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# DELTA REPORT

## 10-K

YMAB - Y-MABS THERAPEUTICS, INC.  
10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	7907
CHANGES	238
DELETIONS	4539
ADDITIONS	3130

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022 2023.

OR

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

For the transition period from to

Commission file number 001-38650

Y-mAbs Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware

47-4619612

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

230 Park Avenue, Suite 3350 New York, NY

10169

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (646)-885-8505

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

Title of each class:	Trading Symbol Symbol(s)	Name of each exchange on which registered:
Common Stock, \$0.0001 par value	YMAB	The Nasdaq Global Select Market

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

NONE

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (\$299.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 USC, U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined by in Rule 12b-2 of the Exchange Act).

As of June 30, 2022 June 30, 2023 the aggregate market value of the common stock held by non-affiliates of the registrant, based on the closing price of a share of common stock as reported by the Nasdaq Global Select Market on such date, was approximately \$551 million \$246 million. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose. The number of outstanding shares of the registrant's common stock as of March 23, 2023 February 22, 2024 was 43,677,767 43,777,105.

Documents Incorporated by Reference:

Portions of the Registrant's Definitive Proxy Statement relating to the 2023 2024 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended December 31, 2022 December 31, 2023 are incorporated by reference into Part III of this Annual Report on Form 10-K. With the exception of the portions of the 2023 2024 Proxy Statement expressly incorporated into this Annual Report on Form 10-K by reference, such document shall not be deemed to constitute part of this Annual Report on Form 10-K.

Table of Contents

		Page
PART I		
Item 1.	Business	5
Item 1A.	Risk Factors	55 52
Item 1B.	Unresolved Staff Comments	121 120
Item 1C.	Cybersecurity	120
Item 2.	Properties	121
Item 3.	Legal Proceedings	121 122
Item 4.	Mine Safety Disclosures	122 123
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	122 123
Item 6.	Reserved	123
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	123

<a href="#">Item 7A.</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">142</a>	<a href="#">140</a>
<a href="#">Item 8.</a>	<a href="#">Financial Statements and Supplementary Data</a>	<a href="#">142</a>	<a href="#">141</a>
<a href="#">Item 9.</a>	<a href="#">Changes in and Disagreements With with Accountants on Accounting and Financial Disclosure</a>	<a href="#">174</a>	<a href="#">172</a>
<a href="#">Item 9A.</a>	<a href="#">Controls and Procedures</a>	<a href="#">174</a>	<a href="#">172</a>
<a href="#">Item 9B.</a>	<a href="#">Other Information</a>	<a href="#">175</a>	<a href="#">173</a>
<a href="#">Item 9C.</a>	<a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>		<a href="#">173</a>

### [PART III](#)

<a href="#">Item 10.</a>	<a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">175</a>	<a href="#">173</a>
<a href="#">Item 11.</a>	<a href="#">Executive Compensation</a>	<a href="#">175</a>	<a href="#">173</a>
<a href="#">Item 12.</a>	<a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">175</a>	<a href="#">174</a>
<a href="#">Item 13.</a>	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	<a href="#">175</a>	<a href="#">174</a>
<a href="#">Item 14.</a>	<a href="#">Principal Accounting Accountant Fees and Services</a>	<a href="#">176</a>	<a href="#">174</a>

### [PART IV](#)

<a href="#">Item 15.</a>	<a href="#">Exhibits and Financial Statement Schedules</a>	<a href="#">176</a>	<a href="#">174</a>
<a href="#">Item 16.</a>	<a href="#">Form 10-K Summary</a>	<a href="#">180</a>	<a href="#">178</a>

### [Table of Contents](#)

### FORWARD LOOKING STATEMENTS.

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, about us and our industry that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Annual Report on Form 10-K, including statements regarding our business strategy, future operations and results thereof, future financial position, future revenue, projected costs, prospects, current and prospective products, product approvals, research and development costs, current and prospective collaborations, timing and likelihood of success, plans and objectives of management, expected market growth and future results of current and anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “contemplate,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these

risks, uncertainties and assumptions, the future events and trends discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Annual Report on Form 10-K, particularly in the "Risk Factors" section, that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, licensing agreements, collaborations, joint ventures or investments that we may make.

The forward-looking statements contained in this Annual Report on Form 10-K are made as of the date of this Annual Report on Form 10-K, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Unless expressly indicated or the context requires otherwise, the terms "Y-mAbs," "Y-mAbs," "company," "we," "us," and "our" in this document refer to Y-mAbs Therapeutics, Inc., a Delaware corporation, and, where appropriate, its subsidiaries, the Company's subsidiary.

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[Table of Contents](#)

## SUMMARY OF RISK FACTORS

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects.

These risks are discussed more fully below under "Risk Factors" and include, but are not limited to, the following:

- We may not be able to successfully commercialize DANYELZA® (naxitamab-gqqgk), referred to as DANYELZA, for the treatment of relapsed/refractory high-risk neuroblastoma in bone and/or bone marrow, in the United States or in any other jurisdictions where we may receive marketing approval in the future;
- We may not be able to successfully implement our business model, and including our plans to expand the commercialization of DANYELZA® (naxitamab-gqqgk), referred to as DANYELZA, and to develop, obtain regulatory approval and develop of and commercialize our other product candidates, including the potential clinical efficacy, safety and other benefits thereof; candidates;
- Our expectations with respect to the rate and degree of market acceptance and clinical utility for DANYELZA or any current or future product candidate candidates for which we may receive marketing approval may not be realized;
- We may not be successful in obtaining approval of our product candidates and Our expectations with respect to the commercial value of any of our product candidates, including antibody constructs based on Self-Assembly DisAssembly Pretargeted Radioimmunotherapy, or SADA PRIT, technology platform, may not be realized;
- We may not be successful in implementing our business strategy, including our ability and plans in continuing to build out our commercial infrastructure and successfully launching, marketing, expanding the indications for, and selling DANYELZA and any current or future product candidate candidates for which we may receive marketing approval, including approval. This includes our plans with respect to the focus and activities of our sales force, the nature of our marketing, market access and patient support activities of DANYELZA and related assumptions;
- Expectations Our expectations with respect to the pricing, coverage and reimbursement of, and the extent to which patient assistance programs are utilized for DANYELZA or other product candidate candidates for which we may receive marketing approval may not be realized;
- Expectations Our expectations with respect to our ongoing and future clinical trials for DANYELZA and other product candidates, whether conducted by us or by any of our collaborators, may not be realized, including the timing of initiation of these trials, the pace of enrollment, the completion of enrollment, the availability of data from, and the outcome of, these trials, and expectations with respect to regulatory submissions and potential regulatory approvals may not be realized on the anticipated timing or at all;
- The SADA PRIT technology that we use has not been approved for commercial use by the FDA or any other regulatory authority and our clinical effort may not result in approval or marketable products;

- The outcome of pre-clinical studies and early clinical trials may not be predictive of the success of later clinical trials, interim results of a clinical trial do not necessarily predict final results, and the results of our clinical trials may not satisfy the requirements of the FDA or comparable foreign regulatory authorities, and if an adverse safety issue, clinical hold or other adverse finding occurs in one or more of our clinical trials of our product candidates, such event could adversely affect other clinical trials of our product candidates;
- We may be unable to attract, integrate, manage and retain qualified personnel or key employees;
- We may not realize the expected benefits from our recent business restructuring and workforce reduction and we may incur additional costs implementing it or other difficulties;
- Expectations Our expectations with respect to the timing of and our ability to obtain and maintain regulatory, marketing and reimbursement approvals for our product candidates may not be realized;
- We may be unable to successfully implement our commercialization, marketing and manufacturing capabilities and strategy;
- If we are unable to establish and maintain sufficient intellectual property position, strategy and scope of protection for the intellectual property rights covering our product candidates and technology, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours and our ability to successfully commercialize our products, product candidates and other proprietary technologies, if approved, may be adversely affected;
- We may be unable to identify and develop additional product candidates and technologies with significant commercial potential;

4

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#### [Table of Contents](#)

- We may be unable to enter into collaborations or strategic partnerships for the development and commercialization of our product candidates and future operations, and the potential benefits of any such collaboration or partnership may not be realized;
- Any collaboration agreement that we may enter into may not be successful, which could adversely affect our ability to develop and commercialize our products or to enter new therapeutic areas;
- We currently depend on third parties for a portion of our operations, and we may not be able to control their work as effectively as if we performed these functions ourselves. If the third parties fail to comply with regulations, our financial results and financial condition could be adversely affected;
- We are dependent on our ability to continue to maintain and leverage our relationship with Memorial Sloan Kettering Cancer Center, or MSK, including our ability to maintain our exclusive rights to under the 2015 MSK License

4

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#### [Table of Contents](#)

- Agreement (as amended), or MSK License, and the 2020 SADA Technology License Agreement, or SADA License Agreement and current and future technology and as well as our relationship with MSK as a user of DANYELZA and any future products;
- Our expectations related to the use of our cash and cash equivalents, and how long our cash resources are expected to last, may be inaccurate and we may require additional funding sooner than we expect;
  - We will require substantial additional funding to finance our operations, complete the development and commercialization of our product and product candidates, and evaluate future product candidates, and programs or other operations;
  - The timing and amount of any future financing transaction and our common stock price and other factors may impact our ability to raise additional capital on favorable terms;
  - Expectations Our expectations with respect to our financial performance, including our estimates regarding revenues, expenses, cash flow, and capital expenditure requirements may not be realized;
  - We face significant competition in an environment of rapid technological and scientific change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more effective than ours;
  - Our business, financial condition and results of operations have been and may in the future be adversely affected by the COVID-19 pandemic or similar health crises, macroeconomic conditions, such as rising inflation and high interest rates, uncertain global financial markets, supply chain supply-chain disruptions, and by geopolitical events, including the recent global conflict resulting from the invasion of Ukraine by Russia, and sanctions related thereto, which resulted in the suspension of our clinical trial and regulatory activities in Russia; as well as the state of war between Israel and Hamas and the related risk of a larger conflict;

- We currently depend on a small number of third-party contract manufacturing organizations, or CMOs, and expect it would be difficult to find a suitable replacement for the complex and difficult manufacture manufactures of DANYELZA and our product candidates. The loss of any of these CMOs or the failure of any of them to meet their obligations to us could affect our ability to continue to sell DANYELZA or to develop our other product candidates in a timely manner; and
- We are subject to government laws and regulations, and we may be unable to comply with healthcare laws and regulations in the United States and any applicable foreign countries, including, without limitation, those applying to the marketing and sale of pharmaceutical products, products;
- Any litigation to which we are a party could result in substantial damages or other adverse consequences to our business and may divert management's time and attention from our business. Any litigation that is successful against us may result in the incurrence of substantial liability if our insurance is inadequate.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Annual Report on Form 10-K, particularly in the "Risk Factors" section, that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, collaborations, joint ventures or investments that we may make.

## PART I

### ITEM 1. BUSINESS.

We are a commercial-stage biopharmaceutical company focused on the development and commercialization of novel radioimmunotherapy and antibody-based therapeutic products for the treatment of cancer. We are leveraging our proprietary radioimmunotherapy and antibody platforms and deep expertise in the field of antibodies to develop a broad portfolio of innovative medicines.

5

#### [Table of Contents](#)

Our only approved drug DANYELZA® (naxitamab-gqgk) (naxitamab gqgk) received accelerated approval by the United States Food and Drug Administration, or the FDA, in November 2020 for the treatment, in combination with Granulocyte-Macrophage Colony-Stimulating Granulocyte Macrophage Colony Stimulating Factor, or GM-CSF, of pediatric patients one year of age and older and adult patients with relapsed or refractory, or R/R, high-risk high risk neuroblastoma, or NB, in the bone or bone marrow who have demonstrated a partial response, minor response, or stable disease to prior therapy. We are commercializing DANYELZA in the United States and began shipping in February 2021. In December 2022, we announced a distribution agreement with WEP Clinical Ltd., or WEP, in connection with an early access program for DANYELZA in Europe and

5

#### [Table of Contents](#)

in January 2023, the European Medicines Agency, or EMA, agreed to our proposed Pediatric Investigation Plan, or PIP, for naxitamab. Europe.

DANYELZA has been evaluated in a Phase 2 clinical study in front-line NB, a pilot study of chemoimmunotherapy for high-risk NB, and is currently being evaluated in a pivotal-stage multicenter trial (Study 201), which is designed to satisfy the accelerated approval confirmatory study and post-marketing requirements of the FDA, as well as a Phase 2 clinical study in second-line relapsed osteosarcoma patients.

We submitted a Biologics License Application, or BLA, to the FDA for radiolabeled <sup>131</sup>I-omburtamab for central nervous system, or CNS, leptomeningeal metastases, or LM, from NB in August 2020, and received a Refusal to File letter from the FDA in October 2020. The reason for the FDA's decision to issue the Refusal to File letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC Module and the Clinical Module of the BLA required further detail. Among other things, the FDA requested that detailed validation data be included in the CMC Module, that clinical study data and external control data be reanalyzed using a propensity score adjusted analysis for important baseline characteristics, such as prior receipt of irradiation, and that further supportive evidence in the form of direct anti-tumor effect be included in the Clinical Module. We held a number of Type B meetings with the agency, including a pre-BLA meeting in January 2022, before we resubmitted the BLA for omburtamab in March 2022. In October 2022 we met with the FDA's Oncologic Drugs Advisory Committee, or ODAC, who reviewed <sup>131</sup>I-omburtamab and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival. In November 2022, we received a complete response letter, or CRL, for the BLA. In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. We are currently considering the future for our omburtamab development program and we can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

We are using our proprietary Self-Assembly DisAssembly Pretargeted Radioimmunotherapy, or SADA BiDE (2-step Self-Assembly and DisAssembly Bispecific DOTA Engaging antibody system) Pre-targeted Radioimmunotherapy Platform, or the SADA Technology, PRIT, technology platform, a concept we also refer to as Liquid Radiation™, to advance a series of antibody constructs, where using a two-step pre-targeting approach. The bispecific antibody fragments bind to the tumor before a radioactive payload is injected subsequently injected. The aim is specifically to deliver the radioactive payload to the tumor while minimizing exposure to normal tissue as indicated in a two-step approach. We have designated non-clinical studies.

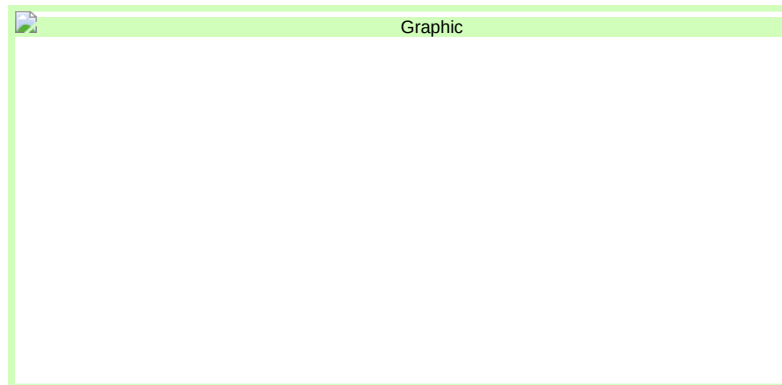
GD2-SADA for potential use in GD2-positive solid tumors as is our first SADA constructs PRIT construct. The first patient was dosed in April 2023 in our Phase 1, dose-escalation, single-arm, open-label, non-randomized, multicenter clinical trial for the treatment of certain solid tumor cancers, including small cell lung cancer, sarcoma, and filed an malignant melanoma. We currently have six active treatment sites and are continuing to add additional sites. We are pleased with our observations so far and in particular that patients dosed with the GD2-SADA protein have not experienced treatment related pain, dose limiting toxicities, related severe adverse events or serious adverse events. Based on the SPECT/CT scans performed, we believe that we have demonstrated proof of concept for GD2-SADA by demonstrating that the GD2-SADA molecules can find and bind to tumors and that the radionuclide targets the GD2-SADA molecules. As of the date hereof, we are treating patients in cohort 4 at 3mg/kg. The initial blood PK profile of the construct in patients appears to match our pre-clinical models in terms of clearance data, and the blood PK profiles from patients are comparable and we believe are supportive of the current dose interval of two to five days.

The Investigational New Drug Application, application, or IND for GD2-SADA in December 2021. We obtained clearance for the IND in July 2022. We have secured clinical supplies for a medical radioisotope no-carrier-added, or n.c.a., lutetium-177 from ITM Isotope Technologies Munich SE, or ITM, who will provide its n.c.a. <sup>177</sup>Lu for phase 1-3 clinical development of GD2-SADA. We announced our first hematological target, the CD38-SADA construct for the treatment of patients with Relapsed or Refractory Non-Hodgkin Lymphoma was cleared by the U.S. FDA in December 2022, October 2023, and we expect to submit an IND for this construct dose the first patient in 2023, 2024. We believe the SADA PRIT technology platform could potentially improve the efficacy of radiolabeled immunological therapeutics (e.g., naked monoclonal antibodies), in tumors that have not historically demonstrated meaningful responses to radiolabeled immunological agents.

