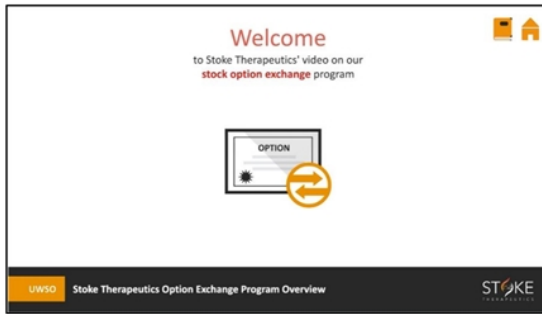
### Scene 3 (00m11s – 00m41s)

#### Script:

Under our stock option exchange program, we are offering our current employees, or Eligible Employees, the right to exchange certain significantly out-of-the-money or "underwater" stock options for new restricted stock units on an approximately value-neutral basis. Advisers, consultants, contractors, and current or former non-employee directors are not eligible to participate in the stock option exchange program.

#### Words on-screen:

- Welcome to Stoke Therapeutics' video on our stock option exchange program
- Underwater Option
- Exchange
- Restricted Stock Units (RSUs)
- Advisers, consultants, contractors, and current or former non-employee directors are not eligible to participate in the program
- UWSO: Stoke Therapeutics Option Exchange Program Overview



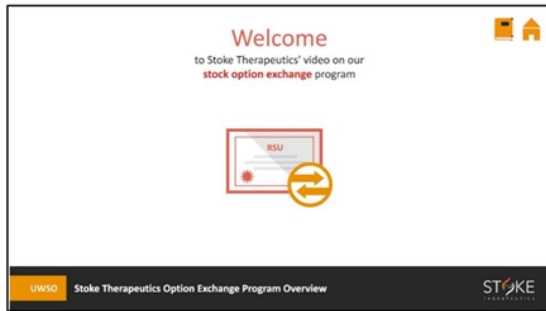
**Scene 4 (00m41s - 00m43s)**

Script:  
We're excited to bring you this opportunity to exchange your eligible underwater stock options...

- Words on-screen:
- Welcome to Stoke Therapeutics' video on our stock option exchange program
  - Option
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

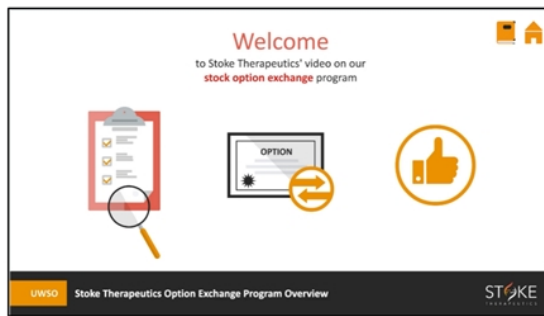


Scene 5 (00m43s - 00m49s)



Script:  
...for new restricted stock units.

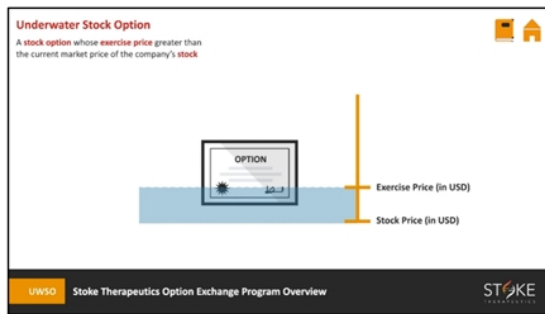
- Words on-screen:
- Welcome to Stoke Therapeutics' video on our stock option exchange program
  - UWSO: Stoke Therapeutics Option Exchange Program Overview



**Scene 6 (00m49s - 01m01s)**

Script:  
Before making your decision, however, you should be aware that stock option exchanges have certain factors that are important to understand when deciding what's right for you.

Words on-screen:  
• Welcome to Stoke Therapeutics' video on our stock option exchange program  
• UWSO: Stoke Therapeutics Option Exchange Program Overview

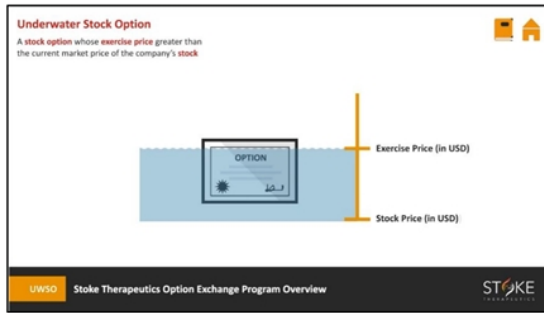


**Scene 7 (01m01s - 01m13s)**

Script:  
First – let's define an underwater stock option. An underwater stock option is a stock option whose exercise price is greater than the current market price of the company's stock.

- Words on-screen:
- Underwater Stock Option
  - A stock option whose exercise price greater than the current market price of the company's stock
  - Exercise Price (In USD)
  - Stock Price (in USD)
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

Scene 8 (01m13s - 01m18s)



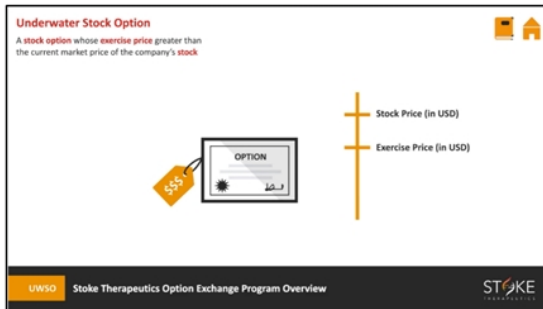
Script:

When a stock option becomes significantly underwater, employees may...

Words on-screen:

- Underwater Stock Option
- A stock option whose exercise price greater than the current market price of the company's stock
- Exercise Price (in USD)
- Stock Price (in USD)
- UWSO: Stoke Therapeutics Option Exchange Program Overview

Scene 9 (01m18s - 01m25s)



Script:

...lose sight of the possibility that the stock could rebound, making their stock options of real value again.

Words on-screen:

- Underwater Stock Option
- A stock option whose exercise price greater than the current market price of the company's stock
- Stock Price (In USD)
- Exercise Price (in USD)
- UWSO: Stoke Therapeutics Option Exchange Program Overview



**Scene 10 (01m25s - 01m31s)**

Script:  
All stock options have some degree of value so long as they are held by the employee.

Words on-screen:

- Underwater Stock Option
- A stock option whose exercise price greater than the current market price of the company's stock
- All stock options have some degree of value so long as they are held by the employee.
- UWSO: Stoke Therapeutics Option Exchange Program Overview

Scene 11 (01m31s - 01m39s)



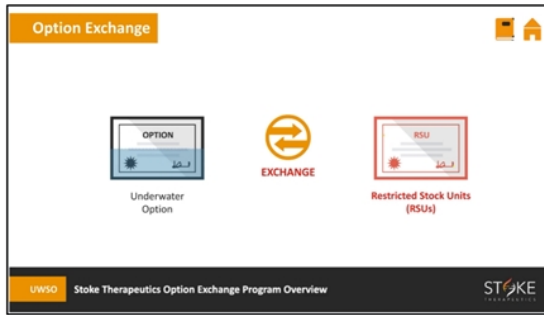
Script:

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

Words on-screen:

- Opportunity
- Stoke Therapeutics
- UWSO: Stoke Therapeutics Option Exchange Program Overview

Scene 12 (01m39s-01m53s)



Script:  
A stock option exchange is an opportunity for eligible employees with eligible underwater stock option awards to exchange their stock options for new restricted stock units or RSUs.

- Words on-screen:
- Option Exchange
  - Underwater Option
  - Exchange
  - Restricted stock Units (RSUs)
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

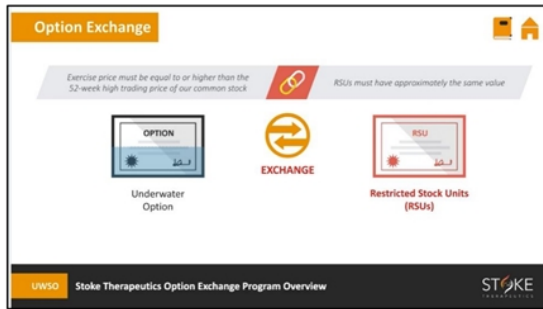


Scene 13 (01m53s - 02m05s)



Script:  
An RSU is an award that represents shares of Stoke Therapeutics stock but is not actually stock until it vests. Once it vests, it becomes stock.

- Words on-screen:
- Option Exchange
  - An RSU is an award that represents shares of Stoke Therapeutics stock
  - Once it vests, your RSU becomes stock.
  - Underwater Option
  - Exchange
  - Restricted stock Units (RSUs)
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

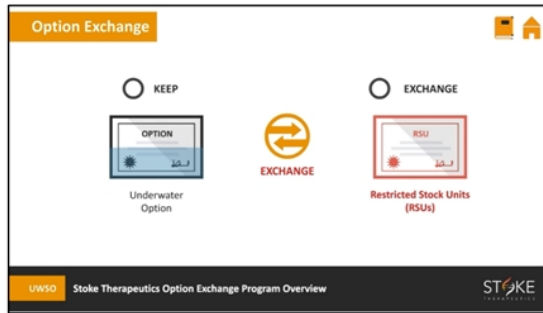


**Scene 14 (02m05s - 02m25s)**

**Script:**  
Our stock option exchange program will allow Eligible Employees to exchange underwater stock options with an exercise price that is equal to or higher than the 52-week high trading price of our common stock for restricted stock units with approximately the same value.

- Words on-screen:**
- Option Exchange
  - Exercise price must be equal to or higher than the 52-week high trading price of our common stock
  - RSUs must have approximately the same value
  - Underwater Option
  - Exchange
  - Restricted stock Units (RSUs)
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

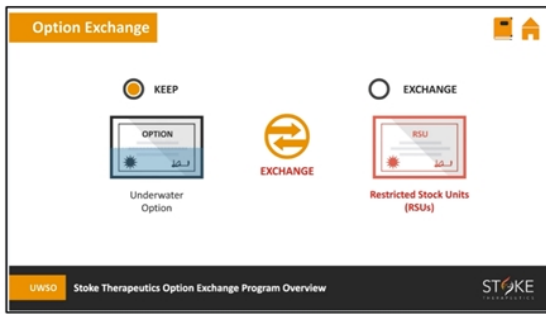
Scene 15 (02m25s - 02m27s)



Script:  
This gives you a choice ...

- Words on-screen:
- Option Exchange
  - Keep
  - Exchange
  - Underwater Option
  - Exchange
  - Restricted stock Units (RSUs)
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

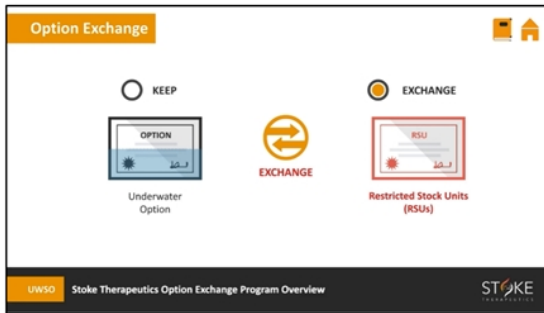
Scene 16 (02m27s - 02m28s)



Script:  
..., keep what you have...

- Words on-screen:
- Option Exchange
  - Keep
  - Exchange
  - Underwater Option
  - Exchange
  - Restricted stock Units (RSUs)
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

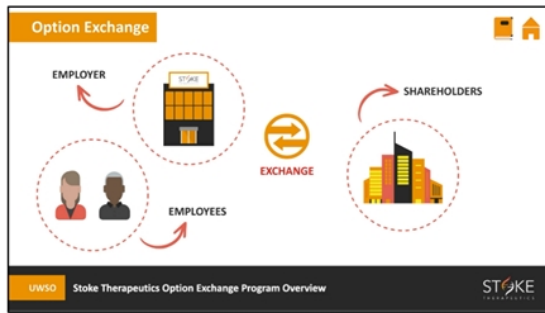
Scene 17 (02m28s - 02m32s)



Script:  
...or exchange what you have for something new.

Words on-screen:

- Option Exchange
- Keep
- Exchange
- Underwater Option
- Exchange
- Restricted stock Units (RSUs)
- UWSO: Stoke Therapeutics Option Exchange Program Overview



Scene 18 (02m32s - 02m48s)

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

- Words on-screen:
- Option Exchange
  - Employer
  - Employees
  - Exchange
  - Shareholders
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

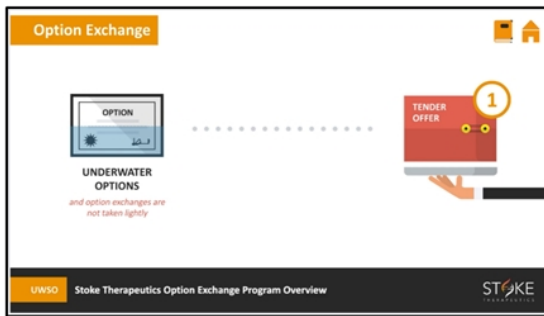


**Scene 19 (02m48s - 02m58s)**

Script:  
Shareholders want assurance that this is not taken lightly and that it doesn't become a windfall for employees, including executives.

- Words on-screen:
- Option Exchange
  - Underwater Options and option exchanges are not taken lightly
  - Windfall
  - UWSO: Stoke Therapeutics Option Exchange Program Overview

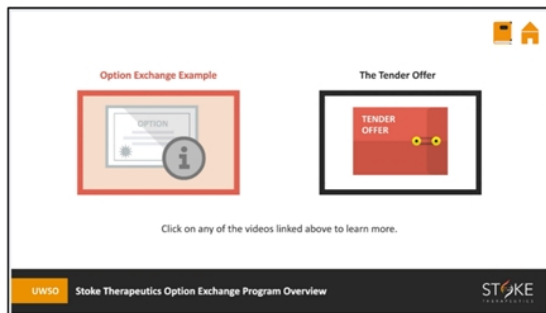
Scene 20 (02m58s - 03m12s)



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

- Words on-screen:
- Option Exchange
  - Underwater Options and option exchanges are not taken lightly
  - Tender Offer 1
  - UWSO: Stoke Therapeutics Option Exchange Program Overview





**Scene 21 (03m12s - 03m30s)**

Script:  
For an example of how exchanges work, click here. For more on the tender offer, click here.

Words on-screen:  
• Option Exchange Example  
• The Tender Offer  
• Click on any of the videos linked above to learn more.  
• UWSO: Stoke Therapeutics Option Exchange Program Overview



### Appendix: Glossary

Script: No audio. This is what appears when book icon on top right is clicked.

Words on-screen:

#### **Glossary**

**Award:** A non-cash employee incentive

**Exchange:** The process of turning in old stock options in exchange for a new award, which is usually smaller than the original award

**Exercise:** A purchase of company stock at the stock option exercise price

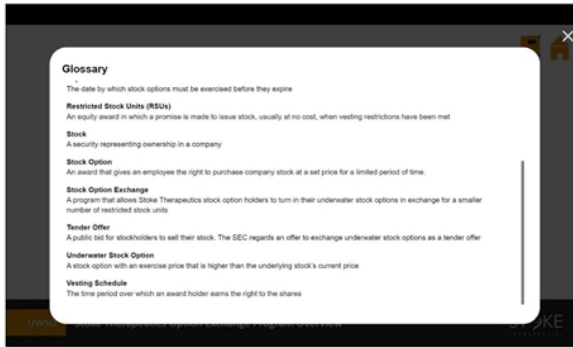
**Exercise Price:** The price at which the employee has the option to purchase company stock

**Expiration Date:** The date by which stock options must be exercised before they expire

**Restricted Stock Units (RSUs):** An equity award in which a promise is made to issue stock, usually at no cost, when vesting restrictions have been met

**Stock:** A security representing ownership in a company

**Stock Option:** An award that gives an employee the right to purchase company stock at a set price for a limited period of time.



## Appendix: Glossary

Script: No audio. This is what appears when book icon on top right is clicked.

Words on-screen:

### Glossary

**Restricted Stock Units (RSUs):** An equity award in which a promise is made to issue stock, usually at no cost, when vesting restrictions have been met

**Stock:** A security representing ownership in a company

**Stock Option:** An award that gives an employee the right to purchase company stock at a set price for a limited period of time.

**Stock Option Exchange:** A program that allows Stoke Therapeutics stock option holders to turn in their underwater stock options in exchange for a smaller number of restricted stock units

**Tender Offer:** A public bid for stockholders to sell their stock. The SEC regards an offer to exchange underwater stock options as a tender offer

**Underwater Stock Option:** A stock option with an exercise price that is higher than the underlying stock's current price

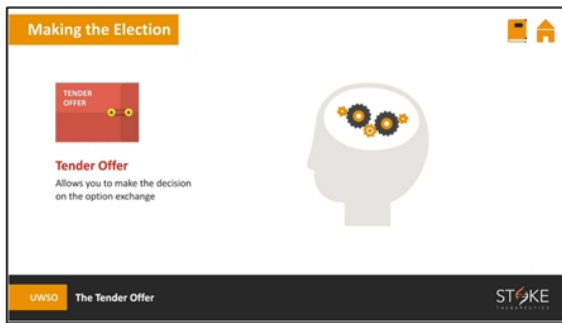
**Vesting Schedule:** The time period over which an award holder earns the right to the shares



Scene 1 (00m00s - 00m06s)

Description:  
[equilv.aon.com/viewer/StokeTherapeutics23/UWSO/1a1672bbf8df4236](https://equilv.aon.com/viewer/StokeTherapeutics23/UWSO/1a1672bbf8df4236)

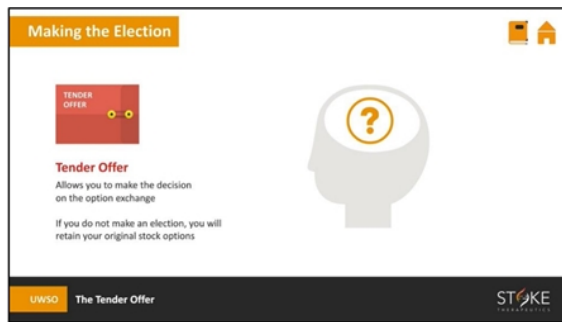
Words on-screen:  
• The Tender Offer



**Scene 2 (00m06s - 00m15s)**

Script:  
Stoke Therapeutics is holding a tender offer that allows you to make the decision regarding whether you would like to participate in the option exchange.