In January 2023 we announced a strategic restructuring plan designed to extend our cash resources and prioritize resources on the commercialization and potential label extension of DANYELZA and development of the SADA PRIT technology platform. In addition to deprioritizing the omburtamab program (described below) for all indications and product candidates, we have deprioritized other pipeline programs, including activities relating to the GD2-GD3 Vaccine and CD33 bispecific antibody constructs by delaying trial initiation and overall timelines as part of the restructuring plan. The We completed the restructuring plan includes a reduction of our workforce by in May 2023, which resulted in an approximately 35% reduction to our then workforce.



As summarized in the overview below, we are advancing development of a focused clinical pipeline of novel radioimmunotherapy and is expected to be completed by antibody-based therapeutic candidates aimed at improving the end lives of May 2023, patients afflicted with a variety of cancers:



- (1) DANYELZA received accelerated approval from the FDA in November 2020. Pivotal registration studies supporting the BLA submission, comprised of Study 12-230 measuring pharmacokinetic, toxicity and efficacy and an additional pivotal multicenter Phase 2 study, Study 201, designed to prove comparability between study sites using a current good manufacturing practices, or cGMP, commercial manufacturer. Study 201 has also been designed to satisfy the confirmatory study and post-marketing requirements by the FDA.
- (2) Initial study represents pediatric and young adult patients with ages ranging from 1 to 40 years.

Our mission is to become the global leader in developing better and safer antibody-based pediatric radioimmunotherapy and antibody based oncology products therapies addressing clear unmet medical needs and, as such, have a transformational impact on the lives of patients. We intend to advance and expand our product pipeline of therapeutic candidates into certain adult cancer indications either independently or in collaboration with potential partners.

#### DANYELZA

DANYELZA, our first FDA-approved FDA approved product is a recombinant humanized immunoglobulin G, subtype 1k, or IgG1k, monoclonal antibody, or mAb, that targets ganglioside GD2, which is highly expressed in various

#### [Table of Contents](#)

neuroectoderm-derived neuroectoderm derived tumors and sarcomas. DANYELZA received regulatory accelerated approval by the FDA in November 2020 for the treatment, in combination with GM-CSF, GM CSF, of pediatric patients 1 year of age and older and adult patients with R/R high-risk NB in the bone or bone marrow who have demonstrated a partial response, minor response, or stable disease to prior therapy. We are commercializing DANYELZA in the United States and began shipping it in February 2021. Sales of DANYELZA for the years ended December 31, 2022 December 31, 2023 and 2021 2022 were \$49.3 million \$84.3 million and \$32.9 million. \$49.3 million, respectively. In July 2021, 2023 SciClone Pharmaceuticals International Ltd., or SciClone, submitted a BLA for launched DANYELZA for the treatment of patients with R/R high-NB to the National Medical Products Administration, or NMPA, of high-risk NB in China, and Takeda Israel, or Takeda, launched DANYELZA in Israel. In addition, we received regulatory approval for DANYELZA in Brazil and in Mexico during 2023.

The accelerated approval of DANYELZA is subject to certain post-marketing requirements and commitments, including a confirmatory post-marketing trial of clinical benefit, that must be completed in order to convert the Biologics License Application, or BLA, was approved to full approval and prevent withdrawal of the license by the FDA. The confirmatory post-marketing clinical trial required by the FDA to verify and to further characterize the clinical benefit is our ongoing Study 201, which is designed to enroll a minimum of 80 evaluable patients and report

overall rate of response, or ORR, duration of response, or DOR, progression free survival, or PFS, and overall survival, or OS. The ORR is the primary

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## [Table of Contents](#)

endpoint for the study, DOR is the secondary endpoint and PFS and OS are secondary endpoints in December 2022, long-term follow-up. We anticipate completing the study no later than by March 31, 2027.

In addition, DANYELZA is currently being studied in several ongoing clinical trials, including a pivotal-stage multicenter trial (Study 201), which is also designed to satisfy the confirmatory study and post-marketing post marketing requirements by the FDA, and a Phase 2 clinical trial (Study 15-096) for relapsed osteosarcoma. DANYELZA was also studied in a Phase 2 clinical trial (Study 16-1643) in front-line front line NB and a pilot study (Study 17-251) of chemoimmunotherapy for high-risk NB. In addition, investigator sponsored studies, or ISS, are ongoing with Beat Childhood Cancer Research Consortium, or BCC, which is conducting a Phase 2 multi-center trial evaluating naxitamab in combination with standard induction therapy in patients with newly diagnosed high-risk NB, and we are planning to initiate an ISS Phase 1b/2 trial investigating TGFβ NKs, gemcitabine and naxitamab in patients with metastatic breast cancer at the Ohio State University in the first half year of 2024.

We believe DANYELZA has multiple potential advantages over other GD2-targeting GD2 targeting antibody-based therapies. In particular, its toxicity profile allows for doses two-and-a-half two and a half times greater than existing GD2-targeting antibody-based GD2 targeting antibody based therapies. Unlike currently approved GD2-targeting GD2 targeting therapies for NB, which require 10 to 20 hours of infusion and hospitalization for several days, DANYELZA is administered in approximately 30 to 60 minutes in an outpatient setting. We believe this significantly shorter administration time is an important advantage considering the overall pain associated with treatment.

Other than DANYELZA, there are no FDA-approved FDA approved therapies for primary refractory or second-line second line pediatric NB patients. DANYELZA has also received orphan drug designation, or ODD, and rare pediatric disease designation, or RPDD, from the FDA for the treatment of NB. In addition, DANYELZA has received breakthrough therapy designation, or BT, in combination with GM-CSF, GM CSF, for the treatment of high-risk high risk NB refractory to initial therapy or with incomplete response to salvage therapy in patients greater than 12 months of age with persistent, refractory disease limited to bone marrow with or without evidence of concurrent bone involvement. In 2018, the European Commission granted orphan medicinal product designation or OMPD, for naxitamab for the treatment of NB, and in 2023, the European Medicine Agency, or EMA agreed to the Company's proposed Pediatric Investigation Plan, or PIP, for naxitamab.

While our current clinical efforts for DANYELZA are focused on rare pediatric cancers, we believe that we can potentially expand its application to the treatment of adults with cancers that express GD2. We estimate that there were more than 200,000 new adult patients diagnosed with GD2-positive GD2 positive cancers in the United States in 2022, 2023.

## **SADA PRIT Technology Platform**

On April 15, 2020, we entered into a license agreement, or the SADA License Agreement, with MSK and Massachusetts Institute of Technology, or MIT, that grants us an exclusive, worldwide, sublicensable license to certain patent and intellectual property rights developed by MSK and MIT to develop, make, and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics and cancer treatments. The patents and patent applications covered by the SADA License Agreement are directed, in part, to the SADA PRIT Technology, as well as a number of SADA PRIT constructs developed by MSK.

We are using the potential first-in-class SADA PRIT technology to advance a series of antibody constructs, where bispecific antibody fragments bind to the tumor before a radioactive payload is injected in a two-step approach. GD2-SADA for potential use in GD2-positive solid tumors is our first SADA PRIT construct, and we had our first clinical patient dosed in April 2023 in our Phase 1, dose-escalation, single-arm, open-label, non-randomized, multicenter trial, for the treatment of certain solid tumor cancers, including small cell lung cancer, sarcomas, and malignant melanoma. In addition, the IND for our first hematological target, the CD38-SADA construct for the treatment of patients with Relapsed or Refractory Non-Hodgkin Lymphoma was cleared by the FDA in October 2023, and we expect to dose the first patient in 2024.

In addition to GD2-SADA and CD38-SADA, we have two additional SADA PRIT programs in pre-clinical development: B7H3-SADA and HER2-SADA. We expect to file INDs for these two programs in 2025.

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[Table of Contents](#)

We believe the SADA PRIT technology could potentially improve the safety and efficacy of radiolabeled therapeutics in tumors that have not historically demonstrated meaningful responses to radiolabeled agents.

### Omburtamab

Omburtamab is a murine monoclonal antibody that targets B7-H3, an immune checkpoint molecule that is widely expressed in tumor cells of several cancer types, including pediatric CNS/central nervous system, or CNS, and leptomeningeal metastases, or LM from NB. <sup>131</sup>I-omburtamab, which is omburtamab radiolabeled with Iodine-131, has been studied in several clinical trials including development Study 101 and Study 03-133 for the treatment of pediatric patients who have CNS/LM from NB. An analysis of 107 patients with pediatric CNS/LM from NB who were treated with <sup>131</sup>I-omburtamab in Study 03-133 demonstrated a median overall survival, or OS, of 50.8 months, as compared to historical median OS of approximately six to nine months. <sup>131</sup>I-omburtamab has received ODD and RPDD from the FDA for the treatment of NB, and BTD for the treatment of pediatric patients who have CNS/LM from NB. We submitted a BLA to the FDA for radiolabeled <sup>131</sup>I-omburtamab I omburtamab for central nervous system, or CNS, leptomeningeal metastases, or LM, from NB in August 2020, and received a Refusal to File letter from the FDA in October 2020. The reason for the FDA's decision to issue the Refusal to File letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC Module and the Clinical Module of the BLA required further detail. Among other things, the FDA requested that detailed validation data be included in the CMC Module, that clinical study data and external control data be reanalyzed using a propensity score adjusted analysis for important baseline characteristics, such as prior receipt of irradiation, and that further supportive evidence in the form of direct anti-tumor effect be included in the Clinical Module. We held a number of Type B meetings with the agency, including a pre-BLA meeting in January 2022, before we resubmitted the BLA for omburtamab in March 2022. In October 2022 we met with the U.S. Food and Drug Administration, or FDA,

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[Table of Contents](#)

and the ODAC, who reviewed <sup>131</sup>I-omburtamab and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival. In November 2022, we received a CRL for the BLA. In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. We are currently considering the future for our omburtamab development program and we have received an 18-month extension of the BLA, which expires on May 30, 2025. We can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

As part of the our restructuring plan executed in 2023, we also deprioritized <sup>124</sup>I-omburtamab, which is omburtamab radiolabeled with Iodine-124, that was being studied for the treatment of Diffuse Intrinsic Pontine Glioma, or DIPG, and <sup>131</sup>I-omburtamab that was being studied for the treatment of Desmoplastic Small Round Cell Tumors, or DSRCT.

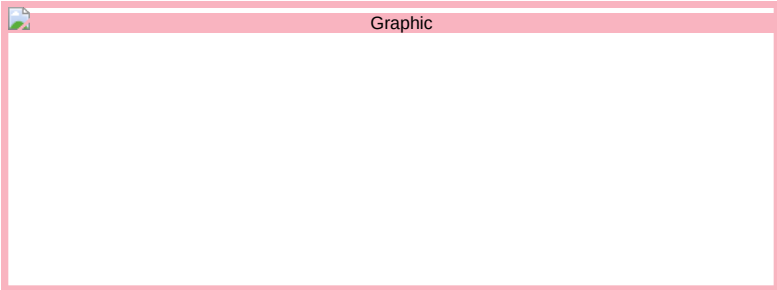
Our In addition, our Phase 1 multicenter study for <sup>177</sup>Lu-omburtamab-DTPA, for the treatment of medulloblastoma, and our Phase 1 multicenter study with <sup>177</sup>Lu-omburtamab-DTPA targeting B7-H3 positive CNS/LM tumors in adults were also deprioritized in 2022.

### The SADA Technology

On April 15, 2020, we entered into a license agreement, or the SADA License Agreement, with MSK and Massachusetts Institute of Technology, or MIT, that grants us an exclusive, worldwide, sublicensable license to certain patent and intellectual property rights developed by MSK and MIT to develop, make, and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the

field of cancer diagnostics and cancer treatments the SADA Technology. The patents and patent applications covered by the SADA License Agreement are directed, in part, to the SADA Technology, as well as a number of SADA constructs developed by MSK.

We are using the SADA Technology to advance a series of antibody constructs based on the SADA technology, where bispecific antibody fragments bind to the tumor before a radioactive payload is injected in a two-step approach. We have designated GD2-SADA for potential use in GD2-positive solid tumors as our first SADA construct and filed an IND for GD2-SADA in December 2021. We obtained clearance for the IND in July 2022. The first clinical sites were activated in November 2022, and MSK opened in March 2023. We believe the SADA technology could potentially improve the efficacy of radiolabeled therapeutics in tumors that have not historically demonstrated meaningful responses to radiolabeled agents.



89

[Table of Contents](#)



**Overview of Active INDs**

The table below sets forth our product candidates, date of the initial submission of the IND to the FDA, as well as the current sponsor, the subject matter and the current status of each such IND.

Product Candidate	Date of Initial Submission	Current Sponsor	Subject Matter of IND	Current Status
DANYELZA	June 14, 2011	MSK	NB and other GD2-positive tumors	Clinical trials completed
DANYELZA	September 5, 2017	Y-mAbs	Pediatric NB	Clinical trials ongoing
GD2-SADA	December 30, 2021	Y-mAbs	GD2-positive tumors solid	Clinical trial ongoing
CD38-SADA	September 15, 2023	Y-mAbs	Non-Hodgkin's lymphoma (NHL)	Planning clinical trial in 2024

Omburtamab* (131I-omburtamab and 124I-omburtamab)	September 22, 2000	Y-mAbs (MSK original sponsor)	CNS/LM from NB, DSRCT, DIPG and other B7-H3 positive tumors	Clinical trial follow-up ongoing trials completed for CNS/LM NB; clinical trials completed for NB, DSRCT and DIPG DIPG. Deprioritized
GD2-GD3 Vaccine Vaccine*	July 29, 2008	MSK	Pediatric NB	Clinical trial ongoing at MSK. Deprioritized

\* In November 2022, we received a CRL for the BLA. We are currently considering the future for the omburtamab development program and we program. We can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval. In addition, we have deprioritized the GD2-GD3 Vaccine program as part of our 2023 restructuring.

## MSK License Agreements

We have exclusive rights to MSK's rights in all of our current product candidates under our 2015 license agreement, or the MSK License, with MSK. The MSK License also provides us with non-exclusive access to technology that involves the creation of a novel human protein tag that can potentially dimerize, or link together, bispecific T-cell engagers, or BiTEs. We BiTEs, which we refer to this technology as the MULTI-TAG technology. We believe that our strong relationship with MSK, one of the world's leading cancer treatment centers, and our access to certain of MSK's technologies and substantial research capabilities affords us several competitive advantages. In addition, under a separate 2020 SADA License Agreement with MSK and MIT we have exclusive, worldwide, sublicensable license to certain patent and intellectual property rights developed by MSK and MIT to develop, make, and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics and cancer treatments using the SADA Technology, PRIT technology.

## Material Funding Activities

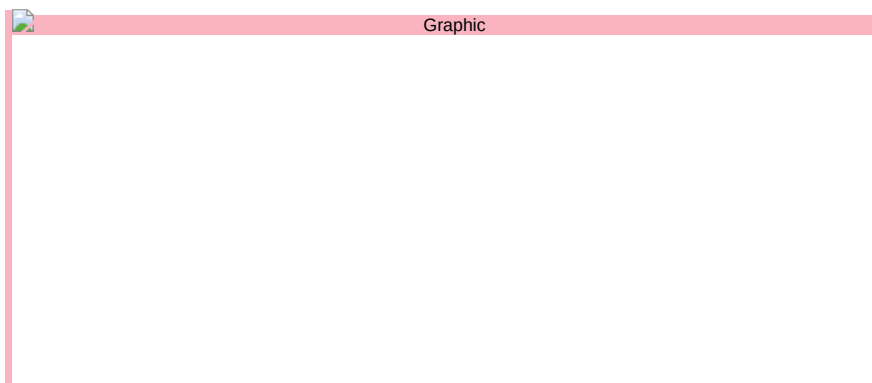
Since our inception in April 2015, we have raised approximately \$488.8 million through private placements of our securities, our initial public offering in September 2018 and our public offerings in November 2019 and February

## Table of Contents

2021. In our secondary public offering in February 2021, we issued and sold 2,804,878 shares of our common stock at a price to the public of \$41.00 per share which included the exercise in full of the underwriters' option to purchase additional shares. We received aggregate gross proceeds from our secondary public offering in February 2021 of \$115.0 million, when the transaction closed in February 2021. On December 28, 2020, we announced that we entered into a definitive agreement to sell our DANYELZA PRV to United Therapeutics Corporation for \$105.0 million. The PRV was granted in conjunction with the approval by the FDA of DANYELZA, for the treatment of refractory/relapsed high-risk NB. Under the terms of the MSK License Agreement, we retained 60% of the net proceeds received from the sale, and the remaining 40% was paid to MSK. As a result, we received net proceeds from this sale of \$62.0 million. As of December 31, 2022 December 31, 2023, we had cash and cash equivalents of \$105.8 \$78.6 million.

## Our Pipeline

The following table sets forth DANYELZA and our product candidates and their current development stages, estimated development timelines and anticipated milestones.



- (1) DANYELZA was approved by the FDA in November 2020. Pivotal registration studies supporting the BLA submission, comprised of Study 12-230 measuring pharmacokinetic, toxicity and efficacy and an additional pivotal multicenter Phase 2 study, Study 201, designed to prove comparability between study sites using a current good manufacturing practices, or cGMP, commercial manufacturer. Study 201 has also been designed to satisfy the confirmatory study and post-marketing requirements by the FDA.
- (2) Initial study represents pediatric and young adult patients.
- (3) Represents the radioactive isotope of iodine used to radiolabel omburtamab.

### Our Business Strategy

Our mission is to become the global leader in developing better and safer radioimmunotherapy and antibody-based pediatric oncology products cancer therapies addressing clear unmet medical needs and, as such, have a transformational impact on the lives of patients. We intend to advance and expand our product pipeline into certain adult cancer indications either independently or in collaboration with potential partners.

10

### [Table of Contents](#)

Key elements of our strategy to achieve this goal are:

- **Independently commercialize DANYELZA in indications and territories where we believe we can maximize the value.** On November 25, 2020, DANYELZA received accelerated approval by the FDA following an expedited regulatory pathway and priority review under the BTB granted in 2018. We initiated commercialization of DANYELZA in the United States following the FDA approval. We plan to independently commercialize DANYELZA independently focusing on already-identified key treatment centers, as well as

10

### [Table of Contents](#)

educating doctors, patients and payors about DANYELZA and its current and future indication to drive acceptance and uptake. We believe that we will need to engage a small number of physician specialists for training regarding the appropriate administration and use of DANYELZA. The sales call points for DANYELZA in the United States are highly concentrated and generally addressable by a small commercial organization, which we believe will allow us to cost-effectively maintain our own commercial capability. Finally, we have already, and we intend to further form in the future commercial and development collaborations for indications and in territories that are we believe may be better served by the resources of local specialists or larger biopharmaceutical companies.

- **Expand the indications and target patient populations for our existing product candidates.** Our goal is to maximize the potential of our existing product candidates in areas where there is a significant unmet medical need by exploring additional indications, as well as expanding the target population within existing indications. For example, we are developing DANYELZA for the potential treatment of front-line and third-line NB and relapsed osteosarcoma and we intend to discuss our BLA strategy in these indications with the FDA. We believe that we may qualify for a supplemental BLA, or sBLA, in each of these indications assuming positive pivotal data.
- **Advance our novel SADA constructs PRIT Technology platform focusing on targets that we believe may offer potential substantial benefits over existing therapies.** We are also advancing a series of promising SADA PRIT constructs that we believe have the potential to allow for easy adaptation to different tumor targets and a variety of payloads. In 2022 we opened Our first two clinical trials are the IND for our GD2-SADA construct for the treatment of GD2-positive solid tumors and in 2023 we expect to submit an IND for CD38-SADA for non-Hodgkin's Lymphoma. In addition, we have two additional programs SADA PRIT programs in pre-clinical development: B7H3-SADA and HER2-SADA.
- **Leverage our relationships with leading academic and clinical institutions to develop additional product candidates.** We intend to continue to partner with leading centers, such as MSK, for cancer treatments worldwide in various jurisdictions, to identify and develop additional product candidates. We believe that our relationship with MSK, our access to several of their technologies and MSK's significant expertise in pediatric cancer care provides us with significant competitive advantages. For example, our Investigator-Sponsored Master Clinical Trial Agreement, or the MCTA, with MSK provides us with ready access to patients for clinical trial enrollment, which is a significant advantage in rare disease drug development where patients are often hard to locate and recruit. Our Sponsored Research Agreement, or the SRA, with MSK, pursuant to which we agreed to provide research funding to MSK, grants us a first option to negotiate an exclusive license to MSK's rights in any new joint inventions discovered under the SRA. We plan to leverage our strong relationship with institutions such as MSK and their expertise and research capabilities to augment our own capabilities in order to identify new product candidates for the treatment of cancers where there is a significant unmet medical need and no effective therapy currently available.

#### Current Approaches to the Treatment of Cancer

##### Cancer Overview

Cancer is a broad group of diseases in which cells divide and grow in an uncontrolled fashion, forming malignancies that can invade other parts of the body. Cancers can subsequently spread throughout the body by processes known as invasion and metastases. Cancer cells that arise in the lymphatic system and bone marrow, or BM, are referred to as hematological malignancies. Cancer cells that arise in other tissues or organs are referred to as solid tumors.

11

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##### [Table of Contents](#)

Cancer is a major public health problem in the United States and worldwide. The National Cancer Institute, or NCI, estimated that approximately 40% of all men and women in the United States will be diagnosed with some form of cancer during their lifetime (based on 2017-2019 data). According to the U.S. Centers for Disease Control, or CDC, cancer is currently the second leading cause of death in the United States and is expected to surpass heart disease as the leading cause of death in the next several years. Although progress has been made in the diagnosis and treatment of cancer, the American Cancer Society, or ACS, estimates that an estimated 1.8 2.0 million new cancer cases will be diagnosed in the United States and over 600,000 people will have died from cancer in 2023 (Cancer statistics, 2023 -

11

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##### [Table of Contents](#)

Siegel - 2023 - CA: A Cancer Journal for Clinicians - Wiley Online Library). Thus, there remains a significant need for novel and improved treatment options for cancer patients.

Cancer treatment has traditionally included chemotherapy, radiotherapy, hormone therapy, surgery or a combination of these approaches. While small molecule chemotherapy agents and cytotoxic agents have demonstrated efficacy in treating certain types of cancers, they can also cause toxicities that may lead to life-threatening consequences, lower quality of life or untimely termination of treatment. Furthermore, these treatments are only partially effective in solid tumors, in part because the maximal achievable doses are limited by systemic toxicity, which consequently hinders the prospects of long-term remission in patients. Over a course of more than 20 years, cancer research and treatment has shifted to more targeted therapies, such as monoclonal antibodies, and immuno-oncology, a new field of cancer therapy focused on enhancing antitumor immune responses.

Advances in understanding the immune system's role in treating cancer have established immunotherapy, or the practice of harnessing immune system functions to combat malignant cell growth, as an important treatment approach. Cancer immunotherapy began with treatments that nonspecifically activated the immune system and had limited efficacy and/or significant toxicity. In contrast, new immunotherapy treatments can activate specific, key immune cells, leading to improved targeting of cancer cells, efficacy, and safety.

Cancer therapies are sometimes characterized as front-line, second-line, or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, front-line therapy is sometimes adequate to effectively treat the cancer or prolong life. Whenever front-line therapy, usually chemotherapy, radiation therapy, surgery, or a combination of these, proves unsuccessful, second-line therapy may be administered. Second-line therapies often consist of more chemotherapy, surgery, tumor-targeted therapies such as monoclonal antibodies and small molecules, or a combination of these. Third-line therapies can include bone marrow transplantation, antibody and small molecule targeted therapies, more invasive forms of surgery, and new technologies.

### ***Immune System and Introduction to Antibodies***

The immune system is often described as having two main branches—innate (non-specific) and adaptive (acquired) immunity. It defends against invading pathogens such as viruses, parasites, and bacteria, and provides surveillance against cancers. The innate immune system is the initial response to an infection, and the response is the same every time regardless of prior exposure to the infectious agent. The adaptive immune system includes B-cells, which secrete antibodies and T-cells, which can be either helper T-cells, suppressor T-cells or cytotoxic T-cells.

An antibody, also known as an IgG, is a large, Y-shaped protein produced mainly by plasma cells in response to foreign substances, such as viruses or cancer cells. Antibodies circulating in the bloodstream function by binding to the target or antigen they are generated to fight. The binding process involves a lock-and-key mechanism in which the paratope region of the antibody, analogous to a lock, binds to one particular epitope of a specific antigen, analogous to a key. This allows the antibody to bind to a specific antigen with precision, thereby attacking only its intended target.

Different types of antibodies include: (i) Monoclonal Antibodies—laboratory-made antibodies typically derived from immune cells of mammals that have been immunized with a desired antigen and are all clones of a unique parent; (ii) Humanized/Chimeric Antibodies—antibodies with both mouse and human antibody proteins that are humanized (i.e., engineered to replace mouse components with more human components) to reduce the immune system response against antibodies identified as foreign (i.e., from a different species) in nature; (iii) Naked Monoclonal Antibodies—antibodies without any drug or radioactive material attached and which are the most common type of antibodies in treating cancer; (iv) Antibody Drug Conjugates, or ADCs—monoclonal antibodies that are joined to a chemotherapy

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### [Table of Contents](#)

drug, a radioactive particle or cancer cell killing agent, in which the monoclonal antibody is used as a homing device to deliver these substances directly to the cancer cell; and (v) Bispecific antibodies comprised of two different monoclonal antibody constructs, which allows the antibody to bind to two specific therapeutic targets at the same time, typically one target on the tumor cell and one target on an immune system cell.

Antibodies may function through multiple mechanisms simultaneously, including binding to cancer cells and flagging for B-cells and T-cells to more easily detect the target, or delivering radiation treatment by acting as a vehicle to



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[Table of Contents](#)

transfer small radioactive particles directly to the cancer cells and to minimize the effect of radiation on normal cells. Other mechanisms include triggering cell-membrane destruction, preventing cell growth or blood vessel growth, blocking immune system inhibitors, directly attacking cancer cells and delivering chemotherapy or binding cancer cells and immune cells simultaneously.

Studies have shown that, as a drug class, antibodies have transformed oncology treatment and include some of the best-selling therapies on the biopharmaceutical market.

### Our Product and Product Candidates

We have one FDA-approved product and a **broad and advanced** product pipeline including product candidates primarily targeting clinically validated tumors that express GD2 and CD38, respectively.

On November 25, 2020, DANYELZA, was approved by the FDA, in combination with granulocyte-macrophage Colony-Stimulating factor, or GM-CSF, for the treatment of pediatric patients 1 year of age and older and adult patients with relapsed or refractory high-risk neuroblastoma in the bone or bone marrow who have demonstrated a partial response, minor response, or stable disease to prior therapy. We began to commercialize DANYELZA in the United States upon receipt of FDA approval in November 2020. DANYELZA is also in mid-stage clinical development for additional **cancers, and we have initiated clinical development in other indications.**

Our product candidate **<sup>131</sup>I-omburtamab, or omburtamab, is in development for pediatric CNS/LM from NB—a rare and life-threatening pediatric cancer for which no FDA-approved products currently exist. We submitted a BLA to the FDA for radiolabeled <sup>131</sup>I-omburtamab for central nervous system, or CNS, leptomeningeal metastases, or LM, from NB in August 2020, and received a Refusal to File letter from the FDA in October 2020. The reason for the FDA's decision to issue the Refusal to File letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC Module and the Clinical Module of the BLA required further detail. Among other things, the FDA requested that detailed validation data be included in the CMC Module, that clinical study data and external control data be reanalyzed using a propensity score adjusted analysis for important baseline characteristics, such as prior receipt of irradiation, and that further supportive evidence in the form of direct anti-tumor effect be included in the Clinical Module. We held a number of Type B meetings with the agency, including a pre-BLA meeting in January 2022, before we resubmitted the BLA for omburtamab in March 2022. In October 2022 we met with the FDA's ODAC who reviewed <sup>131</sup>I-omburtamab and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival. In November 2022, we received a complete response letter, or CRL, for the BLA. In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. We are currently considering the future for our omburtamab development program and we can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.** **cancers.**

We are using our proprietary SADA BiDE (2-step Self-Assembly and DisAssembly Bispecific DOTA Engaging antibody system) **Pre-targeted Radioimmunotherapy Platform, or the SADA PRIT Technology platform,** a concept we also refer to as Liquid Radiation™, to advance a series of antibody constructs, where bispecific antibody fragments bind to the tumor before a radioactive payload is injected in a two-step approach. **We have designated** GD2-SADA for potential use in GD2-positive solid tumors **as is** our first SADA **constructs and filed an construct.** **We obtained clearance of our IND for GD2-SADA in December 2021. We obtained clearance for the IND July 2022. The first patient was treated with GD2-SADA in July, March 2023.** We announced our first hematological target CD38-SADA in December 2022, and **expect to submit** submitted an IND for this construct in **September 2023. The IND was cleared in October 2023 and we expect the first patient to be treated in 2024.** In addition, we have two additional programs SADA PRIT programs in pre-clinical development: B7H3-SADA and HER2-SADA. **We expect INDs for these two programs will be filed in 2025.** We believe the SADA PRIT technology could potentially improve the efficacy of radiolabeled therapeutics in tumors that have not historically demonstrated meaningful **responses response** to radiolabeled agents.

**In January 2023 we announced a strategic restructuring plan designed to extend our cash resources and prioritize the commercialization and potential label extension of DANYELZA and development of the SADA technology platform. In addition to deprioritizing the omburtamab program for all indications and product candidates, we deprioritized other pipeline programs, including activities relating to GD2-GD3 Vaccine and CD33 bispecific antibody constructs, by delaying trial initiation and overall timelines as part of the restructuring plan. In addition,**

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[Table of Contents](#)

nivatrotamab and <sup>177</sup>Lu-omburtamab were deprioritized during the first half of 2022. We have allocated de minimis resources to the deprioritized programs. In most cases, the INDs have been inactivated, which reduces our development costs while preserving our option to potentially revitalize programs at a later point.

We have exclusive worldwide commercial rights to all of our current product candidates and we have granted commercialization partners certain exclusive rights to develop and commercialize DANYELZA and omburtamab in select territories, including Greater China, Israel, Latin America, Russia and certain Eastern European countries.

#### DANYELZA Overview

DANYELZA is a humanized monoclonal antibody approved by the FDA in combination with Granulocyte-Macrophage Colony-Stimulating factor, or GM-CSF, for the treatment of pediatric patients 1 year of age and older and adult patients with relapsed or refractory high-risk neuroblastoma in the bone or bone marrow who have demonstrated a partial response, minor response, or stable disease to prior therapy, and being evaluated for the treatment of other GD2-positive tumors, including osteosarcoma. DANYELZA targets GD2, which, based on our research, is expressed on almost all NB cancer cells regardless of disease stage and in almost all osteosarcomas. DANYELZA was granted BTM for treatment of patients with pediatric R/R high-risk NB in 2018.

In November 2018, the European Commission granted orphan medicinal product designation, or OMPD, for naxitamab for the treatment of NB. In January 2023, the EMA agreed to our proposed PIP for naxitamab. DANYELZA also received ODD and RPDD from the FDA for the treatment of NB in 2013 and 2017, respectively. The RPDD qualified us for receipt of a PRV upon approval of DANYELZA for treatment of NB, and we did receive such PRV in November 2020. As of December 2022, December 31, 2023, DANYELZA has been administered to more than 900 1,319 patients in clinical trials, including patients treated under our expanded access and compassionate use programs. Sales of DANYELZA for the year ended December 31, 2022 December 31, 2023 were \$49.3 million \$84.3 million.

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[Table of Contents](#)

In clinical studies, DANYELZA has been shown to cause serious infusion reactions including anaphylaxis, cardiac arrest, bronchospasm, stridor, and hypotension. The most common adverse events were mainly mild and moderate and included infusion-related reaction, pain, tachycardia, vomiting, cough, nausea, diarrhea, decreased appetite, hypertension, fatigue, erythema multiforme, peripheral neuropathy, urticaria, pyrexia, headache, edema, anxiety, localized edema and irritability. DANYELZA has been approved with a boxed warning for serious infusion reactions and neurotoxicity.

In pediatric R/R high-risk NB, we believe that DANYELZA has multiple potential advantages over other GD2-targeting antibody-based therapies. In particular, the modest toxicity it exhibits allows for doses 2.5 times greater than the other GD2-targeting antibody-based therapies. DANYELZA also has a significantly shorter infusion time (approximately 30 to 60 minutes compared to 10 to 20 hours for other GD2-targeting antibody-based therapies being used in front-line therapy), which we believe is an important factor given the pain associated with the therapy and the ability to be that DANYELZA is administered in an outpatient setting.

In addition, DANYELZA has been evaluated in a Phase 2 clinical study (Study 16-1643) in front-line NB, a pilot study (Study 17-251) of chemoinmunotherapy for high-risk NB and is currently being evaluated in a Phase 2 clinical study (Study 15-096) in second-line relapsed osteosarcoma patients. Moreover, Study 15-096 completed enrollment in December 2023, and assuming positive results of this study, we are will be planning an international multicenter randomized pivotal clinical study with DANYELZA compared to Standard of Care in patients with relapsed osteosarcoma with Pulmonary Only Recurrence (Study 205).

Furthermore, DANYELZA is being studied in Study BCC-018, which is a Phase 2 study sponsored by Beat Childhood Cancer Research Consortium investigating Naxitamab added to induction therapy for subjects with newly diagnosed high-risk neuroblastoma. This is an ongoing, multicenter clinical trial to evaluate the efficacy and safety of administering naxitamab in combination with standard induction chemotherapy.