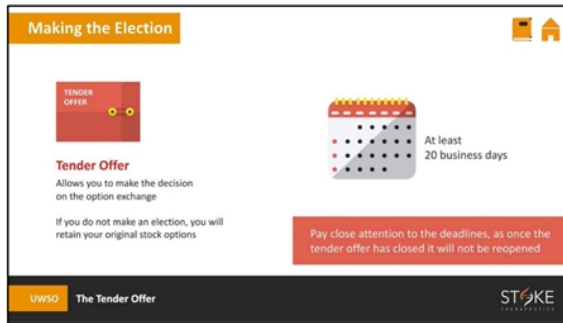
- Words on-screen:
- Making the Election
  - Tender Offer: Allows you to make the decision on the option exchange
  - UWSO: The Tender Offer



**Scene 3 (00m15s - 00m21s)**

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

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



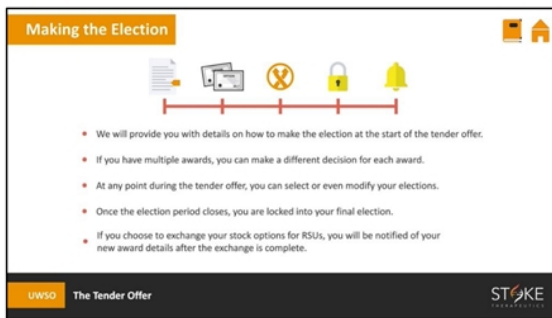
**Scene 4 (00m21s - 00m33s)**

**Script:**

The tender offer period will last at least 20 business days. You should pay close attention to the deadlines, as once the tender offer has closed it will not be reopened.

**Words on-screen:**

- Making the Election
- Tender Offer: Allows you to make the decision on the option exchange
- If you do not make an election, you will retain your original stock options
- Pay close attention to the deadlines, as once the tender offer has closed it will not be reopened
- UWSO: The Tender Offer



**Scene 5 (00m33s - 01m11s)**

**Script:**

We will provide you with details on how to make the election at the start of the tender offer. If you have multiple awards, you can make a different decision for each award. At any point during the tender offer, you can select or even modify your elections. Once the election period closes, you are locked into your final election. If you choose to exchange your stock options for RSUs, you will be notified of your new award details after the exchange is complete. Much more information will be made available as you go through the process.

**Words on-screen:**

- Making the Election
- We will provide you with details on how to make the election at the start of the tender offer.
- If you have multiple awards, you can make a different decision for each award.
- At any point during the tender offer, you can select or even modify your elections.
- Once the election period closes, you are locked into your final election.
- If you choose to exchange your stock options for RSUs, you will be notified of your new award details after the exchange is complete.
- UWSO: The Tender Offer



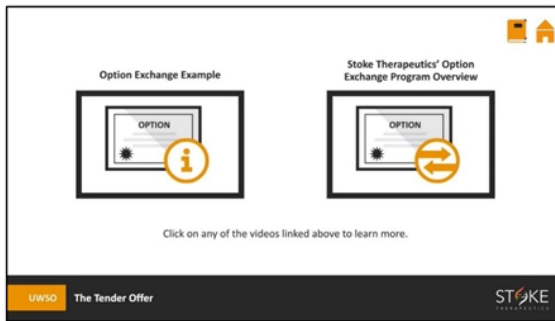


**Scene 6 (01m11s - 01m30s)**

**Script:**  
Stoke Therapeutics cannot advise you on what is the best choice for you, but please ask as many questions as needed. We also encourage you to consult with your tax preparer and/or financial advisor since your individual circumstances may impact what is the best decision for you.

**Words on-screen:**

- Stoke Therapeutics cannot advise you on what is the best choice for you
- Ask questions
- Consult with your tax preparer and/or financial advisor
- UWSO: The Tender Offer



**Scene 7 (01m30s - 01m46s)**

**Script:**  
For an example on how exchanges work, click here. To view the overview again, click here.

- Words on-screen:**
- Option Exchange Example
  - Stoke Therapeutics' Option Exchange Program Overview
  - Click on any of the videos linked above to learn more.
  - UWSO: The Tender Offer

Scene 1 (00m00s - 00m06s)



Description:  
[equity.aon.com/viewer/StokeTherapeutics23/UWSO/1a1672bbf8df4236](https://equity.aon.com/viewer/StokeTherapeutics23/UWSO/1a1672bbf8df4236)


Words on-screen:  
• Option Exchange Example

**Example** NOTE: This example uses hypothetical prices and exchange ratios

Stoke Therapeutics Stock Price: \$4 per share

Option Type	Exercise Price	Option Grants	Exchange Ratio
OPTION	\$20	1,000	2.5:1
OPTION	\$35	1,000	4.75:1
OPTION	\$50	1,000	6.25:1

UWSO Option Exchange Example



**Scene 2 (00m06s - 00m45s)**

**Script:**


Let's look at an example that uses completely hypothetical prices and exchange ratios. If Stoke Therapeutics stock is trading at \$4, you may have stock options with exercise prices of \$20, \$35, and \$50. If you had 1,000 stock options granted at each of the three prices, and if you were offered an exchange at 2.5-1 for the \$20 stock options, 4.75-1 for the \$35 stock options, and 6.25-1 for the \$50 stock options, would it be worth it?

**Words on-screen:**


- Example
- Note: This example uses hypothetical prices and exchange rates
- Stoke Therapeutics Stock Price: \$4 per share
- Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 2.5:1
- Exercise Price: \$35; Option Grants: 1,000; Exchange Ratio: 4.75:1
- Exercise Price: \$50; Option Grants: 1,000; Exchange Ratio: 6.25:1
- UWSO: Option Exchange Example

**Example** NOTE: This example uses hypothetical prices and exchange rates

Stoke Therapeutics Stock Price: \$4 per share

1,000  160  
\$50 Options \$4 RSUs

Option Type	Exercise Price	Option Grants	Exchange Ratio
OPTION	\$20	1,000	2.5:1
OPTION	\$35	1,000	4.75:1
OPTION	\$50	1,000	6.25:1

UWSO Option Exchange Example 

**Scene 3 (00m45s - 00m54s)**

Script:  
Would you trade 1,000 stock options with an exercise price of \$50 for 160 RSUs worth \$4 each?

- Words on-screen:
- Example
  - Note: This example uses hypothetical prices and exchange rates
  - Stoke Therapeutics Stock Price: \$4 per share
  - 1,000 \$50 options
  - 160 \$4 RSUs
  - Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 2.5:1
  - Exercise Price: \$35; Option Grants: 1,000; Exchange Ratio: 4.75:1
  - Exercise Price: \$50; Option Grants: 1,000; Exchange Ratio: 6.25:1
  - UWSO: Option Exchange Example

**Example** NOTE: This example uses hypothetical prices and exchange ratios

Stoke Therapeutics Stock Price: \$4 per share

1,000 \$20 Options ↔ 400 \$4 RSUs

Option Type	Exercise Price	Option Grants	Exchange Ratio
Option 1	\$20	1,000	2.5:1
Option 2	\$35	1,000	4.75:1
Option 3	\$50	1,000	6.25:1

UWSO Option Exchange Example

**Scene 4 (00m54s - 1m05s)**

**Script:**  
What about trading 1,000 stock options with a price of \$20 options for 400 RSUs with a price of \$4 each?

- Words on-screen:**
- Example
  - Note: This example uses hypothetical prices and exchange rates
  - Stoke Therapeutics Stock Price: \$4 per share
  - 1,000 \$20 options
  - 400 \$4 RSUs
  - Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 2.5:1
  - Exercise Price: \$35; Option Grants: 1,000; Exchange Ratio: 4.75:1
  - Exercise Price: \$50; Option Grants: 1,000; Exchange Ratio: 6.25:1
  - UWSO: Option Exchange Example

**Example** NOTE: This example uses hypothetical prices and exchange ratios

Option Card	Exercise Price	Option Grants	Exchange Ratio
Option 1	\$20	1,000	2.5:1
Option 2	\$35	1,000	4.75:1
Option 3	\$50	1,000	6.25:1

UWSO Option Exchange Example **STOKE**

**Scene 5 (01m05s - 1m26s)**

**Script:**  
Though choosing to exchange the old stock options for new RSUs would be a better deal if the stock stays below \$20, each award has a break-even point, where your current stock option could be worth more than your new RSUs down the road if the stock rebounds.

- Words on-screen:**
- Example
  - Note: This example uses hypothetical prices and exchange rates
  - Stoke Therapeutics Stock Price: \$4 per share
  - 1,000 \$20 options
  - 400 \$4 RSUs
  - Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 2.5:1
  - Exercise Price: \$35; Option Grants: 1,000; Exchange Ratio: 4.75:1
  - Exercise Price: \$50; Option Grants: 1,000; Exchange Ratio: 6.25:1
  - UWSO: Option Exchange Example



**Scene 6 (1m26s - 01m30s)**

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

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





**Scene 7 (01m30s-01m41s)**

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

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



**Scene 8 (01m41s-02m01s)**

**Script:**  
Because you will own the resulting shares of stock outright, RSUs result in a taxable event when they vest. By default, we will withhold some of the shares that are vesting to cover certain withholding obligations the Company is subject to. These features might also affect your decision.