#### GD2 Overview

We believe that monoclonal antibodies such as DANYELZA that target ganglioside GD2 are one of the most promising cancer immunotherapy approaches. Gangliosides, including GD2, GM2, GD3, NGcGM3 and OAcGD2, have been shown to be expressed at very high levels in tumor cells of several types of cancers.

As a potential target molecule for anti-tumor therapy, GD2 has certain advantages when compared to other tumor associated gangliosides because it is highly expressed in tumor cells of several types of cancers and is not

14

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#### [Table of Contents](#)

expressed at all, or expressed at very low levels, in normal cells. A National Cancer Institute pilot program for the prioritization of the most important cancer antigens ranks GD2 as number 12 out of 75 potential targets for cancer therapy based on therapeutic function, immunogenicity, role of the antigen in oncogenicity, specificity, expression level and percent of antigen-positive cells, stem cell expression, number of patients with antigen-positive cancers, number of antigenic epitopes, and cellular location of antigen expression. GD2 ranks as number six when compared to antigens that are directly targetable on the cell surface. Antibodies directed against GD2 have been shown to effectively induce cell death through a combination of both apoptosis and tumor cell necrosis in GD2-positive tumors.

#### *GD2 Expression in Various Cancer Types*

Studies have shown that GD2 is highly expressed on neuroectoderm-derived tumors and sarcomas, including NB, retinoblastoma, melanoma, small cell lung cancer, brain tumors, osteosarcoma, rhabdomyosarcoma, Ewing's sarcoma in children and adolescents, as well as liposarcoma, fibrosarcoma, leiomyosarcoma and other soft-tissue sarcomas in adults. These cancers have a high mortality rate ranging from 20-80% depending on the tumor type.

We believe there is a large market opportunity for the treatment of solid tumors that express GD2. Based on our own research and our review of published research, we believe GD2 expression occurs in approximately 60-100% of tumor samples from various cancer types, and in substantially all NB and osteosarcoma tumor samples (Cancer Molecular Targets and Therapeutics, Nazha et al., 2022: Disialoganglioside GD2 Expression in Solid Tumors and Role as a Target for Cancer Therapy). We estimate that there were more than 200,000 new patients diagnosed with GD2-positive GD2.

14

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#### [Table of Contents](#)

positive cancer in the United States in 2017. While our clinical development efforts for DANYELZA are currently primarily focused on rare pediatric cancers, we believe we have the potential to expand DANYELZA's application beyond pediatric cancers to the treatment of adults with cancers that express GD2. For example, we are supporting pre-clinical in-vitro and in-vivo studies evaluating the effect of naxitamab in breast cancer cells. In addition, we are supporting an investigator sponsored Phase 1b/2 study evaluating at the combination of naxitamab, gemcitabine and NK cells in advanced breast cancer patients.

#### **DANYELZA—mechanism of action**

Our pre-clinical studies have shown that DANYELZA binds to GD2 molecules on tumor cells with high affinity and a slow off-rate, which indicates DANYELZA's strong binding ability. In mice that have been transplanted with human NB tissue, DANYELZA demonstrated dose-dependent inhibition of tumor growth (i.e., the effect of DANYELZA varied with dosage) and generally increased survival. In vitro studies show that when DANYELZA binds to tumor cells, it induces tumor cell death through antibody dependent cell-mediated cytotoxicity and complement-dependent cytotoxicity. DANYELZA may also inhibit tumor cell migration through its inhibitory effect on GD2 molecules, which are involved in tumor cell adhesion and migration. In vitro studies also show that Granulocyte-Macrophage Colony-Stimulating Factor, or GM-CSF, enhances the activity of DANYELZA in a dose-dependent manner and is therefore generally combined with DANYELZA in our clinical trials.

#### *DANYELZA for the treatment of pediatric relapsed or refractory high-risk neuroblastoma*

On November 25, 2020 DANYELZA® DANYELZA received regulatory accelerated approval by the FDA in the United States for treatment in combination with GM-CSF of high-risk R/R NB. This approval was based primarily on interim data from the Study 201 and Study 12-230. In order to meet certain post-marketing commitments issued by the FDA, Study 201 with DANYELZA is currently still ongoing for pediatric R/R high-risk NB. DANYELZA was granted BTM in this indication in 2018. In November 2018, the European Commission granted orphan medicinal product designation, or OMPD, for naxitamab for the treatment of NB. DANYELZA has also received ODD and RPDD from the FDA for the treatment of NB in 2013 and 2017, respectively. The RPDD qualified us for receipt of a PRV upon approval of DANYELZA for treatment of NB by the FDA, which we received in November 2020. The FDA has issued a post-marketing commitment to provide data on PFS, supporting the efficacy of the product. As of January 1, 2023 January 1, 2024 we have enrolled 87 103 patients and we anticipate completing the study no later than by March 31, 2027. We believe DANYELZA has multiple potential advantages over other GD2-targeting antibodies such as higher doses and administration on an outpatient basis.

In our studies to date, DANYELZA has demonstrated a manageable safety profile, which allows for 2.5 times greater dosing as compared to other GD2-targeting antibody-based therapies. This results in fewer doses per cycle and a significantly shorter infusion time (approximately 30 to 60 minutes versus 10 to 20 hours for dinutuximab). Notably, since severe pain is one of the most common side effects of treatment with GD2-targeting antibody-based therapies, we

15

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#### [Table of Contents](#)

believe that the ability to reduce infusion time to approximately 30 to 60 minutes is very important for patients and may result in a significant reduction in demand for pain medication such as morphine. These factors allow DANYELZA to be administered in an outpatient setting whereas other GD2-targeting antibody-based therapies require hospitalization which usually lasts for four days or more.

#### *Overview of Neuroblastoma*

NB is a rare and almost exclusively a pediatric cancer that develops in the sympathetic nervous system, a network of nerves that carries messages from the brain throughout the body. It is the third most common childhood cancer, after leukemia and brain tumors, and is the most common solid extracranial tumor in children. NB is a life-threatening disease associated with poor long-term survival. It accounts for approximately six percent of all childhood cancers and approximately 15% of pediatric cancer deaths. Nearly 90% of patients with NB are diagnosed by age five and NB is very rare in people over the age of 10 years. The average age of children when they are diagnosed with NB is one to two years.

The stage of NB, which describes how far the cancer has spread, is based on results of physical exams, imaging tests, and biopsies. The International Neuroblastoma Staging System stages the disease from Stage 1 to Stage 4. Other factors that also affect prognosis of NB include age and amplification of MYCN oncogene.

NB patients can also be placed into different risk groups from low, intermediate to high based on the stage and other prognostic factors. High-risk NB is defined as MYCN amplified Stage 2, 3, 4S and 4 in patients of any age and MYCN non amplified Stage 4 in patients over 18 months of age.

15

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[Table of Contents](#)

There are **estimated to be** approximately 700 children diagnosed with high-risk NB in the United States each **year** **year** (**American Cancer Society, 2021: Key Statistics about Neuroblastoma**). We believe the European market is at least one and a half times the size of the U.S. market and that there are approximately 1,050 patients diagnosed with high-risk NB in Europe each year. We believe the current addressable market for DANYELZA consists of approximately 960 new front-line high-risk NB patients each year and 675 primary or second-line eligible R/R NB pediatric patients each year, representing approximately 40% of all pediatric patients diagnosed with NB in the United States and Europe, combined. Moreover, based on the protocol we have developed with MSK, between treatment and maintenance therapy, we believe that typically patients will receive five to ten treatment cycles of DANYELZA, each cycle consisting of three doses.

*DANYELZA for Pediatric Relapsed or Refractory High-Risk Neuroblastoma—Current Treatment Landscape and Associated Limitations*

Currently, front-line treatment for pediatric NB patients usually occurs in three stages: induction, consolidation, and maintenance. During the induction phase, patients receive chemotherapy, radiotherapy and possibly surgery to eliminate as much tumor tissue and as many tumor cells as possible. Commonly used agents for induction treatment include cisplatin, etoposide, doxorubicin, cyclophosphamide, and vincristine. Following surgery and/or radiotherapy, most patients enter into consolidation therapy with the goal of eliminating any residual tumor usually with single dose myeloablative agents (e.g. carboplatin-etoposide-melphalan) with stem cell support or an autologous stem cell transplant or repeated transplants with thiotepa-cyclophosphamide followed by cyclophosphamide, etoposide, and ranimustine. Many treatment centers also use immunotherapy as part of the consolidation stage of treatment. Relapse is a frequent occurrence after consolidation.

Other than DANYELZA, there are no approved therapies in the United States for R/R NB patients. Other treatments typically include chemotherapy, radiotherapy and other experimental therapies.

In 2015, the FDA and the **EMA, European Commission**, approved **Unituxin Unituxin®** (dinutuximab), a monoclonal GD2-targeting antibody developed by United Therapeutics Corporation, or United Therapeutics, and administered in combination with GM-CSF, interleukin-2, or IL-2, and isotretinoin, also known as 13-cis-retinoic acid, for the treatment of pediatric patients with high-risk NB who achieve at least a partial response, or PR, to prior front-line multiagent, multimodality therapy. The marketing authorization for Unituxin was voluntarily withdrawn by United Therapeutics in the European Union in 2017. In 2017 the **EMA European Commission** approved Dinutuximab beta Apeiron (also known as dinutuximab beta, ch14.18/CHO, Isqette and

[Table of Contents](#)

currently being commercialized under the name Qarziba® in **Europe** **the European Union**), a monoclonal GD2-targeting antibody, for the treatment of high-risk NB in patients aged **12 months** **1 year** and older, who have had some improvement with previous treatments or patients whose NB has not improved with other cancer treatments or has relapsed.

*DANYELZA for Pediatric Relapsed or Refractory High-Risk Neuroblastoma—Clinical Development Program*

DANYELZA has been studied in several clinical trials for the treatment of pediatric R/R NB and other diseases, of which Study 201 and Study 15-096 are currently ongoing. The accelerated approval of DANYELZA by the FDA was based primarily on interim data from Study 201 and Study 12-230.

***Study 12-230: Phase 1/2 Study of Combination Therapy of Antibody Naxitamab with Granulocyte-Macrophage Colony-Stimulating Factor (GM-CSF) in Patients with Relapsed/Refractory High-Risk Neuroblastoma***

***Phase 1 Portion of Study 12-230***

***Primary Objective***

- To establish the maximum tolerated dosage, or MTD, of naxitamab when combined with GM-CSF.

#### Secondary Objectives

- To study the pharmacokinetics of naxitamab when combined with GM-CSF.
- To assess activity of naxitamab plus GM-CSF against NB.
- To quantitate pain during naxitamab and GM-CSF treatment.
- To study markers of granulocyte mediated cytotoxicity and NK-mediated cytotoxicity, anti-naxitamab immunity, and anti-tumor immunity before and after treatment with naxitamab/GM-CSF.
- To quantitate the response of NB in BM by quantitative reverse-transcription-polymerase chain reaction, or RT-PCR.

#### Patient Population

In addition to satisfying certain other criteria, patients must be over one year of age and must have been diagnosed with NB as defined by a) histopathology, or b) BM metastases or Meta-iodobenzylguanidine, or MIBG, avid lesion(s) plus high urine catecholamine levels.

Patients must have R/R high-risk NB (including MYCN-amplified Stage 2, 3, 4, or 4S of any age and MYCN-non-amplified Stage 4 in patients over 18 months of age) resistant to standard therapy. Standard therapy for these types of patients includes intensive induction chemotherapy, followed by a variety of consolidation or salvage therapies, depending on response.

Patients are mainly children and adolescents.

#### Treatment Protocol

The Phase 1 portion of Study 12-230 assessed dose escalation of intravenous, or IV, naxitamab (days one, three, five) in the presence of subcutaneous GM-CSF (days minus four through five). These three doses of naxitamab and 10 days of GM-CSF constituted a single treatment cycle. Patients who completed 4 cycles without PD were eligible to continue treatment for up to 24 months. For the Phase 2 part of the study, patient patients were eligible to continue treatment for up to 4 cycles after major clinical response was obtained again with a maximum treatment period of 24 months.

17 16

#### [Table of Contents](#)

#### Phase 2 Portion of Study 12-230

The Study 12-230 protocol was amended in May 2016 to include an expansion Phase 2 portion. In October 2020, topline results from the first 71 patients (including 29 patients with no evidence of disease, or NED patients) in this Phase 2 study were presented, which continued to show response rates at the same levels as in the dose escalation part of the study with 13 of 15 evaluable, or 87% of, primary refractory patients responding and 7 of 23 evaluable, or 30% of, secondary refractory patients responding.

The expansion Phase 2 single-arm portion of Study 12-230 was designed to assess the anti NB activity of naxitamab and GM-CSF in patients who presented with lesions that could be objectively measured and/or monitored by <sup>123</sup>I-MIBG scans and who were deemed to have measurable disease and be eligible for response classification by the INRC classification incorporating <sup>123</sup>I-MIBG scans. These patients were classified as having evaluable disease and consisted of patients that were primary refractory patients or secondary refractory patients. Another group of patients included those with NED but with a high-risk of relapse.

#### *Primary Objectives*

- In Group 1: (NED patients) To assess the impact of naxitamab and GM-CSF on PFS in patients in greater than or equal to second CR/very good partial response, or VGPR, but at high-risk of another relapse.
- In Group 2: To assess the activity of naxitamab and GM-CSF in patients who have primary refractory disease in the bone and BM by measuring response and by calculating PFS.

- In Group 3: To assess the activity of naxitamab and GM-CSF in patients who have secondary refractory disease in the bone and BM by measuring response and by calculating PFS.

#### *Secondary Objectives*

- In patients with primary refractory or relapsed disease (groups 1 and 3):
  - o To evaluate the PFS from the start of hu3F8+GM-CSF treatment.
  - o To evaluate human anti-human antibody (HAHA).
- In patients in >2nd CR (Group 2):
  - o To evaluate PFS from the start of hu3F8+GM-CSF treatment.
  - o Evaluate event free survival (EFS) from the start of hu3F8+GM-CSF treatment.
- In all patients: To evaluate the safety of naxitamab

#### Patient Population

In addition to satisfying certain other criteria, patients must be over one year of age and will be mainly children and adolescents.

Study 12-230 is now **completed**. **completed and the data is currently being evaluated and prepared for publication.**

#### **Study 201: A Phase 2 Trial of Antibody Naxitamab and Granulocyte-Macrophage Colony-Stimulating Factor (GM-CSF) in High-Risk Neuroblastoma Patients with Primary or Secondary Refractory Osteomedullary Disease**

Study 201 is a single-arm multi-center pivotal study using current Good Manufacturing Practices, or cGMP, manufactured naxitamab, which commenced recruitment in the second quarter of **2018**. **2018 and was the basis for FDA's accelerated approval of DANYELZA in 2020.** We have completed the initial enrollment target of 37 patients and continue recruitment at sites outside the U.S.

**18 17**

#### Table of Contents

#### *Primary Objective*

- To evaluate the efficacy of IV naxitamab and GM-CSF.

#### *Secondary Objectives*

- To evaluate the safety of IV naxitamab and GM-CSF.
- To evaluate the duration of response from the start of naxitamab and GM-CSF. Duration of response is defined as the length of time from patient response to PD.
- To evaluate PFS of naxitamab and GM-CSF.
- To evaluate median OS at two years following naxitamab and GM-CSF.
- To evaluate the pharmacokinetics of naxitamab and investigate the formation of HAHA.

#### Patient Population

In addition to satisfying certain other criteria, patients must have high-risk NB with primary or secondary refractory osteomedullary disease. Primary refractory disease is defined as no prior relapse but incomplete response to treatment in BM as documented by histology and/or **123I-MIBG****123I-MIBG** scan. Secondary refractory disease is defined as prior relapse and incomplete response to salvage therapy in BM as documented by histology and/or **123I-MIBG****123I-MIBG** scan. Patients must be older than one year of age.

#### Treatment Protocol

Study 201 follows the same treatment protocol as described for Study 12-230 above.

We initiated Study 201 to form with the objective of establishing the primary basis for our BLA, aiming to establish comparability of study population with Study 12-230 and to satisfy the post-marketing requirements outlined by the FDA. The FDA granted approval under the accelerated approval regulation. The post-marketing clinical trial required by the FDA to verify and to further characterize the clinical benefit is our ongoing Study 201, which will aims to enroll a minimum of 80 evaluable patients with evaluable disease, with a minimal follow-up of 12 months from CR/PR the onset and of Complete Response/Partial Response, which is equivalent to at least a total 122 patients in Study 201. The study will report ORR, DOR, PFS or and OS. The ORR is the primary endpoint for the study, DOR is the secondary endpoint, and PFS and OS are secondary endpoints in long-term follow up. follow-up. As of January 1, 2023 December 31, 2023, we have enrolled 87 103 patients, and we anticipate completing the study no later by March 31, 2027. The interim results from the BLA submission, and as per the label, showed that of the for 22 patients included in the efficacy analysis, an ORR of 45% (95% CI: 24%, 68%) was observed with a Complete Response of 36% and a Partial response of 9%. The response rates were assessed in accordance with International Neuroblastoma Response Criteria, or INRC. Approximately 30% of responders demonstrated a DOR lasting at least 6 months, defined as the time from randomization to disease progression, or death, in patients who achieved completed or partial response. Among 25 patients involved in safety analysis who received DANYELZA in combination with GM-CSF, 12% were exposed for 6 months or longer and none were exposed for greater than March 31, 2027 one year. Serious adverse reactions were observed in 32% of patients receiving DANYELZA in combination with GM-GSF, including anaphylactic reaction (12%) and pain (8%). Permanent discontinuation of DANYELZA due to an adverse reaction occurred in 12% of patients. The interim results have been submitted for publication.

18

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[Table of Contents](#)

#### **Study 16-1643: Naxitamab/GM-CSF Immunotherapy Plus Isotretinoin for Consolidation of First Remission of Patients with High-Risk Neuroblastoma: A Phase 2 Study**

Study 16-1643 was a Phase 2 single-arm clinical trial where patients with high-risk NB in first CR/VGPR undergo consolidation with naxitamab and GM-CSF for five cycles and isotretinoin for six cycles. The primary objective of the study was to determine relapse-free survival following treatment with naxitamab combined with GM-CSF and isotretinoin.

A total of 59 patients have completed enrollment in the study which constituted full accrual. The data is currently being evaluated and prepared results have been submitted for publication.

##### **Primary Objective**

- To determine two years relapse-free survival.

19

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[Table of Contents](#)

##### **Secondary Objective**

- To determine MRD by using BM specimens.

##### **Patient Population**

In addition to satisfying certain other criteria, patients must have a diagnosis of NB as defined by a) histopathology, or b) BM metastases or MIBG-avid lesion(s) plus high urine catecholamine levels. Patients must have high-risk NB (MYCN amplified Stage 2, 3, 4, and 4S of any age and MYCN-nonamplified Stage 4 in patients above 18 months of age). Patients must be in first CR/VGPR.



Patients will mainly be children and adolescents.

#### Treatment Protocol

The dosing and regimen for naxitamab and GM-CSF is similar to the protocol in Study 12-230. Naxitamab and GM-CSF is given for five cycles and isotretinoin for six cycles. In addition to naxitamab and GM-CSF, isotretinoin, which has been shown to decrease the risk of relapse in patients treated in CR, is administered at 160mg/m<sup>2</sup>/d, divided into two doses, for 14 days. This treatment can be repeated after a minimum rest period of 14 days, for a total of six cycles starting after two cycles of naxitamab and GM-CSF unless HAAA develops and precludes timely administration of cycle 2 of naxitamab and GM-CSF. The interval between the end of a treatment cycle of naxitamab and GM-CSF and start of next treatment cycle is two to four weeks through cycle 4, then the interval is up to six to eight weeks until cycle 5.

#### Safety Results

One patient was reported with an unexpected neuropathic event. The patient suffered from short-term lower limb paralysis that resolved upon hospitalization treatment.

*Study 17-251: Pilot Study of Naxitamab, Irinotecan/Temozolomide and Sargramostim (HITS) Chemoimmunotherapy for High-Risk Neuroblastoma*

Study 17-251 was a single-arm pilot, Phase 2 study conducted at MSK in focusing on high-risk R/R NB patients with soft-tissue disease. Patients were treated with received treatment combining naxitamab in combination with irinotecan, temozolomide, and sargramostim, or collectively referred to as HITS. A total of 48 38 patients completed enrollment at MSK. Additionally, 52 patients received treatment on a compassionate use basis at Hospital Sant Joan de Déu Barcelona, and their outcomes were amalgamated. The final patient was treated in the second quarter of 2021.

Responses rates comprised Complete Response rate of 26%, Partial Response rate of 11%, mixed response rate of 9%, and stable disease rate of 27% (American Society of Clinical Oncology 2022 Abstract, Modak et. al). Objective Responses were observed in 64% of cases, with soft tissue uptake in 48% and skeletal MIBG uptake in 66%. Complete Response in bone marrow was evident in 57% of the patents. Response rates were assessed in accordance with INRC. Among patients who had previously been exposed to dinutuximab/immunotherapy, the Objective Response Rate to HITS treatment stood at 42%. Toxicities encompassed myelosuppression and diarrhea, anticipated with immunotherapy, as well as pain and hypertension, expected with naxitamab. Additionally, febrile neutropenia occurred in 4% of the patients. No unexpected toxicities exceeding grade 2 were recorded.

**Study BCC-018: A Phase 2 Study sponsored by Beat Childhood Cancer Research Consortium investigating Naxitamab Added to Induction Therapy for Subjects with Newly Diagnosed High-Risk Neuroblastoma**

This investigator sponsored study which constituted full accrual. The data is currently being evaluated an ongoing multicenter clinical trial in subjects with newly diagnosed high-risk neuroblastoma to evaluate the efficacy and prepared for publication, safety of administering naxitamab in combination with standard induction chemotherapy.

#### *Primary Objective Objectives*

- To evaluate the safety of HITS in patients VGPR(+) rate (VGPR + CR rate) to naxitamab with NB standard induction therapy for subjects with newly-diagnosed high-risk neuroblastoma according to the 1993 INRC Criteria and compare to relevant historical controls

#### *Secondary Objective Objectives*

- To assess objective response rate (ORR) to naxitamab with standard 5 cycle induction therapy
- To assess the objective response rate (ORR) to naxitamab after 2 cycles of induction therapy
- To evaluate tumor responses to HITS in patients with NB event-free survival (EFS), and overall survival (OS)

#### Patient Population

In addition to satisfying certain other criteria, the patients must have a diagnosis of NB as defined by international criteria, including histopathology or bone marrow metastases plus high urine catecholamine levels.

High-risk NB is defined as any of the following:

- Stage 4 To assess the response rate of naxitamab in combination with MYCN amplification (any age) salvage chemotherapy in subjects who have a poor response (as defined as PR/MR/SD/NR) after 5 cycles of induction

## [Table of Contents](#)

- Stage 4 without MYCN amplification (greater than one Safety and a half years tolerability of age)
- Stage 3 naxitamab with MYCN amplification (unresectable; any age)
- Stage 4S with MYCN amplification (any age) standard induction therapy

Patients must have In parallel, the BCC consortium is currently planning a history of tumor progression or relapse or failure transition to achieve CR following a randomized controlled trial comparing patients who receive standard induction therapy, to patients who receive naxitamab in combination with standard induction therapy. Patients must also have evaluable disease documented after completion of prior systemic therapy.

## Treatment Protocol

Each cycle consists of four doses of naxitamab, five doses each of irinotecan and temozolomide and five doses of sargramostim. Irinotecan 50mg/m<sup>2</sup>/day IV A key endpoint will be administered from day one through five concurrently with temozolomide 150mg/m<sup>2</sup>/day orally. Naxitamab 2.25mg/kg IV will be administered on days two, four, eight and 10. Sargramostim 250mg/m<sup>2</sup>/day subcutaneous will be administered from day six through 10. If patients do not experience significant toxicity they will commence a second cycle four to six weeks after the first cycle. If there is no progressive disease and patients do not experience significant toxicity they may receive combination therapy up to two years.

## Safety Results

Safety and efficacy data for Study 17-251 were published as an abstract complete response at the June 2022 meeting end of induction treatment. The study is aimed to start during the American Society second quarter of Clinical Oncology. Toxicities included myelosuppression and diarrhea as expected with irinotecan/temozolomide, pain and hypertension as expected with naxitamab, plus febrile neutropenia. No other >grade 2 unexpected toxicities occurred, and the treatment was outpatient. In this trial, human anti-human antibody did not develop in any of the 50 patients providing samples for testing. 2024.

## **DANYELZA for the Treatment of Relapsed Osteosarcoma**

DANYELZA is currently being evaluated in an ongoing Phase 2 clinical study (Study 15-096) for the treatment of patients with relapsed osteosarcoma that have been rendered surgically free of evident disease.

### *Overview of Osteosarcoma*

Osteosarcoma is the most commonly diagnosed primary malignancy of bone, particularly among children and adolescents. It is relatively rare and represents less than one percent of all cancers diagnosed in the United States. According to the ACS, most osteosarcomas occur in children and adolescents between the ages of 10 and 30. In young patients, it most often arises in the metaphyses of long bones, such as the distal femur, proximal tibia, and proximal humerus.

Each year, approximately 1,000 new patients are diagnosed with osteosarcoma in the United States. Assuming similar prevalence as in the United States we (American Cancer Society, 2021: Key Statistics for Osteosarcoma; MDPI, Rathore et al., 2021: Pathogenesis and Current Treatment of Osteosarcoma: Perspectives for Future Therapies). We estimate that approximately 1,500 patients are diagnosed with osteosarcoma per year in Europe.

### *DANYELZA for Relapsed Osteosarcoma—Current Treatment Landscape and Associated Limitations*

Current treatment options for front-line and relapsed osteosarcoma consist of surgery, chemotherapy, radiotherapy, or a combination of the three. Multimodality treatment is increasingly recognized as an important approach for increasing a patient's chance of prolonged survival. Approximately 50% to 70% of patients treated with aggressive surgical resection and systemic therapy (combination methotrexate, doxorubicin, and cisplatin chemotherapy) achieve long-term EFS if they have localized disease at diagnosis. diagnosis (MDPI, Rathore et al., 2021: Pathogenesis and Current Treatment of Osteosarcoma: Perspectives for Future Therapies). However, as discussed below, the prognosis for patients with metastatic disease at diagnosis or those with relapsed disease is very poor. Over the past three decades, several attempts at

improving the prognosis for these patients have achieved little success. Strategies that incorporated dose-intensification of existing agents or addition of other conventional chemotherapeutic agents as well as biological agents,

21

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#### [Table of Contents](#)

have not achieved long-term benefit in patients with relapsed osteosarcoma. We believe that at present, there are no novel compounds that have demonstrated activity in relapsed osteosarcoma and few therapeutic options exist for patients with relapsed disease.

The poor prognosis in relapsed osteosarcoma has been confirmed in several reports. A study from the Cooperative Osteosarcoma Study Group reported that while only one of 205 patients with recurrence survived past five years without surgical resection, the five-year OS and EFS rates were 32% and 18% for second recurrence, 26% and 0% for third recurrence, 28% and 13% for fourth recurrence, and 53% and 0% for fifth recurrence, respectively, in which a renewed surgical remission was achieved. achieved (PubMed, Bielack et al., 2009: Second and Subsequent Recurrences of Osteosarcoma: Presentation, Treatment, and Outcomes of 249 Consecutive Cooperative Osteosarcoma Study Group Patients) .

#### *DANYELZA for Relapsed Osteosarcoma—Clinical Development Program*

Currently, DANYELZA is being evaluated in an ongoing Phase 2 clinical trial (Study 15-096) for the treatment of relapsed osteosarcoma. This Phase 2 clinical trial is designed to assess the efficacy of DANYELZA when combined with GM-CSF in patients with relapsed osteosarcoma who have been rendered surgically free of evident disease. The

20

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#### [Table of Contents](#)

study commenced in July 2015, and as of January 2023, 42 December 31, 2023, 46 patients had been enrolled. This trial is designed to distinguish between a 12-month EFS of 30% versus 50%.

#### **Study 15-096: A Phase 2 Study of Monoclonal Antibody Naxitamab with Granulocyte-Macrophage Colony-Stimulating Factor (GM-CSF) in the Treatment of Recurrent Osteosarcoma**

Study 15-096 is a Phase 2 clinical trial to assess the efficacy of naxitamab combined with GM-CSF, in patients with recurrent osteosarcoma who have been rendered surgically free of evident disease. This study has completed enrolment of 46 patients as of December 31, 2023, and is currently in the treatment and follow-up period.

#### *Primary Objective*

- To evaluate EFS at 12 months

#### *Secondary Objectives*

- To evaluate time to recurrence, OS and toxicity associated with naxitamab and GM-CSF, GM-CSF

#### *Patient Population*

In addition to satisfying certain other criteria, patients must be older than one year and up to 40 years of age. To enroll, patients must have a diagnosis of relapsed osteosarcoma. Patients must also be in or beyond their second CR.

#### *Treatment Protocol*

Each cycle of therapy is 10 days. The treatment protocol defined one cycle of treatment with IV naxitamab at a dose of 2.4 mg/kg/dose for three days (days one, three, and five) in the presence of subcutaneous GM-CSF (administered on day minus four before dose one of naxitamab). These three doses of naxitamab with GM-CSF administered subcutaneously before dose one of naxitamab constitute a treatment cycle. Cycles can be repeated at two-to-four-week intervals between the first days of naxitamab, through five cycles. A maximum of five cycles were administered on protocol. No simultaneous anti-cancer therapy was permitted while on study.

#### **Study 205: A Global Randomized Pivotal Trial of Naxitamab Compared to Standard of Care in Patients with Pulmonary Only Recurrent Osteosarcoma**

Study 205 is a planned international multicenter randomized pivotal clinical study with naxitamab compared to Standard of Care in patients with Pulmonary Only Recurrent Osteosarcoma. We plan to submit an IND for this study [in 2023](#).

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#### [Table of Contents](#)

#### **Omburtamab Overview**

Omburtamab after the read-out for Study 15-096, which is a novel murine monoclonal antibody designed for compartmental immunotherapy, for example expected in the CNS. Omburtamab targets B7-H3, an immune checkpoint molecule that is widely expressed in tumor cells of several types of cancers, including pediatric CNS/LM from NB. We have radiolabeled omburtamab with either Iodine-131 (<sup>131</sup>I-omburtamab) or Iodine-124 (<sup>124</sup>I-omburtamab). <sup>131</sup>I-omburtamab was granted BTB by the FDA based on investigator blinded reviewed radiographical imaging. In 2016, <sup>131</sup>I-omburtamab was granted ODD and RPDD, in each case, for the treatment of NB. The RPDD qualifies us for receipt of a PRV upon approval of omburtamab for treatment of NB, if such approval occurs. An analysis of 107 patients treated through June 2019 demonstrated median OS of 50.8 months (including a five-year median OS of approximately 44%), as compared to historical median OS of approximately six to nine months.

We submitted a BLA to the FDA for radiolabeled <sup>131</sup>I-omburtamab for central nervous system, or CNS, leptomeningeal metastases, or LM, from NB in August 2020, and received a Refusal to File letter from the FDA in October 2020. The reason for the FDA's decision to issue the Refusal to File letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC Module and the Clinical Module of the BLA required further detail. Among other things, the FDA requested that detailed validation data be included in the CMC Module, that clinical study data and external control data be reanalyzed using a propensity score adjusted analysis for important baseline characteristics, such as prior receipt of irradiation, and that further supportive evidence in the form of direct anti-tumor effect be included in the Clinical Module. We held a number of Type B meetings with the agency, including a pre-BLA meeting in January 2022, before we resubmitted the BLA for omburtamab in March 2022. In October 2022 we met with the FDA and ODAC, who reviewed <sup>131</sup>I-omburtamab and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival. In November 2022 the FDA issued a CRL for the BLA. In the CRL for omburtamab and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. We are currently considering the future for our omburtamab development program and we can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

#### **B7-H3 Overview**

B7-H3 is a member of the B7 family of immune regulatory ligands. The family includes B7-1, B7-2, PD-L1, PD-L2, B7-H3, B7-H4, B7-H6 and their ligands on T-cells PD-1, CD28, CTLA-4 and ICOS. B7-H3 is highly expressed on many solid cancers and displays high-tumor-versus normal tissue binding differential. In mice, studies have shown that members of the B7 family have the capability to regulate the immune system through both stimulatory and inhibitory signals. Inhibition of certain members of the B7 family has been shown to have significant anti-tumor effects in several solid tumor types. As such, we believe that B7-H3 is a promising target for designing targeted therapeutics with a range of modalities.

#### **B7-H3 Expression in Various Cancer Types**

Studies have shown that B7-H3 is highly expressed on a variety of solid cancer tumors, including prostate, ovarian, breast, colon, renal, non-small cell lung, pancreatic, head and neck cancers, as well as melanoma, glioblastoma, and NB and other small round blue cell

tumors of childhood. In addition, a high degree of B7-H3 expression on solid tumors has been correlated with greater disease severity, poor outcomes and worse median OS in a number of these cancer types.