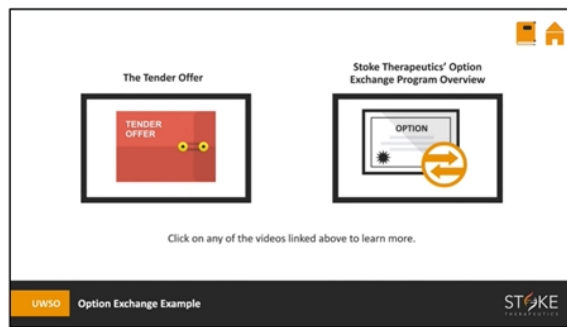
- Words on-screen:**
- The RSUs will have a new annual vesting schedule
  - RSUs do not need to be exercised and do not have an expiration date
  - RSUs result in a taxable event when they vest
  - By default, we will withhold some of the shares that are vesting to cover certain withholding obligations
  - UWSO: Option Exchange Example



Scene 9 (02m01s-02m11s)

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

- Words on-screen:
- Example
  - This example provides a basic understanding of how exchanges work
  - Exercise Price: \$20; Option Grants: 1,000; Exchange Ratio: 2.5:1
  - Exercise Price: \$35; Option Grants: 1,000; Exchange Ratio: 4.75:1
  - Exercise Price: \$50; Option Grants: 1,000; Exchange Ratio: 6.25:1
  - UWSO: Option Exchange Example



**Scene 10 (02m11s - 02m25s)**

**Script:**  
For more on the tender offer, click here. To view the overview again, click here.

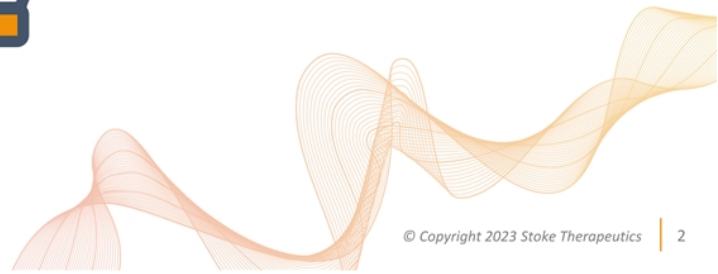
- Words on-screen:**
- The Tender Offering
  - Stoke Therapeutics' Option Exchange Program Overview
  - Click on any of the videos linked above to learn more.
  - UWSO: Option Exchange Example

# Stoke Therapeutics Stock Option Exchange Program

November 2023



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



- John Hammond, CEP FGE | *Aon Rewards Solutions*
- 20 + years in stock plan industry
- 30 years in employee financial space
- 100% focused on employee education – lead Rewards communication practice



# Option Exchange Program Overview

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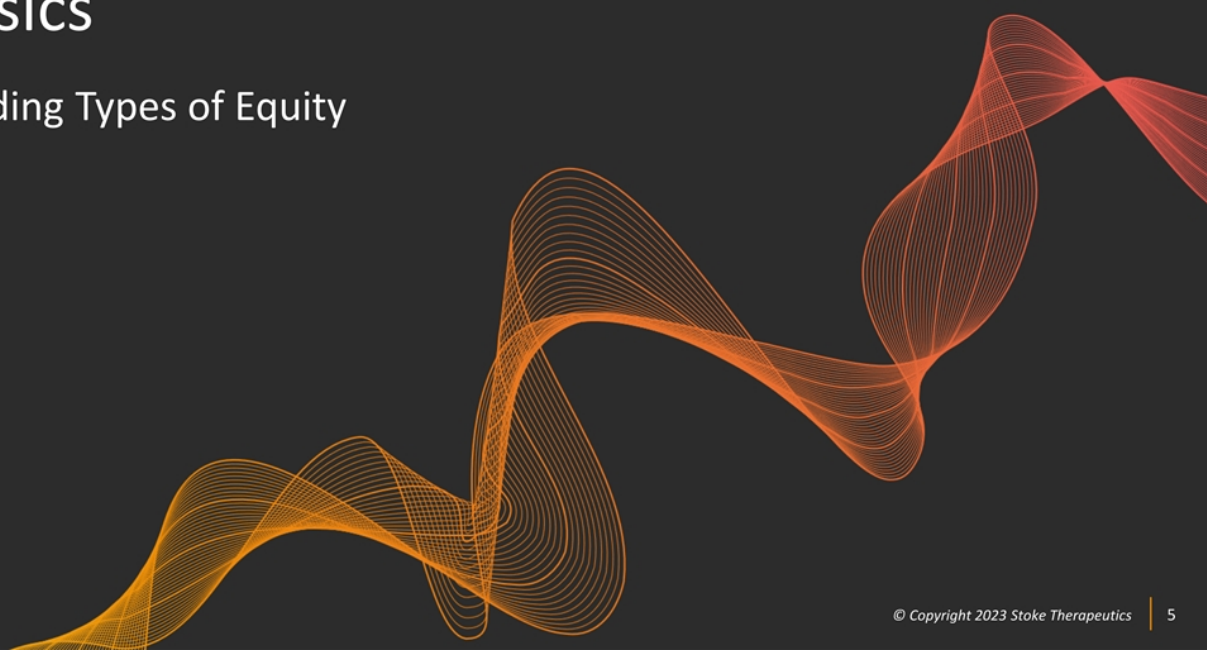


- Equity is an important component of your Total Rewards package at Stoke
- Many stock options granted to date are “underwater”
  - That means the exercise price is lower than the current stock price
- *You* are our most important asset - Significantly underwater stock options may not effectively incentivize, motivate and reward you
- The Option Exchange Program is an opportunity to trade underwater stock options for restricted stock units (RSUs) that will be approximately equal to the current fair value of the exchanged stock options.
  - Applies to stock options that have an exercise price at or above the 52-week high trading price as of the launch of the tender offer
  - New RSUs grants will have a new vesting schedule
- You decide whether to keep or exchange your stock options



# The Basics

## Understanding Types of Equity



# What is a Stock Option?

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

*“Option price, exercise price, grant price and strike price – mean the same thing – they all refer to the price you pay for the option.”*



**Exercise Price:** The price is set at the grant date and is the share price at that time



**Value:** The value is the increase in stock price above the Exercise Price



**Vesting:** The time it takes to earn the right to exercise

- ◆ Time and continued service



**Exercise:** The process of turning your stock options into shares



**Taxation:** Taxes are calculated on the gain realized upon exercise, for non-qualified stock options



**Expiration:** 10 years from grant date

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

- ◆ Taxable event

# What is a Restricted Stock Unit?

**Definition:** An award that represents shares of Stoke stock.

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



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



**Value:** The value is the full value of Stoke Therapeutics stock



**Vesting:** The process of turning units into shares

- ◆ Time and continued service



**Release:** Shares vest automatically. There is no exercise or decision to purchase. You own them at vest.



**Taxation:** Taxable at vest



**Expiration:** Doesn't apply. Unvested RSUs cancel if you leave the company, but all vested shares are yours to keep.



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

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

\*\*The above example assume the stock options are Non-Qualified

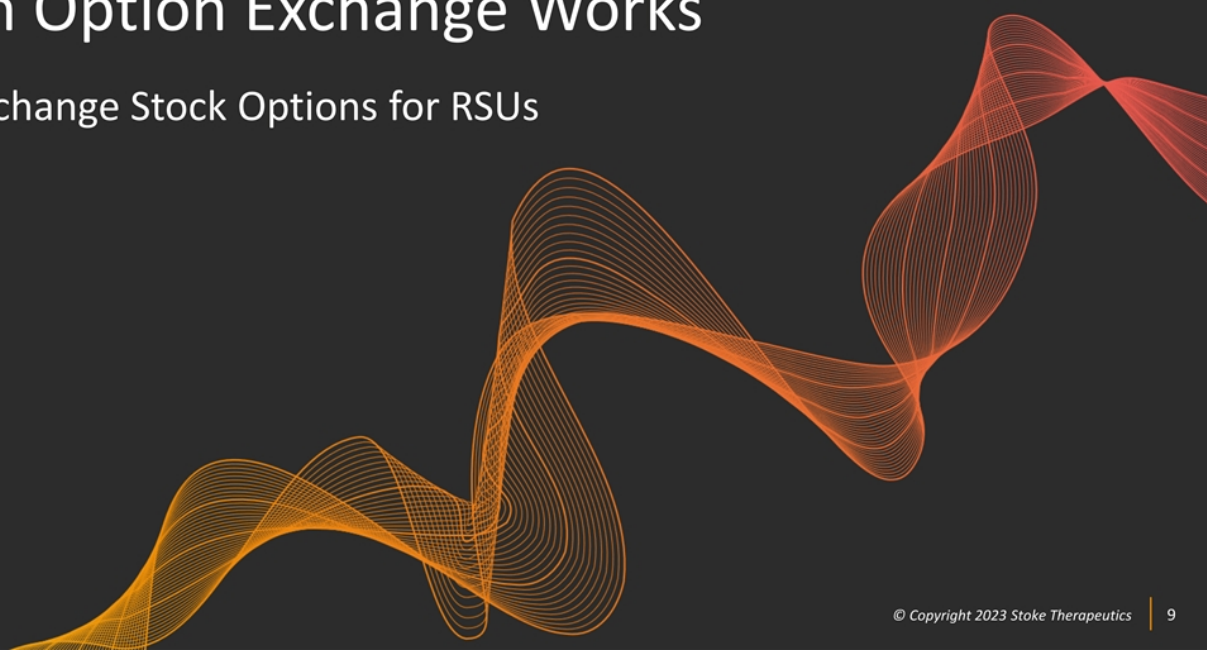


**Ellie has a grant of 200 RSUs. What does this mean?**

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

# How an Option Exchange Works

Offer to Exchange Stock Options for RSUs



- Opportunity to exchange existing underwater stock options for restricted stock units (RSUs)
  - Eligible employees and eligible stock options
  - Not required – you can retain all or some of your existing option grants
  - No one right answer – each person’s situation and personal preference is unique
- An underwater stock option is a stock option with an exercise price above the current trading price of the stock
  - Yes – underwater stock options have ‘value’ because the stock may rebound above the exercise price
- The replacement RSUs are worth the full value of a share of stock
  - Will result in change of terms and fewer RSUs
  - One RSU becomes one share of stock at vesting
  - Vesting on new RSU grants will begin on the new grant date
    - 100% after one year for vested exchanged stock options
    - 50% after one year, 50% after two years for unvested exchanged stock options
- The option exchange ratio is set up front
  - Exchange ratios were finalized as of the start of the tender offer based on the stock price at that time
  - Different exercise prices have different exchange ratios
  - Overall, the exchange is intended to be value-neutral rather than deliver less value or create a financial windfall



- The offer to exchange is managed through a formal process called a “tender offer”
- Offer is open from November 2 – December 1
- **All elections must be made by 11:59 pm ET on December 1, 2023**
- If you choose to exchange
  - When the tender offer is completed, your original grant is canceled, and you receive the new grant
  - New grant(s) will be granted on or around December 1, 2023
  - First vesting opportunity is December 1, 2024
- If you do not elect to exchange
  - Your original option award will remain with its original terms and conditions; except any ISO stock option will have its holding periods reset
- **Important:** You can change your election as often as you want until the tender period closes. When it closes, your decision is locked. *There will be no exceptions.*

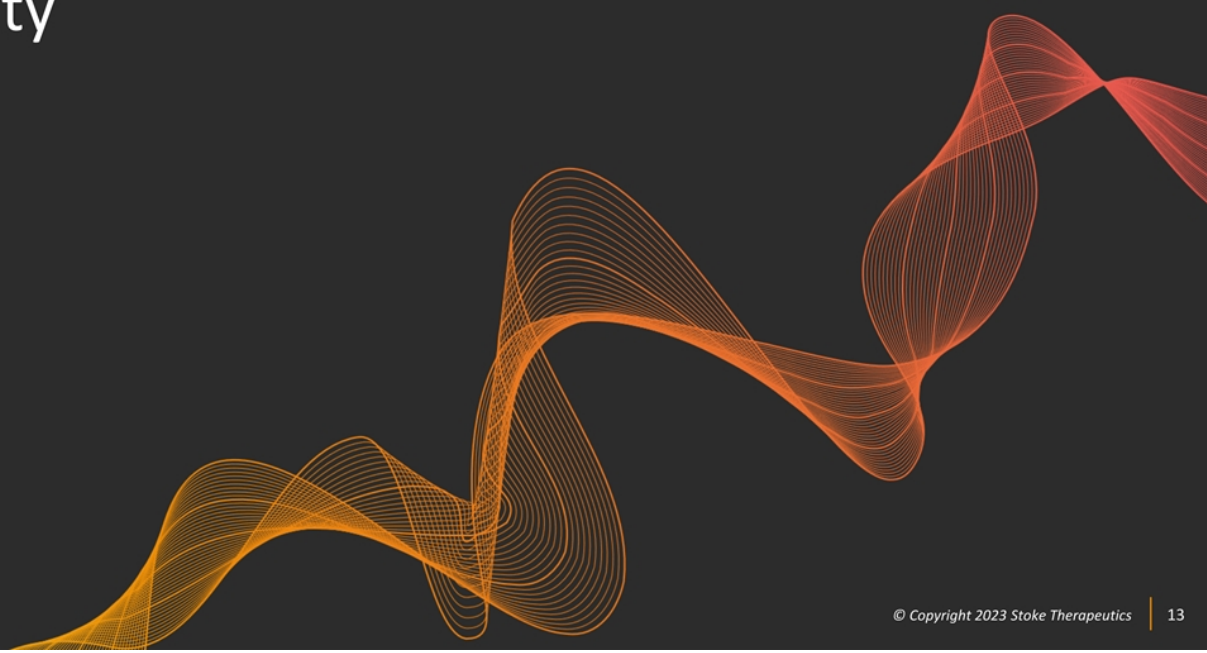


- Offer to Exchange Eligible Stock Options for New Restricted Stock Units document
- *Your Stoke Therapeutics Option Exchange Program* FAQ
- Education sessions (recording will be available)
  - **November 2<sup>nd</sup>**
  - **November 8<sup>th</sup>**
- Educational videos:
  - [Stoke Therapeutics Option Exchange Program Overview](#)
  - [Option Exchange Example](#)
  - [The Tender Offering](#)





# Eligibility



## Who Can Exchange Stock Options?

- **Eligible participants**

- Active employees
- Including employees on leaves of absence

- **Ineligible participants**

- Employees who resign or receive a notice of termination prior to the end of offer period
- Non-employees, such as consultants, advisors and contractors
- Non-employee board members





Held by an eligible employee



Outstanding as of the beginning and end of the tender offer

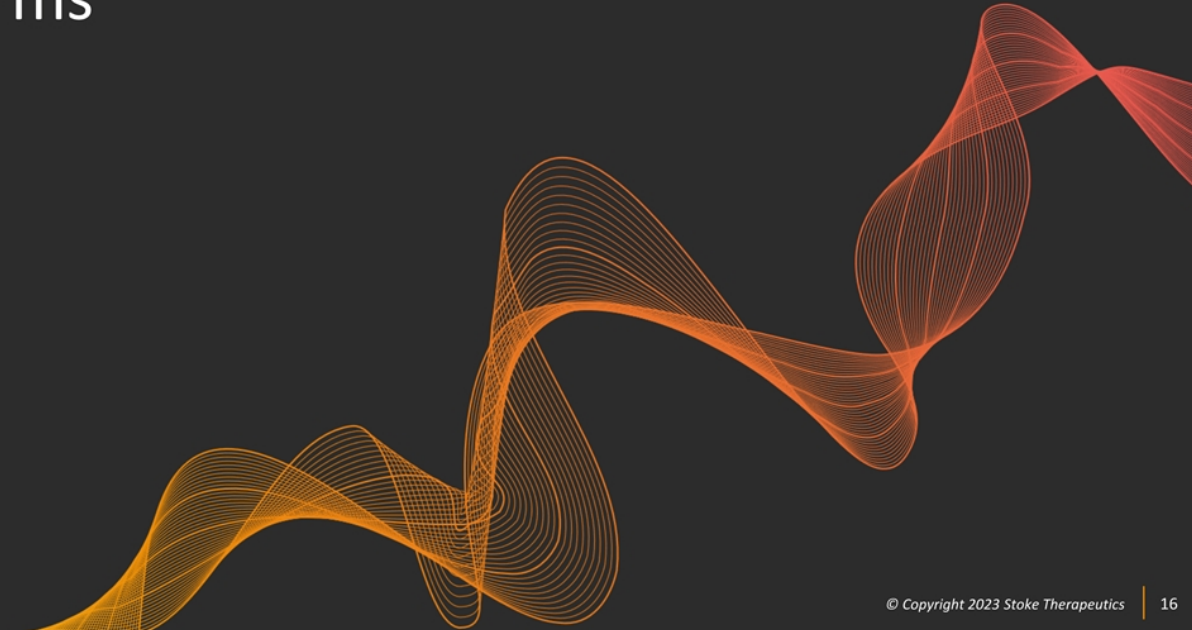


Has an exercise price equal to or greater than the 52-week high



Granted under the 2014 Plan or 2019 Plan

# RSU Terms





**Exchange ratio depends on stock price at the start of the tender offer.**  
*You will see the ratio for each of your stock options on the Option Exchange website.*



**All RSUs will be considered unvested on the date of grant.**  
*Even if the stock options you exchanged were vested.*



**Anticipated annual vest dates**  
December 1, 2024 AND December 1, 2025



**RSU vesting**  
*Depends if exchanged stock options were vested or unvested at the time of the exchange.  
100% after 1 year OR 50% after 1 year and 50% after 2 years*



**Shares taxable on vesting date**  
*By default, E\*TRADE will sell the shares needed to cover estimated tax withholding*

Eligible Option Exercise Price Range	Exchange Ratio (Surrendered Eligible Stock Options: RSUs)*
\$14.00 to \$29.99	3.20 for 1
\$30.00 to \$39.99	5.30 for 1
\$40.00 to \$49.99	7.50 for 1
\$50.00 to \$59.99	7.70 for 1
\$60.00 and Above	7.75 for 1

*\*Ratios in your tender offer document*

### Why are there different exchange ratios?

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

### EXAMPLE 1

**Current:**  
960 eligible stock options at \$20 exercise price

**Offer to Exchange:**  
Would receive 300 RSUs

$$(960 \div 3.20 = 300)$$

### EXAMPLE 2

**Current:**  
1,200 eligible stock options at \$42 exercise price

**Offer to Exchange:**  
Would receive 160 RSUs

$$(1,200 \div 7.50 = 160)$$

## Taxes happen when you make money



### Vest

- **Normal wages**
  - Stoke Therapeutics withholds U.S. taxes
- **General taxation**
  - RSUs taxed at vest/release
  - NQ stock options taxed at exercise
  - ISO stock options taxed at sale
  - Income and social tax
- **RSU big difference** – Unlike stock options, you don't control tax timing



### Sale

- **Capital gains/losses**
  - RSUs: Stock price change since vesting
  - Stock options: Stock price change since exercise
- **Cost basis**
  - When you sell stock – pay attention to cost basis reporting on your taxes the next year
    - You don't want to overpay taxes

\*You are encouraged to consult your personal legal counsel, accountant, financial, and/or tax advisor(s) as you deem appropriate if you have questions about your financial or tax situation as it relates to this stock option exchange.