We believe there is a large market opportunity for the treatment of solid tumors that express B7-H3, with hundreds of thousands of new cases estimated in the United States each year. Based on our review of published research, we believe that B7-H3 expression occurs in a range of 70% to 100% of tumor samples for various cancer types, which makes B7-H3 a promising immunotherapy target. Our literature review also revealed that B7-H3 expression on the systemic tumor is replicated in the metastasized tumor. While our clinical development efforts for omburtamab has been focused on rare pediatric cancers, we believe we have the potential to expand omburtamab's application to both the treatment of CNS/LM from solid tumors that express B7-H3 and certain underlying solid systemic tumors. As part of

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## [Table of Contents](#)

Study 03-133, we also treated a small number of adult patients with solid tumors that have metastasized to the CNS/LM compartment with <sup>131</sup>I-omburtamab.

### ***<sup>131</sup>I-omburtamab Mechanism of Action***

<sup>131</sup>I-omburtamab is a monoclonal antibody that is radiolabeled with Iodine-131, and targets B7-H3. Upon administration, radiolabeled omburtamab binds selectively to B7-H3 ligand that is expressed on the tumor cell surface. Iodine-131 emits beta radiation, resulting in deoxyribonucleic acid, or DNA, damage and tumor cell death. Beta radiation from iodine isotopes penetrates 1-3 mm, affecting not only the antibody bound cell but also the neighboring tumor cells. Iodine-131 has a half-life of eight days. Iodine-131 emits electrons. Radiolabeling of omburtamab with Iodine-131 takes place at qualified radio pharmacies according to a well-established procedure.

### ***<sup>131</sup>I-omburtamab for the Treatment of Pediatric Central Nervous System/Leptomeningeal Metastases from Neuroblastoma***

<sup>131</sup>I-omburtamab has been studied for the treatment of pediatric CNS/LM from NB, and was granted BTM in this indication in 2017. In 2016, <sup>131</sup>I-omburtamab was granted ODD and RPDD, in each case, for the treatment of NB. The RPDD qualifies us for receipt of a PRV upon approval of omburtamab for treatment of NB, if such approval occurs. As of June 2019, 107 patients with pediatric CNS/LM from NB had been treated with <sup>131</sup>I-omburtamab in Study 03-133. An analysis of these 107 patients demonstrated a median OS of 50.8 months (including an estimated five-year OS of approximately 44%), as compared to historical median OS of approximately six months. <sup>131</sup>I-omburtamab can be administered as a push injection in an outpatient setting.

### ***Overview of Central Nervous System/Leptomeningeal Metastases from Neuroblastoma***

CNS/LM is a rare and usually fatal complication of NB in which the disease spreads to the membranes, or meninges, surrounding the brain and spinal cord in the CNS. It is expected that the incidence of CNS/LM from NB disease will increase concurrently with better treatment options for systemic NB, as more patients achieve longer systemic remissions allowing for more CNS relapses. Relapsed metastatic NB is difficult to treat particularly in patients with R/R NB who have CNS/LM from NB. The median OS after detection of the CNS/LM from NB is approximately six months even with early detection and intervention.

Approximately 700 children are diagnosed with NB in the United States each year. Of these, approximately 50-60% are high-risk, and of those at high-risk who relapse, we believe approximately 20% will suffer from CNS/LM from NB. A published study analyzing frozen sections from tumors with histologically confirmed diagnosis of NB using immunohistochemistry showed 87 out of 90 sections (or approximately 97%) were B7-H3 positive. We believe the European market is at least one and a half times the size of the U.S. market and that there are approximately 1,050 patients diagnosed with NB in Europe each year.

### ***<sup>131</sup>I-omburtamab for Pediatric Central Nervous System/Leptomeningeal Metastases from Neuroblastoma—Current Treatment Landscape and Associated Limitations***

There are currently no approved products for patients with R/R NB who have CNS/LM from NB. A variety of treatments are used alone and in combination with other treatments. It is widely accepted that no effective treatment regimens for CNS/LM from NB are available, and the goals of treatment are generally palliative. For recurrence in the CNS, the therapeutic approach consists primarily of surgery, radiation therapy

and/or chemotherapy. These treatments have had very limited success, with median OS of approximately six months. The current standard of care treatment paradigm typically involves the following:

- Surgery—for debulking the tumor prior to irradiation and chemotherapy and to reduce edema and hemorrhage;
- Radiation—focal, craniospinal or whole brain irradiation used for symptom alleviation, cerebrospinal fluid, or CSF, flow correction or for debulking to facilitate chemotherapy; and/or

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## [Table of Contents](#)

- Chemotherapy—standard combinations of chemotherapy such as irinotecan and temozolomide.

The uniformly poor outcomes associated with these different regimens highlight the significant unmet medical need for treatment of CNS/LM from NB:

1. Our review of published research representing 83 patients treated between 1979 and 2013 showed a median OS of 5.6 months (95% CI of three to eight months) for patients with R/R NB who have CNS/LM from NB. We also performed a restricted analysis after removing patients who died before receiving therapy for the CNS/LM from NB disease and only received palliative treatment, or who presented with rapidly progressing systemic disease. The restricted analysis comprised of 58 patients with a median OS of 8.7 months (95% CI of 5.8 to 11 months) after diagnosis of CNS/LM from NB. There were only three cases of survival beyond three years.
2. Data from 85 patients sourced from The Central German Childhood Cancer Registry, or CGCCR, showed a median OS of 4.7 months. The data was extracted from patients diagnosed between 1990 and 2010. It is estimated that more than 90% of all German childhood cancer patients are registered in this database.
3. Finally, our review of data from 19 patients treated at MSK prior to when <sup>131</sup>I-omburtamab was first introduced in 2004, demonstrated a median OS of 5.5 months.

### *<sup>131</sup>I-omburtamab for Pediatric Central Nervous System/Leptomeningeal Metastases from Neuroblastoma—Clinical Development Program*

<sup>131</sup>I-omburtamab for the treatment of pediatric CNS/LM from NB is a potential monotherapy after patients have completed standard of care treatment. As of January 2021, 177 patients with pediatric CNS/LM from NB had been treated with <sup>131</sup>I-omburtamab in Study 03-133 which closed for recruitment in the third quarter of 2019. As of January 2023, we have treated a total of 52 patients in a multi-center pivotal Phase 2 trial (Study 101) the purposes of analyzing pharmacokinetic and dosimetry comparability between study sites using <sup>131</sup>I-omburtamab from our cGMP commercial manufacturer, versus drug product previously produced by and used in earlier studies at MSK. Both studies are closed for recruitment but several patients are still attending follow-up.

### *Study 03-133: Phase 1/2 Study of Intrathecal Radioimmunotherapy using <sup>131</sup>I-omburtamab for Central Nervous System/Leptomeningeal Neoplasms*

The trial was originally designed as a Phase 1/2 clinical dose escalation study followed by cohort expansion at the recommended dose. To determine the MTD, patients received up to 70 millicurie, or mCi, <sup>131</sup>I-omburtamab in an outpatient setting. No DLTs were experienced in the dose escalation part. Based on treatment results the 50 mCi dose to treat NB with CNS/LM metastasis was chosen for the expansion cohort as implemented by a protocol amendment. Study 03-133 was closed for recruitment in the third quarter of 2019. As of January 2021, 177 patients had been treated with <sup>131</sup>I-omburtamab in the study. Of these, 107 patients were diagnosed with pediatric CNS/LM metastasis from NB. The study is closed for recruitment but several patients are still attending follow-up.

### Patient Population

In addition to satisfying certain other criteria, patients must have a histologically confirmed diagnosis of a malignancy known to be reactive to omburtamab, a B7-H3 binding antibody. Furthermore, patients must have CNS/LM from NB disease which is refractory to conventional therapies or for which no conventional therapy exists, or a relapsed brain tumor with a predilection for LM dissemination (primitive neuroectodermal tumor, rhabdoid tumor, medulloblastoma).

Before enrollment in Study 03-133, most patients underwent biopsy or debulking surgery to remove brain metastases as much as possible, followed by radiation therapy and chemotherapy. A majority of the patients were also treated with an anti-GD2 immunotherapy such as naxitamab to control systemic disease after completing the

[Table of Contents](#)

<sup>131</sup>I-omburtamab treatment under Study 03-133. All patients had an intraventricular device implanted before enrollment in the study.

Approximately 80% of all CNS/LM from NB patients presenting at MSK since the initiation of the study were included in the study and the remaining patients were primarily excluded due to the fact that they had already received the maximum dose of previous radiotherapy to CNS, or had progressive systemic disease.

**Treatment Protocol**

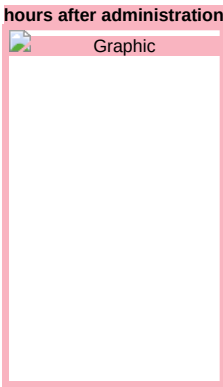
Patients are treated with up to two cycles (each consisting of a treatment dose and a dosimetry dose) of <sup>131</sup>I-omburtamab administered through intrathecal infusion via an Ommaya reservoir by which the drug is distributed at the intrathecal space to the entire CSF, (as shown in the figure on the left below). A treatment cycle with <sup>131</sup>I-omburtamab under Study 03-133 proceeds as follows:

- Week 1: <sup>131</sup>I-omburtamab (dosimetry dose: 2 mCi imaging test dose);
- Week 2: <sup>131</sup>I-omburtamab (treatment dose: 30-50 mCi depending on age);
- Weeks 3 and 4: observation period; and
- Week 5: post-treatment evaluation comprised of magnetic resonance imaging, or MRI, of the head and spine, CSF cytology.

**Administration of our radiolabeled omburtamab via Ommaya**



**PET scan of distribution of our radiolabeled omburtamab two**



The diagram on the left depicts how our radiolabeled omburtamab can be administered via the Ommaya reservoir and catheter into the deep ventricles of the brain where the CSF is produced. From the ventricles, our radiolabeled omburtamab will flow with the CSF and spread throughout the entire CNS compartment potentially binding and killing B7-H3 positive cancer cells it may find on its way. The diagram on the right is a PET scan showing the distribution of our radiolabeled omburtamab two hours after administration where it has flowed from the central ventricles throughout the entire CNS compartment.

**Primary Objective**

- To define the clinical toxicities of intrathecal <sup>131</sup>I-omburtamab.

**Secondary Objective**

- To collect neurocognitive and long-term follow-up data.

**Safety Results**

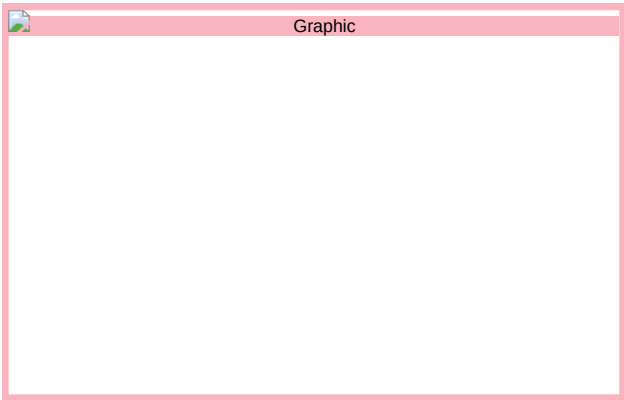
No MTD was reached in the dose escalation portion of the trial. Although not a DLT, myelosuppression was observed in patients who had received craniospinal radiation and <sup>131</sup>I-omburtamab at dose levels six and seven (60 and 70 mCi, respectively). As a result, a dose of 50 mCi was chosen for the expansion cohort. Among the 107 patients treated with <sup>131</sup>I-omburtamab and diagnosed with pediatric CNS/LM metastasis from NB, a total of 340 injections were administered and myelosuppression was observed in approximately 88 patients. No increased risk of radionecrosis was observed.

As of September 2018, 29% of the patients had an SAE that was considered related to treatment by the investigator. The SAEs considered related by investigator were mainly in the System organ Class: investigations reflecting <sup>131</sup>I mediated myelosuppression, which were considered related for the majority of the events. Related SAEs of vomiting were reported in five patients (3.4%), headache and meningitis chemical by four patients (2.7%) each.

**Efficacy Results**

Data reported as of June 2019 indicate that the median OS for the 107 patients diagnosed with pediatric CNS/LM metastasis from NB and treated under Study 03-133 was 50.8 months. Based on calculations per the Kaplan-Meier Plot, the estimated three-year OS of these 107 patients is 56% and the estimated five-year OS and ten-year OS is 44%, and 38%, respectively.

**Comparison of Median Overall Survival (Months)**



(1) MSK HC = NB patients with CNS / LM treated at MSK prior to 2003.

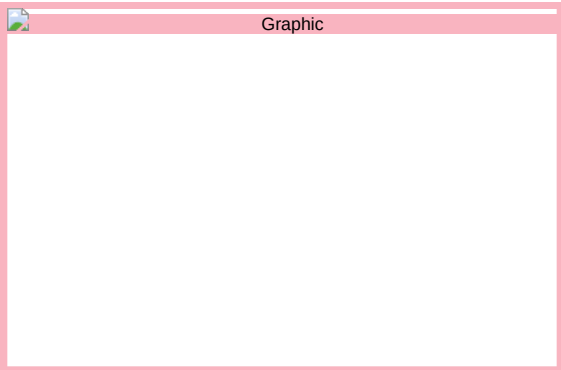
(2) <sup>131</sup>I-omburtamab = Patients diagnosed with pediatric CNS/LM metastasis from NB treated under Study 03-133.

The figure above compares median OS data from Study 03-133 with historical controls. Historical patient data extracted from three sources revealed median OS of 8.7 months in the literature, 4.7 months in the German NB Trials, and 5.5 months in the MSK historical cohort prior to the introduction of <sup>131</sup>I-omburtamab treatment. These results further



demonstrate the lack of an established, effective therapy for these patients that we believe can potentially be addressed by <sup>131</sup>I-omburtamab.

The chart below shows the historical comparable data and median OS following the introduction of <sup>131</sup>I-omburtamab treatment. This represents 107 treated patients from Study 03-133 diagnosed with pediatric CNS/LM metastasis from NB, as at June 2019. The estimated three-year median OS was 56% and the five-year median OS was 44%. Survivors have been followed for up to 14 years.



*Study 101: A Multicenter Phase 2 Trial of the Efficacy and Safety of Intracerebroventricular Radioimmunotherapy using <sup>131</sup>I-omburtamab for Neuroblastoma Central Nervous System/Leptomeningeal Metastases*

Study 101 is a pivotal Phase 2 single-arm, Open-Label, non-randomized, multi-center efficacy, safety, pharmacokinetics and dosimetry trial of intracerebroventricular <sup>131</sup>I-omburtamab in pediatric patients with R/R NB who have CNS/LM from NB. Patients will receive up to two cycles of <sup>131</sup>I-omburtamab. This study commenced in the second quarter of 2018, and as of January 2023, we have treated a total of 52 patients in a multi-center pivotal Phase 2 trial (Study 101) for an interim analysis for the purposes of pharmacokinetic and dosimetry comparability between study sites using <sup>131</sup>I-omburtamab from our cGMP commercial manufacturer, versus drug product previously produced by MSK. Study 101 has also been designed to satisfy potential confirmatory study and post-marketing requirement by the FDA, and, as a result, we will continue to follow the patients in the study. Study 101 is closed for recruitment but several patients are still in follow-up.

Safety and efficacy data will be investigated with short-term follow up at 26 weeks after treatment and with long-term follow up for up to three years following treatment. Final analysis will be performed when at least 50 treated patients have completed long-term follow up (three years or until death).

Median OS at three years and its 95% CI will be estimated using Kaplan-Meier methods. Efficacy will be achieved if the lower limit of the 95% CI of three-year median OS exceeds 10%. PFS will also be analyzed using Kaplan Meier methods.

Patient Population

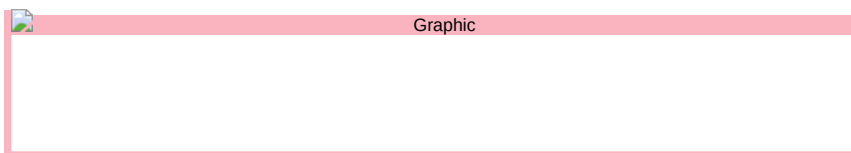
In addition to satisfying certain other criteria, patients must be less than 18 years of age at the time of screening. Patients must have a histologically confirmed diagnosis of CNS/LM from NB with relapse.

[Table of Contents](#)

Treatment Protocol

A single treatment cycle will last five weeks and will include premedication, intracerebroventricular <sup>131</sup>I-omburtamab administration (one dosimetry dose and one treatment dose), an observation period, and post-treatment evaluations (see figure below). The dosimetry dose will be used only for the first 24 patients.

One <sup>131</sup>I-omburtamab treatment cycle for Study 101



Patients without objective PD are eligible for a second dosing cycle.

#### Primary Objective

- To determine OS rate at three years.

#### Secondary Objectives

- To determine ORR up to three years.
- To assess PFS at six months after the first therapeutic dose of <sup>131</sup>I-omburtamab.
- To assess radiation doses delivered to the blood and CSF.
- To assess the frequency, type, of adverse events and human anti-mouse antibodies, or HAMA, response formation.
- To assess the effects on cognitive functions.