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

- Grant 1: 960 outstanding stock options, all are unvested \$20 exercise price
- Grant 2: 1,200 outstanding stock options, 1,050 are vested, 150 are unvested \$42 exercise price

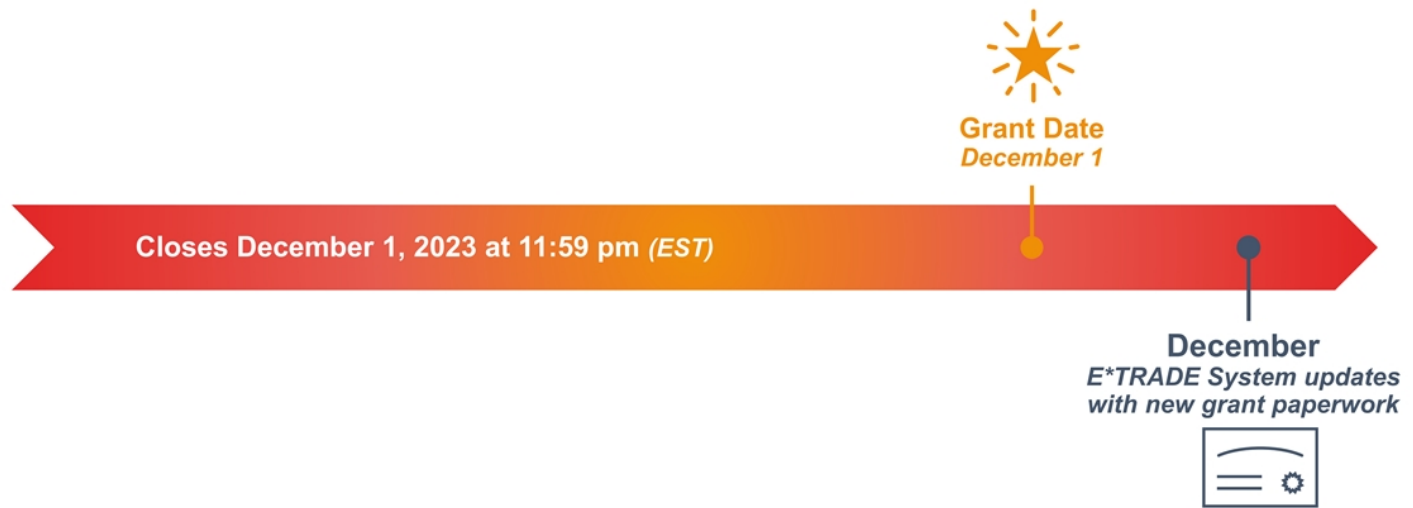


- **Grant 1:**
  - Could be exchanged for **300 RSUs** ( $960 \div 3.20$ )
  - All RSUs would be unvested as of the new RSU grant date
  - 150 RSUs (50%) would vest on the 1<sup>st</sup> anniversary of the grant date
  - 150 RSUs (50%) would vest on the 2<sup>nd</sup> anniversary of the grant date
- **Grant 2:**
  - Could be exchanged for **160 RSUs** ( $1,200 \div 7.50$ )
  - All RSUs would be unvested as of the new RSU grant date
  - 140 RSUs would vest on 1<sup>st</sup> anniversary of the grant date
    - 120 RSUs, converted from 1,050 stock options exchanged
    - 20 RSUs, 50% of 40 RSUs converted from 150 unvested exchanged stock options
  - 20 RSUs would vest on 2<sup>nd</sup> anniversary of the grant date
    - 50% of 40 RSUs converted from 150 unvested exchanged stock options

*Elizabeth will owe ordinary income taxes on the value of the shares when they vest. E\*TRADE will automatically sell some shares to cover the estimated taxes.*

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



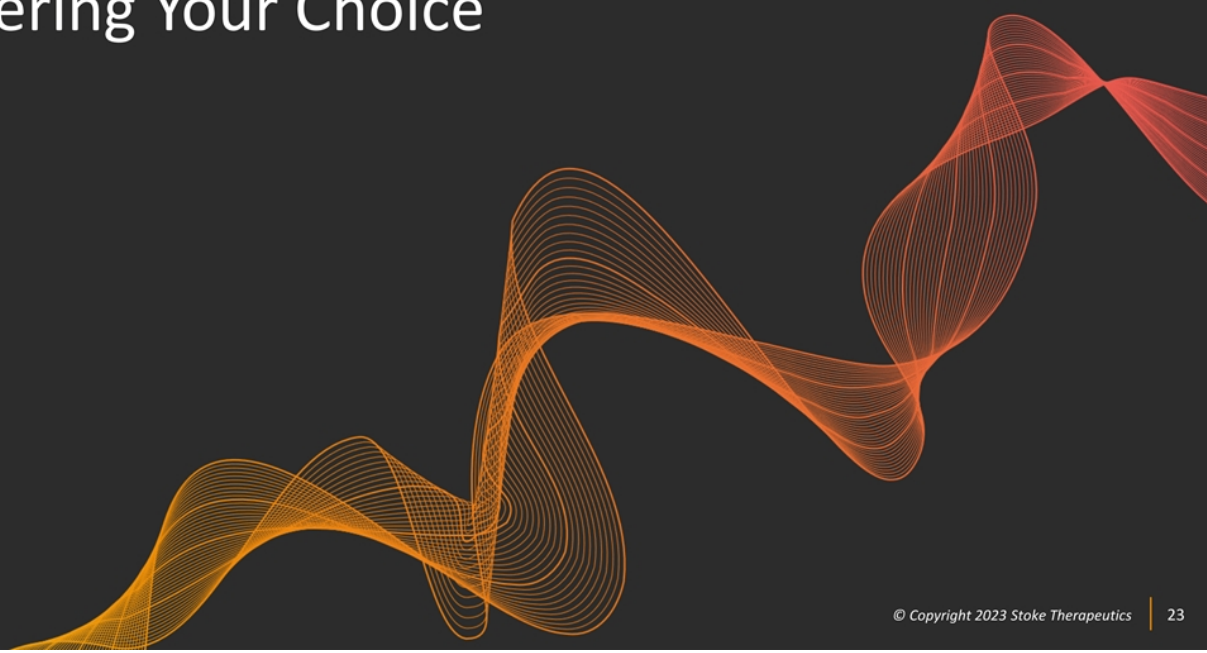


\*Dates are subject to change if offer period is extended

- You will receive an email with account registration details on November 2
  - From Aon (awardchoice@aon.com)
- You'll click the URL – use the provided code and register with your @StokeTherapeutics.com email address only
  - Aon can only validate your account when @stoketherapeutics.com email is used
  - You will get an authentication e-mail to confirm your account
- You can go into the site as often as you want and change your 'current' election until it closes
  - Each time an update is made on the website you will receive a confirmation email from awardchoice@aon.com with your current election
  - Your election is locked at the time the offer expires, December 1, 2023 at 11:59pm ET
- You will be notified of your new award details when delivered via E\*TRADE



# Considering Your Choice



# Consider Your Choice

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

Eligible Option Exercise Price Range	Original Stock Options	RSUs
Grant Price	\$20	--
Your Awards	704 stock options	220 RSUs
Future STOK Stock Price	\$10	\$10
Value	--	\$2,200

*At a Stoke Therapeutics stock price of \$10, the original stock options are still underwater and do not have any realizable value, however the RSUs are now worth \$2,200.*

Eligible Option Exercise Price Range	Original Options	RSUs
Grant Price	\$20	--
Your Awards	704 stock options	220 RSUs
Future STOK Stock Price	\$29.09	\$29.09
Value	\$6,400	\$6,400

*Stoke Therapeutics' stock price would need to be \$29.09 for your original stock options granted at \$20.00 to break even with the value of your new exchanged RSUs.*

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

- A tender offer is regulated by the SEC and there are strict guidelines
- If you ask for advice, we are required to say ‘read through your materials’ / ‘talk to your advisor’
- If you have questions, email [ExchangeQuestions@stoketherapeutics.com](mailto:ExchangeQuestions@stoketherapeutics.com)

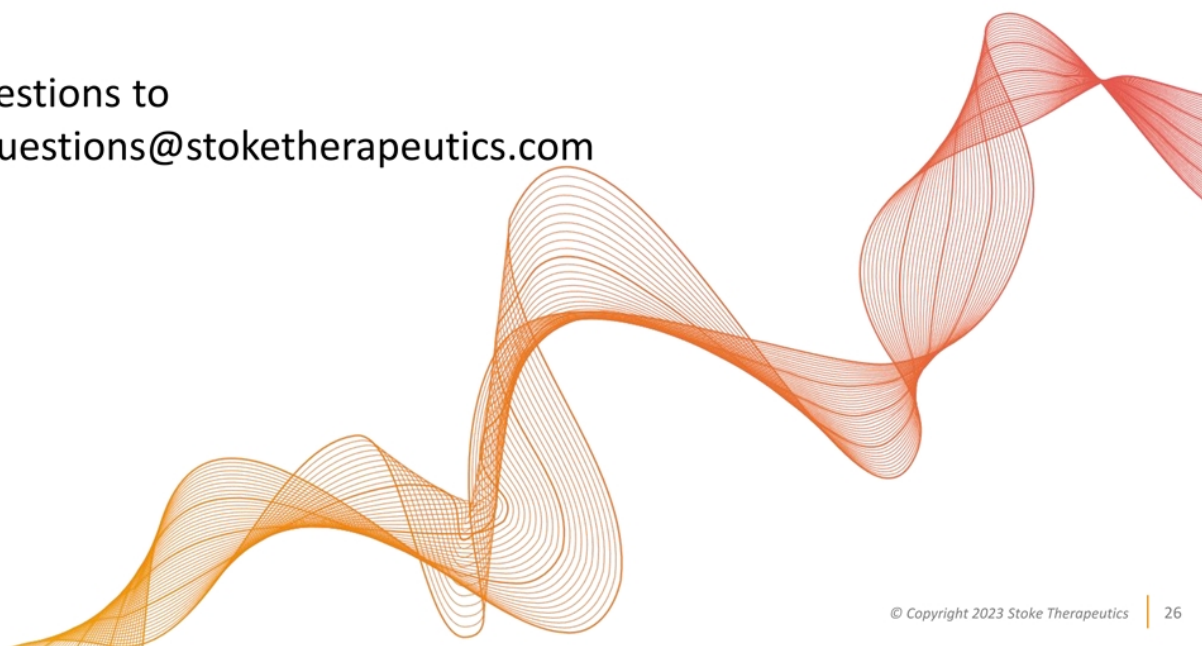
You must complete your tender offer on time

- By 11:59 pm ET on December 1, 2023
- You will receive an e-mail confirmation with your elections – keep it for documentation
- This is a one-time event and is only 20 business days long – schedule time for yourself now to review the materials



# Q&A

Send all questions to  
[ExchangeQuestions@stoketherapeutics.com](mailto:ExchangeQuestions@stoketherapeutics.com)



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

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

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

**A:** If you are an eligible employee, you have been sent a link to register and log into the Option Exchange website. This website will list all eligible option grants, including their respective grant prices. You may also view your grants in your E\*TRADE account.

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

**A:** No. The election is made on a grant-by-grant basis. If you hold more than one eligible option grant and elect to participate in the exchange offer, you may exchange as few or as many of your eligible option grants as you wish.

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

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

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

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

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

**A:** If you tender stock options in the exchange and leave the company before the first vesting date, you will forfeit the grant, since no shares will be vested.



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## Stoke Therapeutics – Stock Option Exchange Program Presentation

- Introduction: Good afternoon everyone, and thank you for joining us today for a presentation about Stoke's stock option exchange program. As many of you know, I am Jon Allan, General Counsel here at Stoke, and I am joined today by John Hammond from our advisors at Aon who will walk you through the exchange offer in more detail. Before I hand things over to John, I'd like to say a few words on behalf of Stoke and the leadership team.
- First, we are really excited to offer this opportunity to exchange certain underwater stock options for new RSUs. Options and equity grants are an important part of how we see total compensation here at Stoke as we believe that it encourages everyone to act like owners of the business by giving them a vested interest in Stoke's performance and increasing retention. However, we have heard the feedback that many of you don't see much value in your options that are underwater at recent stock prices. We hope that this exchange offer will present an opportunity to increase your sense of ownership in Stoke by exchanging some underwater options for RSUs that have tangible value at any stock price.
- Second, there is a lot of information here. Exchange offers like this are complicated and everyone's decision may be different. We have worked hard with Aon to prepare helpful information for everyone with today's education session and the other materials provided on the exchange website, but you probably will still have questions. We can answer many of your questions about how the exchange works, but we are not going to be able to advise you on what is right for you as you make this decision. As we've said before, it will be important for you to think through this decision on your own and if you don't have advisors that you can speak to already, the teams at Fidelity and Morgan Stanley E\*Trade are great places to start. And you can find more information about those resources on StokeCENTRAL.
- With that introduction, I'll now hand it over to John.
- Slide 1: Welcome everyone to the Stoke Therapeutics stock option exchange program presentation. My name is John Hammond. I am from Aon, and today we will be walking through the option exchange program that is occurring this month. Here is your agenda for today.
- Slide 2: First we have Introductions and an overview. We'll go over the basics, how an option exchange works, the eligibility, terms and considering your choice. Important disclaimers, and then questions and answers after that.
- Slide 3: Quick intro as to who I am. You might wonder why I'm involved. I have been in the stock plan space for about 23 years now, and I have done several of these presentations where we talk about exchange programs. I have a degree of expertise. However, it's important to note that does not mean that I can provide you any advice. It's actually part of the reason that I am here. I can't provide advice, but I do have expertise and the ability to answer questions on this type of exchange and answer questions that you have as long as it relates to the awards involved or materials that Stoke has provided for you.
- Slide 4: Equity is a very important part of your total rewards package at Stoke. Many stock options that were granted to date are underwater. Underwater means that the exercise price is lower than the current stock price of Stoke. It is fairly normal for stock options to fluctuate in value and become "underwater." They are granted at the current stock price – it's a 50-50 shot they will be underwater in the next couple days. However, options that are more significantly underwater may not motivate you as an incentive. There's still some value in the options – a wall street guy could

calculate that value with a mathematical model, but since your core expertise is not option valuation and you have to wait for the stock to go up to realize that value, you may not appreciate the full value of your stock options. But it's very important that you appreciate your incentives from Stoke. You are our most important asset in this.

This exchange is an offer to trade your underwater options for a restricted stock units (RSUs) that will be approximately equal to the current fair value of the exchanged stock options. We'll go through why it's smaller and how all of this works in this presentation. The stock option exchange offer only applies to stock options with a \$14 or higher strike price. So anything that's lower than \$14 is not eligible by this stock option exchange program. But the grants above \$14, you have the opportunity to consider an exchange. The value of the RSU will be approximately equal to the current fair value of your exchanged options. That fair value was calculated by those math people who can look at all the future possibilities and figure out its worth. You decide whether you want to keep the options or exchange them for RSUs.

Slide 5: Let's go over the basics and make sure you understand the types of stock awards that we're talking about. Let's start with options.

Slide 6: What is a stock option? A stock option is an option to purchase Stoke stock in the future. Your stock options have a 10-year life, which is a long time. The total time from the date of grant until they expire is 10 years. You must exercise your stock options before the 10 years is up, but it's that 10-year life that makes options so valuable.

You're going to see some general things out there in this process. Let's get one of them out of the way. Option price, exercise price, grant price, and strike price all mean the same thing. It's the price you pay for a stock option. So it's very important to understand that when you're talking about this type of a program, when we're talking about stock option prices and exercise prices and grant prices that are above \$14, those are the stock options that are eligible for this exchange program. The ones that are below that are not eligible. The exercise price is set to the price of the stock on the grant date. That is how your stock options were given to you – at the price of the stock on the grant date.

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

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

transaction. That is when the shares become yours. Expiration doesn't really apply in this instance. The unvested RSUs are canceled if you leave the company – we're used to options with a 10-year expiration. Understanding your vest dates as they relate to your RSUs is very important.

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

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

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

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

Slide 11: The offer is managed as a formal process called a tender offer. The offer is open from November 2<sup>nd</sup> to December 1<sup>st</sup>. All elections must be made by 11:59 PM Eastern time on December 1<sup>st</sup>. If you choose to exchange, when it's completed, your original award is canceled and you receive the new award. The new grants will be effective on or around December 1<sup>st</sup>. The first RSU vesting opportunity is one year later on December 1, 2024. If you do not elect to exchange, your original awards remain with the original terms and conditions. Except any ISO stock options will have its holding period reset. You can change your election as often as you want until the tender period closes. When it closes, that's when it's locked. There are no exceptions.