We originally initiated Study 101 to form the primary basis for our BLA, to establish comparability of study population and pharmacokinetics analysis with Study 03-133 and to satisfy potential confirmatory study and post-marketing requirements by the FDA. We submitted to a BLA for omburtamab in 2022. In November 2022, we received a CRL for the BLA. For additional details, see "Item 1. – Business – omburtamab."

#### Humanized Omburtamab Overview

We have an early stage development program for huB7-H3, a humanized version of omburtamab, for potential clinical testing in adult patients with B7-H3 positive solid tumors where systemic immunotherapy is needed. The program seeks to explore the use of huB7-H3 as a radio-conjugated antibody designed to overcome limitations of murine antibodies that may induce HAMA, which may lead to decreased efficacy and increased toxicity when used for systemic immunotherapy.

#### GD2-GD3 Vaccine Overview

Neuroectoderm-derived tumors, including NB and sarcomas, have high expression of tumor antigens GD2 and GD3. Our investigational bivalent GD2-GD3 Vaccine has been studied in a Phase 2 study (Study 05-075) conducted at MSK for the immunization of high-risk NB patients previously treated with DANYELZA. In addition, MSK has started

#### [Table of Contents](#)

a new Phase 2 study (Study 21-206) of the GD2-GD3 Vaccine with the immunological adjuvant OPT-821 (QS-21), in combination with oral  $\beta$ -glucan and randomization of GM-CSF, for the immunization of high-risk NB patients. The vaccine, in combination with adjuvants, is being studied to induce patients to produce their own anti-GD2 and anti-GD3 serum titers, with the goal of preventing subsequent relapse. Although MSK is pursuing clinical development of the GD2-GD3 Vaccine, and we are providing only limited support for Study 21-206, this program was deprioritized by us as part of the 2023 restructuring plan, and we are not devoting significant financial resources to this program. 2025.

#### SADA PRIT Technology - Liquid Radiation Platform™

The SADA PRIT technology platform, also referred to as Liquid Radiation™, represents a 2-step two-step pre-targeting radio immune therapy (PRIT), immuno therapy. The radiation payload is engaged into a carrier molecule (DOTA) which in a non-clinical setting has been demonstrated specifically to bind to the DOTA binding domain of the SADA molecule. Such payload deliveries have been achieved in non-clinical *in-vivo* settings, where xenograft tumors have been shown to shrink or completely disappear, with less exposure to other tissues. No

clearing agent **is was** needed, and no significant toxicity to bone marrow, kidneys or liver tissues has been observed in the non-clinical settings. Based on non-clinical data, we believe that the SADA **PRIT** technology may allow for rapid clearance of the unbound compound, while maintaining target uptake, and thereby causing optimal tumor to normal tissue ratio. As SADA reflects a humanized protein structure, less immunogenicity is expected. In addition, the SADA **PRIT** technology appears to be modular,

21

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[Table of Contents](#)

embracing a tumor-binding domain, a DOTA binding domain and a tetramerization domain. Hence, DOTA-modified radioactive payloads combined with different tumor-binding domains seems possible.

We are **using the SADA Technology to advance advancing** a series of antibody constructs based on the SADA **PRIT** technology, with the initial approach using <sup>177</sup>Lu-DOTA as the radioactive payload (b-emitter). **We have moved GD2-SADA and CD38-SADA into clinical development in Phase I clinical trials in the United States.** We believe the SADA **PRIT** technology could potentially improve the efficacy of radiolabeled therapeutics in tumors that have not historically demonstrated meaningful responses to radiolabeled agents.

#### GD2-SADA

Our first SADA **PRIT** molecule to enter clinical development is GD2-SADA for potential use in GD2 positive solid tumors. The IND for GD2-SADA is open and four clinical sites in the U.S are open for enrollment. **As of January 1, 2024, we have treated 9 patients and cleared cohorts 1, 2 and 3. We are currently treating patients in cohort 4.**

In the first in human clinical Phase 1 trial (Study 1001), GD2-SADA is administered at various timepoints before administration of <sup>177</sup>Lu-DOTA payload. The trial **will be is** composed of three serial parts. The first part addresses optimization of protein doses and spacing between SADA protein administration and payload administration. The second part addresses optimal, safe levels of the payload delivery. In the third part, repeated exposures are investigated in order to monitor long-term safety signals.

Patient populations to be exposed in Study 1001 include those patients with small cell lung cancer, or SCLC, melanoma or one of several types of sarcomas, including osteosarcomas, soft tissue sarcomas, Ewing and angiosarcomas that can all be enrolled in the study. The target, disialoganglioside GD2, has limited expression in normal human tissues though it is expressed on peripheral neurons, central nervous system and skin melanocytes. It is highly expressed in the targeted indications.

30

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[Table of Contents](#)

#### Overview of SCLC

GD2 is highly expressed in SCLC. In addition, data for a radio-conjugated anti-GD2 monoclonal antibody (antibody 3F8, with similar scFv as GD2-SADA) demonstrated binding in 10 of 10 patients with SCLC. Lung cancer is the second most common cancer in both men and women, with an estimate of more than 200,000 new cases diagnosed annually in the United States. SCLC accounts for approximately 13% to 15% of all lung cancers. This high-grade neuroendocrine tumor is characterized by rapid growth and early development of metastases to both regional lymph nodes and distant sites, including the central nervous system. SCLC generally has a poor prognosis, and less than 5% of patients with extensive disease survive two years or more. Currently, the only approved first-line treatment approach for extensive disease, or ED, in SCLC is platinum-based chemotherapy with or without the addition of an immune checkpoint inhibitor. Second line therapies can include toptecan and **lubinectidin, lurbinectidin.** There is no approved therapeutic agent for patients with progressive SCLC following second-line treatment.

## Overview of Sarcomas

Sarcomas are a group of cancers which arise in the bones and connective tissue. GD2 is highly expressed in several sarcomas including osteosarcomas, soft tissue sarcomas, angiosarcomas and Ewing sarcoma. Patients with any of these types of sarcomas are eligible to be enrolled into Study 1001.

### Overview of osteosarcomas

Osteosarcoma is the most common type of cancer that arises in bone, accounting for two-thirds of all bone cancer cases. Most osteosarcomas occur in children, adolescents, and young adults. The treatment approach has not changed significantly over the past three decades. Conventional treatment regimens typically include neoadjuvant chemotherapy (e.g., high-dose methotrexate, doxorubicin, cisplatin) followed by surgical resection and reconstruction (with the goal of limb salvage) and adjuvant chemotherapy.

22

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## [Table of Contents](#)

### Overview of soft tissue sarcoma

The According to American Cancer Society, 2023: Key Statistics for Soft Tissue Scarcomas, the incidence of new soft tissue sarcomas is estimated to be approximately 13,460 13,590 in the United States in 2023, 2024. GD2 is highly expressed in soft tissue sarcomas. Treatment options include surgery, radiotherapy, chemotherapy, and tyrosine kinase inhibitors. Different therapeutic approaches targeting GD2 in sarcoma are in early clinical development. For patients with localized disease at diagnosis the 5-year survival rate is approximately 80%. However, this survival rate declines to only 15% for patients with metastatic disease.

### Overview of angiosarcoma

Angiosarcoma is an aggressive subtype of soft-tissue sarcoma. It According to National Center for Biotechnology Information, Spiker et al., 2023: Angiosarcoma, it is rare, representing <1% of soft-tissue sarcomas. The origin is the endothelial cell of blood or lymphatic vessels. It can affect any organ throughout the body, but the cutaneous form is the most common with the skin of the head and neck region, a frequent tumor location. Angiosarcoma can occur at any age, but the median age at diagnosis is 60-70 years. Treatment options include surgery, radiotherapy, chemotherapy, and tyrosine kinase inhibitors. The response to therapy is impacted location and size of the tumor, but generally the prognosis is poor with 5-year survival rates ranging from 12% to 35%.

### Overview of Ewing sarcoma

Ewing sarcoma is a rare malignancy that occurs primarily in the bone or in the soft tissue around a bone. The tumor is most common in older children and adolescents, but it can occur at any age. According to American Cancer Society, 2021: Key Statistics for Ewing Tumors, ewing sarcoma accounts for about 1% of all childhood cancers and approximately 200-250 children and adolescents in the United States are diagnosed with a tumor in the Ewing family of tumors each year. Treatment options include surgery, radiotherapy, chemotherapy, and tyrosine kinase inhibitors. The response to therapy is dependent on the stage of the tumor. The 5-year survival rates range from 81% for patients with localized disease to 38% for patients with metastatic disease.

31

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## [Table of Contents](#)

### Overview of malignant melanoma

GD2 is expressed in the majority of melanomas. Melanoma is an uncommon type of skin cancer that arises in the epidermis from melanocytes. [According to Cancer Molecular Targets and Therapeutics, Nazha et al., 2020: Disialoganglioside GD2 Expression in Solid Tumors and Role as a Target for Cancer Therapy](#), melanoma accounts for approximately 1% of all skin cancers but accounts for approximately 75% of deaths from skin cancers. In one estimate, in [2021, 2024 by American Cancer Society, 2024: Key Statistics for Melanoma Skin Cancer](#), the incidence in the United States of newly diagnosed melanomas was approximately [106,000](#) [101,000](#) and approximately [7,000](#) [8,000](#) people were projected to die from melanoma in the United States.

Treatment is dependent on the extent of disease. Excision is the treatment for Stage 0 and Stage I melanomas. Sentinel lymph node biopsy, or SLNB, may be done for Stage I and Stage II disease. A positive SLNB may lead to adjuvant treatment with an immune checkpoint inhibitor or targeted drug therapy. Treatment for Stage III and Stage IV disease is based on the location and extent of disease. The primary tumor is usually excised, followed by adjuvant treatment with immune checkpoint inhibitors, high-dose interleukin-2 or targeted therapy drugs; and local treatments e.g. radiation. Immune checkpoint inhibitors include the anti-PD1 antibodies nivolumab, pembrolizumab, and the anti-CTLA-4 antibody, ipilimumab. Targeted therapies include treatments for melanoma with mutations in the BRAF gene, including vemurafenib, dabrafenib, and encorafenib. Chemotherapy may be used to treat refractory or recurrent Stage IV disease, most commonly temozolomide or Dacarbazine. Recurrent disease is treated in a similar manner to Stage IV disease.

#### Treatment Protocol

Clinical Trial 1001; Phase 1 trial with GD2-SADA:<sup>177</sup>Lu-DOTA Complex, [or GD2-SADA](#), in adult patients with recurrent or refractory metastatic solid tumors known to express GD2, including SLCA, sarcoma and malignant

23

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#### [Table of Contents](#)

melanoma. An estimated 60 participants will participate in the trial and we expect that this trial will initially run in the United States. The IND is open and we began activating clinical trial sites in the fourth quarter of 2022.

[As of January 1, 2024, we have treated 9 patients and cleared cohorts 1, 2 and 3. We are currently treating patients in cohort 4.](#)

The trial is planned as a Phase 1 trial with three parts, A, B and C. Escalation in this trial will be based on a classical 3+3 trial design. Part A is a GD2-SADA dose escalation phase, in which patients will receive one treatment cycle. Part B is a <sup>177</sup>Lu-DOTA dose escalation phase, in which patients will receive up to 2 treatment cycles. Part C is a repeated dosing phase where the doses determined in Part A and B will be administered. Patients will receive repeated treatment cycles with a maximum of 5 cycles.

[Currently we are still in Part A and the trial is progressing. We had six active sites by the end of 2023. We advanced through the first three cohorts and are currently dosing patients in cohort 4. We believe we have demonstrated proof of concept for the GD2-SADA by demonstrating that the SADA molecules can find and bind to tumors and that the radionuclide targets the SADA molecule as visualized on the spec CT scans performed. It is important to note that these early data are not complete and are not necessarily indicative of the full results or ultimate success of the SADA development program trials.](#)

#### *Primary Objectives*

- To determine the optimal, safe GD2-SADA protein dose and dosing interval between GD2-SADA and <sup>177</sup>Lu-DOTA administrations
- To determine maximum tolerable activity of <sup>177</sup>Lu-DOTA
- Occurrence of DLTs (Part A and B)

- To assess cumulative toxicity signals and safety profile following repeated dosing and determine the recommended **Phase 2** dose (RP2D)

#### **Pediatric development with GD2-SADA:**

In 2024, we plan to submit an IND to the FDA for a Phase 1 multicenter study of GD2-SADA for the potential treatment of neuroblastoma.

#### **CD38-SADA**

We are preparing for a planned In October 2023, the IND submission for our CD38-SADA, as the our second SADA construct and anticipate IND submission in 2023, was cleared by the FDA. This trial would be is a first in human, dose-escalation, open-label, single-arm, multi-center trial (Study 1201) investigating the safety and tolerability of the CD38 SADA: CD38-SADA:177Lu-DOTA Drug Complex in Relapsed or Refractory non-Hodgkin Lymphoma. We currently expect that the trial is will be conducted at sites in the United States assuming and start enrolling patient in the IND second quarter of 2024.

In the first in-human clinical Phase 1 trial (Study 1201), CD38-SADA is cleared, administered at various timepoints before administration of 177Lu-DOTA payload. The trial will be composed of two serial parts. The first part addresses optimization of protein doses and spacing between SADA protein administration and payload administration. The second part seeks to identify the optimal and safe levels of the payload delivery.

CD38-SADA will be administered at various timepoints before administration of 177Lu-DOTA payload. The trial will be composed of three serial parts. The first part addresses optimization of protein doses and spacing between SADA protein administration and payload administration. The second part seeks to identify the optimal and safe levels of the payload delivery. The third part investigates repeated dosing of up to six cycles of CD38-SADA.

32 24

#### [Table of Contents](#)

#### **MULTI-TAG Technology** *Overview of malignant lymphoma:*

Malignant lymphoma represents a disease entity characterized by malignant transformation of the cells from lymphoid tissue. Historically, lymphomas have been divided into Hodgkin lymphoma and non-Hodgkin lymphoma, or NHL. The incidence of NHL in Western countries ranges from 10-12 per 100,000 persons while in Asia and Africa the incidence is 3-8 per 100,000 persons. In the US, 80,470 new cases of NHL are estimated for 2022. The median age at diagnosis for most lymphomas is approximately 60-65 years, but NHL can occur at any age, including in children. In Western countries, malignant lymphoma originates from B cells in about 90% of cases and from T-cells in about 10% of cases and rarely from natural killer, or NK, cells.

Therapy for lymphoma has predominantly been chemotherapy, often combination therapy. The introduction of immunotherapy with CD20-targeting monoclonal antibody rituximab for B cell lymphoma was one of the first immunotherapeutic approaches in cancer, which significantly improved the overall survival, or OS, especially in patients with diffuse large B cell lymphoma, or DLBCL, and follicular lymphoma, or FL. For T-cell lymphoma there have been limited treatment advances in the recent past. An immunotherapeutic approach, brentuximab vedotin, has been approved for a subset of T-cell lymphoma, namely relapsed CD30+ anaplastic large cell lymphoma.

Lymphoma is known to be a radiosensitive tumor type. Curative radiation doses for patients with limited involvement at diagnosis are discussed to be much lower compared to curative doses for solid malignancies. However, most patients with NHL have disseminated disease at diagnosis limiting the use of external beam radiation to patients with NHL and bulky disease or as palliative therapy.

#### **Treatment Protocol**

A first-in-human, Phase 1 trial for subjects with relapsed/refractory non-Hodgkin lymphoma. Subjects with subtypes of B-cell and T-cell origin with CD38 positive tumor cells are eligible for the trial after having received at least two lines of therapy. We believe many eligible subjects have unmet need. The trial will investigate the safety of the CD38-SADA:177Lu-DOTA drug complex at different doses of each of the 2 compounds (CD38-SADA and 177Lu-DOTA). An estimated 60 participants will participate in the trial and we expect that our non-exclusive

access this trial will initially run in the United States. The IND is open as of December 31, 2023, and we expect to recruit the MULTI-TAG technology will help us make further advances to our BsAb program by optimizing BiTEs. While there has been significant enthusiasm for BiTEs given their high potency and ability to penetrate more efficiently than conventional IgG-like BsAbs, their efficacy remains hampered by their size and binding characteristics. BiTEs are relatively small first patient in size, approximately 55kD, resulting in a short serum half-life given rapid renal clearance. As a result, they require continuous infusion for several weeks in order to achieve a therapeutic response. They also bind monovalently, which often results in suboptimal tumor-binding. Further, therapeutic dosing of BiTEs is limited by the risk of excessive cytokine release in patients. 2024.