Slide 12: You have option exchange materials. The big one and the most official of the bunch is the Offer to Exchange Eligible Options for New Restricted Stock Units document. This details all of the rules

and requirements of the program and serves as your primary source of information. I say most official in that all of these materials are filed with the SEC – the video and storyboard, the brochure, this deck and even the script I am reading from. Some of these additional materials are a little more ‘approachable.’ You’ve got some education sessions—I am here. The dates for the education sessions are today and November 8<sup>th</sup>. We also have some brief educational videos. In the set is an exchange program overview, an example, and a discussion of the tender offering process.

- Slide 13: Eligibility
- Slide 14: Eligible participants include active employees who hold grants with an exercise price of \$14 or more. This includes employees on leave of absence. Ineligible participants include employees who resign or receive a notice of termination prior to the end of the offering period; also non-employees, including non-employee board members; and employees who only hold grants with exercise prices less than \$14.
- Slide 15: Eligible options are options held by an eligible employee and that are outstanding as at the end of the tender offering, have a grant date exercise price of \$14 or greater, and were granted under the 2014 Plan or 2019 Plan.
- Slide 16: Let’s understand your RSU terms – the terms of the awards you would be given in the exchange.
- Slide 17: The exchange ratio depends on the stock price at the start of the tender offer. We already know this answer since we’ve started, but they were only just established. If you agree to the exchange, your RSU will be unvested on the grant date, even if your exchanged options were vested. The first RSU vesting is December 1st, 2024, one year after the new grant date. Your new RSU vesting schedule is either 100% after 1 year OR 50% after 1 year and 50% after 2 years, depends on the number of options that were vested and unvested in the original stock option grant. Shares are taxable on the vesting date. By default, E\*TRADE will sell the shares needed to cover estimated tax withholding with an RSU.
- Slide 18: This is an example of the exchange ratio. So this is important to understand and like I mentioned, we are working with the final numbers that were set before the exchange began. We have already explained we are dealing with options with an exercise price of \$14 or more that are eligible for this exchange. For options between \$14 and \$29.99, the exchange ratio is 3.20 to one; if your exercise price is between \$30.00 and \$39.99 the exchange ratio is 5.30 to 1; if the exercise price is \$40.00 and \$49.99, the exchange ratio is 7.50 to one; if the exercise price is \$50.00 to \$59.99, the exchange ratio is 7.70 to one; and if the exercise price is \$60.00 or above, the exchange ratio is 7.75 to 1.
- So, why are there different exchange ratios? That amount that an option is underwater impacts that value so as an example, if the stock is trading at \$2, an option with an exercise price of \$10 is worth more than an option with an exercise price of \$20. I have farther to go for it to be in-the-money. The value is essentially how close is your exercise price to the current stock price – percentage-wise. At what point will you find value. Let’s look at example 1. A participant who held 960 eligible options at a \$20 exercise price would receive 300 RSUs if they accepted the exchange offer. The math is simple—it’s 960 eligible options just divided by 3.20. Example 2—someone with 1,200 options but with an exercise price of \$42 would receive 160 RSUs—taking the 1,200 options and dividing by 7.50 equals 160. For those of you wondering about rounding, the exchange will round down fractional amounts.

- Slide 19: Let's talk a little bit about taxes. Taxes happen when you make money. And with an RSU vesting, that is when money is made. Stoke withholds U.S. taxes. General taxation varies from country to country. RSUs are taxed at vest—when shares are released. NQ options are taxed at exercise, ISOs are generally taxes when they are sold. That includes both income and social taxes. RSUs are a bit different in that unlike options, you don't control tax timing. As for capital gains and losses you recognize when you sell the shares, for RSUs that's if stock price has changed since vesting – it usually will be different. For options, it's how the stock price has changed since exercise. A lot of time people sell the stock at the same time as an exercise of an option so it is rarer to have capital gains with options since most people never hold the shares. Another important item with both options and RSUs—cost basis—when you sell the stock, pay attention to your cost basis. It's just important to make sure your taxes are done properly so you don't over-report income.
- Slide 20: Another example – let's look at 2 awards this time. Elizabeth is eligible to exchange her two grants. How many RSUs would she receive if she chose to exchange each grant? Again – completely her call + she can even elect differently for the different awards if she chooses.
- Grant 1 is for 960 stock options with a \$20 exercise price. Grant 2 is for 1,200 stock options with a \$42 exercise price, 1,050 are vested and 150 are unvested.
- Grant 1 could be exchanged for 300 RSUs—that's 960 divided by three, which is that 3.20:1 ratio for the \$14 to \$29.99 exercise price range. All of the RSUs would be unvested as of the grant date. All 300 RSUs would vest on December 1<sup>st</sup>, 2024.
- Grant 2 could be exchanged for 160 RSUs—that's the 7.50:1 ratio. So 1,200 options divided by 7.5. All RSUs would be unvested as of the new grant date, then 140 would vest on December 1, 2024, 120 from the converted 1,050 vested options and 20 RSUs, 50% of the 40 RSUs converted from the 150 unvested exchanged stock options. The remaining 20 would vest on December 1, 2025.
- Alternatively, Elizabeth could exchange one grant and not the other. You do not have to exchange all eligible grants. She also can keep all of her options and not participate. If she does exchange her options, Elizabeth will owe ordinary income taxes when her RSUs vest. Fidelity automatically sells some of the shares to cover taxes. That ends up flowing through payroll. So it's not something that you report separately, it'll show up on your W-2 at the end of the year.
- Slide 21: The timeline for the exchange looks like this. It's open now. It closes Monday, December 1, 2023, at 11:59 p.m. Eastern time. The grant date is expected to be December 1, 2023. In December, E\*TRADE systems will be updated with the new grant paperwork.
- Slide 22: Here's the process. An email with account registration details will be sent to you on November 2<sup>nd</sup> to your Stoke email account, from [awardchoice@aon.com](mailto:awardchoice@aon.com). If you wish to participate, click the URL, use the provided code to register your [@StokeTherapeutics.com](mailto:@StokeTherapeutics.com) email address – you can only use this address. You will get an authentication email to confirm your account. Log into the Exchange website and make your election. You can login as many times as you want prior to the expiration of the tender offer, on December 1. Once you have made your election, you will get an email confirmation, keep this for your records. Your current election is locked when the tender period closes. You'll get a grant notification when it gets entered into E\*TRADE. You will also see your option canceled in the system if you elect to exchange.
- Slide 23: Considering your choice

- Slide 24: You can keep your current options or exchange them for RSUs. There's a breakeven point you may want to examine for each of your grants. For example, let's look at this chart. Say you have 704 original options with a \$20 exercise price. On the left – you can see the value of the option and the RSUs at a \$10 stock price. At a stock price of \$10, your original options still have no value – the RSUs are worth \$2,200.
- Looking at a breakeven, just to give you an idea of what that looks like. Breakeven on this award ends up around \$29.09. For your 704 options, that would be a \$9.09 gain over the original exercise price. With that your options would be worth \$6,400. And 200 RSUs at \$29.09 would also be worth \$6,400. So Stoke's stock price would need to be \$29.09 for it to break even. Every exercise price and every ratio have different breakeven points.
- Slide 25: Important disclaimers. Stoke Therapeutics cannot advise you on what to do. This is a financial decision that's entirely yours. Tender offers are regulated by the SEC, which has strict guidelines. If you ask for advice, we are required to say: Read through your materials, talk to your advisor. If you have questions, you can email ExchangeQuestions at Stoke Therapeutics dot com. We can answer questions as it relates to options and RSUs – taxes questions, etc. – but the exchange itself becomes the part where we need you to handle the process without our input.
- And this is also very important: you must complete your tender offer on time. If you miss it, it's done. There is no way to modify or add an election after the close. You will receive an email confirmation with your election. Keep it for documentation. This is a one-time event – we won't be repeating this offer at a later time. It's only 20 business days long. Make time to review the materials as soon as possible. 20 business days goes quickly.
- Slide 26: With those caveats, you can send questions to this email address if they come up. We will also open it up for questions at this time. Remember – nothing on what to do or what's right for you, but anything truly factual about the process or the award types we can definitely answer questions. On the next slide
- Slide 27: We have answers to a few questions we know will come up, but I'll go back to slide 27 for the Q&A portion. Thank you very much for your time.

## Calculation of Filing Fee Table

Schedule TO-1  
(Form Type)

## Stoke Therapeutics, Inc.

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

Table 1 – Transaction Valuation

	Transaction Valuation <sup>(1)</sup>	Fee Rate	Amount of Filing Fee <sup>(2)</sup>
Fees to Be Paid	\$3,885,555	0.00014760	\$573.51
Fees Previously Paid	\$0.00		\$0.00
<b>Total Transaction Valuation</b>	\$3,885,555		
<b>Total Fees Due for Filing</b>			\$573.51
<b>Total Fees Previously Paid</b>			\$0.00
<b>Total Fee Offsets</b>			\$0.00
<b>Net Fees Due</b>			\$573.51

- (1) Estimated solely for purposes of calculating the amount for the filing fee. The calculation of the Transaction Valuation assumes that all outstanding stock options to purchase shares of the issuer's common stock that may be eligible for exchange in the offer will be exchanged pursuant to the offer. This calculation assumes stock options to purchase an aggregate of 4,050,742 shares of the issuer's common stock, having an aggregate value of \$3,885,555 as of October 30, 2023, calculated based on a Black-Scholes option pricing model, will be exchanged or cancelled pursuant to this offer.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$147.60 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or 0.00014760% of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.