Using the MULTI-TAG technology, we have designed a novel protein tag of human origin that dimerizes, or links, BiTEs, in a unique conformation, which we believe may result in improved tumor-binding, a longer half-life, and greater T-cell mediated tumor cell killing. We are using the MULTI-TAG technology platform to dimerize our BsAbs into proteins of approximately 120kD in size, thereby increasing serum half-life without the need for continuous infusion. The unique dimerized conformation, while binding bivalently to tumors, also binds monovalently to T-cells, which we believe, leads to limiting excessive cytokine release. *Primary Objectives*

- To identify the optimal safe CD38-SADA dose, dosing interval and <sup>177</sup>Lu-DOTA dose which enables demonstration of tumor imaging (Part A)
- To determine the optimal tolerable activity of the <sup>177</sup>Lu-DOTA dose and the CD38-SADA:<sup>177</sup>Lu-DOTA Drug Complex dose (Part B)

## Manufacturing

Currently, we contract with third-party cGMP vendors for the manufacturing of our product candidates for pre-clinical studies, clinical trials and commercial supply. We do not currently own or operate any manufacturing facilities to produce clinical or commercial quantities of our product candidates. We currently have no plans to build our own clinical or commercial scale manufacturing capabilities. To meet our projected needs for commercial manufacturing third parties with whom we currently work may need to increase their scale of production or we may need to secure alternate suppliers. Although we rely on our cGMP manufacturers, we have personnel with substantial manufacturing experience to oversee our relationships with such manufacturers.

Manufacturing clinical and commercial products is subject to extensive regulations that impose various procedural and documentation requirements, which govern record keeping, manufacturing processes and controls, personnel, quality control and quality assurance. Our vendors are required to comply with cGMP regulations, which are regulatory requirements enforced by the FDA and other regulatory bodies like the EMA national competent authorities of EU Member States to assure proper design, monitoring and control of manufacturing processes and facilities for human

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## [Table of Contents](#)

pharmaceuticals. We have established an in-house quality assurance, or QA, function with a certified Qualified Person to perform final release of our product for both clinical and commercial supply.

Our current product candidates are mainly manufactured based on well-established technology known from mAb products. These manufacturing processes involve the genetic engineering of a parental host cell line to isolate a cell that produces the target product. Once a cell line is isolated, a cell bank is produced under prescribed and documented conditions. The cell bank, preserved frozen, is tested, as required by regulations, to demonstrate that the engineered cell line is free from potentially harmful impurities and contaminants, such as viruses.

The drug substance is an active ingredient that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or any function of the human body. The manufacturing process for the drug substance begins with the thaw of vials from the cell bank and growth of these cells in established media until sufficient cells are cultured to inoculate a production bioreactor. The cells in the production bioreactor are grown in chemical defined media and under controlled and monitored conditions that stimulate the production of the antibody into the culture media. The production bioreactor is cultured for an established period of time and is then harvested by filtration to remove the cells from the culture media.

The solution containing the product is purified through several steps to remove known process and product derived impurities. The technologies employed include ultrafiltration and column and membrane chromatography. Additional steps are performed to inactivate or remove viruses. The final step of the drug substance process adjusts the antibody concentration and produces the final formulation to be used for drug product production. The drug substance is tested to meet pre-established product specific release criteria for purity, potency and safety, and is then periodically

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[Table of Contents](#)

tested to demonstrate stability upon storage as required by regulations. The drug substance is stored at prescribed temperatures, typically refrigerated or frozen.

The drug product is produced by sterilization filtration of the drug substance solution, followed by aseptic filling into glass vials and then stoppered. The drug product is subjected to product specific release testing for purity, potency and safety according to pre-established specifications. Drug product lots are periodically tested to demonstrate stability over the established storage expiry period. The drug product is stored and shipped under temperature-controlled conditions, typically refrigerated, to sites designated for clinical trial testing, or eventually to commercial pharmaceutical logistics providers.

DANYELZA is a recombinant humanized IgG1k monoclonal antibody against GD2 expressed in Chinese Hamster Ovary, or CHO, cells. A one mL ampoule from the cell bank is used to establish material for seeding of 1,000 L fed batch bioreactor in chemical defined media with no animal derived component. After growth of the cells are completed the un-processed bulk from the bioreactor containing the DANYELZA drug substance undergoes clarification by filtration, and subsequent multi-step product purification. The DANYELZA drug substance is manufactured by Patheon Biologics B.V. in Groningen, The Netherlands and the DANYELZA drug product is manufactured at Patheon Manufacturing Services LLC in Greenville, North Carolina, (both part of the Thermo Fisher Scientific Inc., group of companies) collectively Patheon/Thermo Fisher. All manufacturing activities are performed in compliance with cGMP regulations and no excipients of human or animal origin have been used. The DANYELZA drug product is packaged in 10 mL ISO 10R glass vials and refrigerated.

While we believe that Patheon/Thermo Fisher is capable of producing sufficient quantities of drug product to support our clinical and commercial supply for DANYELZA, we also believe that there are a number of alternative third-party manufacturers that have similar capabilities that would be capable of providing sufficient quantities of drug product. However, should Patheon/Thermo Fisher not be able to provide sufficient quantities of drug product for our planned clinical trials or commercial sales, we would be required to seek and then qualify another contract manufacturer to provide this drug product, likely resulting in a delay in such trials and loss of, or delayed, commercial sales.

The GD2-SADA is and CD38-SADA are both manufactured at Rentschler Biopharma SE, Laupheim, Germany, using traditional manufacturing and control principles for monoclonal antibodies. The DOTA chemical is sourced as a GMP bulk product and is being filled into a sterile intermediate at Patheon/Thermo Fisher in Ferentino, Italy. Radiolabeling of the DOTA intermediate with Lu-177 is performed at ABX Advanced Biochemical Compounds –

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[Table of Contents](#)

Biomedizinische Forschungsreagenzien GmbH, Radeberg, Germany, and final released product is delivered directly to clinical sites.

**Commercialization Plan**

The sales call points for DANYELZA in the United States are highly concentrated. This enables us to effectively service our customers and call points with a small commercial organization.



Our management team understands the complexity of rare oncological diseases and we believe we have the necessary expertise to be a true partner to patients, caregivers, and advocacy and healthcare teams leading to shared success. As we advance our product pipeline to address larger patient populations, we intend to expand our specialty sales force and continue the development of our organizational infrastructure to support the network of relevant hospitals, cancer centers, oncologists and other physicians as well as continue to provide support to patients, care givers and other healthcare providers. We plan to commercialize any potential future pediatric product candidates in the United States ourselves, and will continue to evaluate strategic collaborations in select territories in order to maximize the potential of our product and product candidates.

As additional product candidates advance through our pipeline, our commercial plans may change. The size of the development programs, size of the target market, size of a commercial infrastructure, and manufacturing needs may all influence our strategies in the United States, the European Union and other parts of the world.

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[Table of Contents](#)

### Commercialization Partnerships

After the approval of DANYELZA by the FDA, we have entered a number of strategic collaborations in the form of partnerships with select companies to maximize the potential value for the Company. In November 2020, we entered into an exclusive license and distribution agreement for DANYELZA and omburtamab with Takeda Israel, a wholly owned subsidiary of Takeda Pharmaceutical Company Limited covering the State of Israel, West Bank and Gaza Strip, and in Strip. In September 2022, DANYELZA was approved for commercialization in Israel, and the product was launched in January 2024 in Israel. In December 2020, we entered into a distribution agreement for DANYELZA and omburtamab with Swixx BioPharma AG for the Eastern European territories Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia and Slovenia. Finally, later in December 2020, we entered into a license agreement for DANYELZA and omburtamab with SciClone for Greater China, including Mainland China, Taiwan, Hong Kong and Macau. In July 2021, SciClone submitted a BLA for DANYELZA for the treatment of patients with R/R high-NB high-risk NB to the NMPA of China and the China. The BLA was approved in December 2022, 2022, and DANYELZA was launched in June 2023 in China. In May 2021, we entered into an exclusive distribution agreement with Adium Pharma S.A., or Adium, to be the exclusive distributor in Latin America of DANYELZA and omburtamab. Adium submitted regulatory filings for DANYELZA in Brazil, Mexico and Columbia in 2022, 2022, and received approval for Brazil and Mexico in 2023. In December 2022, we announced a distribution agreement with WEP Clinical in connection with an early access program for DANYELZA in Europe.

### Competition

The biotechnology and pharmaceutical industries generally, and the cancer drug sector specifically, are characterized by rapidly advancing technologies, evolving understanding of disease etiology, intense competition and a strong emphasis on intellectual property. While we believe that our product candidates and our knowledge and experience provide us with competitive advantages, we face substantial potential competition from many different sources, including large and specialty pharmaceutical and biotechnology companies, academic research institutions and governmental agencies and public and private research institutions.

In addition to the current standard of care for patients, commercial and academic clinical trials are being pursued by a number of parties in the field of immunotherapy. Early results from these trials have fueled continued interest in immunotherapy, which is being pursued by several biotechnology companies as well as by large pharmaceutical companies. Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing,

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[Table of Contents](#)

pre-clinical studies, conducting clinical trials, and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

With respect to DANYELZA, which targets GD2-positive tumors, United Therapeutics Corporation, or United Therapeutics, has commercialized **Unituxin Unituxin®** (dinutuximab), an antibody against GD2, in the United States, Canada and Japan. Although United Therapeutics has discontinued its efforts to investigate **Unituxin's Unituxin®'s** potential activity against adult cancerous tumors, **it has maintained** its efforts to develop a humanized version of **Unituxin Unituxin®** and plans to develop **Unituxin Unituxin®** within R/R **NB, NB**. DANYELZA **also** faces competition from Qarziba® (dinutuximab beta) a similar antibody product against GD2 developed by Apeiron Biologics AG, or Apeiron. EUSA Pharma (UK) Ltd., or EUSA, has acquired global commercialization rights to Qarziba® (dinutuximab beta), and it is currently being commercialized in **Europe European Union** and was approved by the **EMA European Commission** to treat high-risk NB and R/R NB. In January 2020, EUSA and BeiGene Ltd., or BeiGene, announced an exclusive collaboration to commercialize Qarziba® in mainland China and in August 2021 EUSA and BeiGene announced that the China **National Medical Products Administration, or NMPA**, had granted Qarziba® (**dinutuximab(dinutuximab)** beta) conditional marketing approval for the treatment of high-risk NB and R/R NB. EUSA has previously announced plans to file for registration of dinutuximab beta in the United States for the treatment of R/R NB. EUSA was acquired by Recordati **Industria Chimica E Farmaceutica S.p.A., or Recordati**, in March 2022.

35

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**Table**. In addition, Renaissance Pharma Ltd in the United Kingdom announced in August 2023 a development program focused on Hu14.18, a humanized anti-GD2 monoclonal antibody, licensed from St. Jude Children's Research Hospital for the treatment of **Contents** newly diagnosed high-risk neuroblastoma. US WorldMeds received FDA approval of eflornithine hydrochloride, or DFMO, in December 2023 to reduce the risk of relapse in pediatric patients with high-risk neuroblastoma who have completed multiagent, multimodality therapy.

**MacroGenics, Inc.** The SADA PRIT technology, where bispecific antibody fragments bind to the tumor before a radioactive payload is injected in a two-step approach faces competition from a range of companies developing comparable approaches, involving one-step, two-step or three-step models to bind antibody construct to the tumor and **Daiichi Sankyo Co.** radiate the tumor. OncoOne Research & Development GmbH, or OncoOne, is developing several constructs under their PreTarg-it® technology, which is a modular platform utilizing bispecific antibodies for delivery of payloads, where the bispecific antibody is first injected and accumulated on the tumor, while unbound antibodies are **developing antibodies against** decomposed and excreted. Subsequently, a payload is administered through a second infusion and binds to the **B7-H3 protein** bispecific antibody in the tumor.

#### Major Customers

The Company had product sales to certain customers that **is** accounted for more than 10% of total product revenue, net for the **target** years ended December 31, 2023 and 2022. McKesson, AmerisourceBergen, WEP and Cardinal Health accounted for 46%, 22%, 10% and 13%, respectively, of **omburtamab**. the Company's product revenue, net for the year ended December 31, 2023. McKesson, AmerisourceBergen, and Cardinal Health accounted for 71%, 17%, and 10%, respectively, of the Company's product revenue, net for the year ended December 31, 2022.

#### Intellectual Property

##### Patent Portfolio

We strive to protect and enhance the proprietary technology, inventions, and improvements that we believe are commercially important to our business, including seeking, maintaining, and defending patent rights, whether developed internally or licensed from our collaborators or other third parties. Our policy is to seek to protect our proprietary position by, among other methods, filing patent applications in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements, and product candidates that are important to the development and implementation of our business. We also rely on trade secrets and know-how relating to our proprietary technology and product candidates, continuing innovation, and in-licensing opportunities to develop, strengthen, and maintain our proprietary position in the field of immunotherapy. We additionally rely on data

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[Table of Contents](#)

exclusivity, market exclusivity, and patent term extensions when available, and plan to seek and rely on regulatory protection afforded through orphan drug designations. Our commercial success will depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions, and improvements, whether developed internally or licensed from our collaborators or other third parties; to preserve the confidentiality of our trade secrets; to maintain our licenses to use intellectual property owned by third parties; to defend and enforce our proprietary rights, including our patents; and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties.

We have in-licensed numerous patents and patent applications and substantial know-how relating to the development and commercialization of our immunotherapy product candidates, including related manufacturing processes and technology. An international patent application has been filed claiming the inventions of investigators at MSK as well as our personnel. In addition, ten international patent applications have been filed solely in our name.

As of **December 31, 2022** **February 1, 2024**, our patent portfolio included:

- For our DANYELZA patent portfolio, we have an exclusive license from MSK to MSK's rights in **two three** patent families. The first family consists of patents and patent applications with composition of matter claims covering humanized or chimeric antibodies or fragments thereof comprising specific sequences and capable of binding to GD2, and includes three U.S. patents, one Australian patent, two New Zealand patents, one Chinese patent, one Japanese patent, one South Korean patent, one Hong Kong patent, one Indian patent, one Canadian **Patent, one European Patent** and one pending patent application in Europe. We expect that any patents that issue in this first family will expire in June 2031. A core U.S. patent in this family is expected to expire on June 20, 2031. An application for Patent Term Extension was filed in 2021 for this core U.S. patent, and if granted it is expected that it will extend the term of the core U.S. patent until February 4, 2034. **An application for Patent Term Extension was filed in 2023 for the Chinese Patent, and if granted, it is expected that it will extend the term for this Chinese Patent until June 2036.** The second family consists of **applications patents** with composition of matter claims covering high affinity anti-GD2 antibodies, and includes one US patent, one German patent, one French patent, one patent in United Kingdom, one Australian patent, one Japanese patent, one Russian patent, one Chinese patent, one Hong Kong patent, one Canadian patent, one South Korean patent **and one pending patent application Brazil, Brazilian patent.** We expect that any patents that issue in this second family will expire in March 2034. **The third patent family consists of patent applications with method of treatment claims covering a combination treatment of neuroblastoma using an anti-GD2 antibody in combination with at least chemotherapeutic agent and at least one hematopoietic growth factor and includes one U.S. patent application and one Chinese patent application. If granted we expect that any patents granted in this family would expire in August 2039.** In addition to the patent families licensed from MSK, we have one patent family assigned to Y-mAbs relating to DANYELZA. This patent family consists of patent applications with method of treatment claims covering a particular anti-GD2 antibody administration regimen designed to reduce pain experienced by the patient and includes one International Patent application and one Taiwanese Patent application. We expect that any patents that may issue in this family would expire in December 2042.
- For our omburtamab patent portfolio, we have an exclusive license from MSK to MSK's rights in two patent families. The first family consists of patents and patent applications with composition of matter claims covering antibodies produced by a distinct hybridoma cell line, antibodies comprising specific sequences, polypeptides comprising specific sequences, and process claims covering a method of inhibiting the growth of tumor cells, a method for imaging a tumor in a subject and a method for treating a mammalian subject, and includes three U.S. **patents, one German patent, one Spanish patent, one French patent, one patent in United Kingdom, one Italian patent and one Canadian patent, patents.** A core U.S. patent in this family is expected to expire on January 19, 2026 and core patents in Germany, Spain, France, United Kingdom and Italy in this family are expected to expire on **March 6, 2023.** The second family consists of

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[Table of Contents](#)

patents and patent applications with process claims covering a method of improving the prognosis or prolonging the survival of a subject bearing a tumor, and includes one Chinese patent, one Indian patent and one Canadian patent. Core patents in Canada, China, and India in this family are expected to expire on March 24, 2028.

- For our huB7-H3 patent portfolio, we have an exclusive license from MSK to MSK's rights in one patent family consisting of a patent and patent applications with composition of matter claims covering antibody agents that bind specifically to protein 2Ig-B7H3 or 4Ig-B7H3, and includes one patent in the United States, one patent in Germany, one patent in Spain, one patent in France, one patent in United Kingdom, one patent in Italy, one patent in Australia, one patent in China, one patent in Eurasia, one patent in Hong Kong and one patent in Japan and 5 pending patent applications in other jurisdictions, including Canada, New Zealand, South Korea, India and Brazil. We expect that any patents that issue in this family will expire in August 2035. In addition, an international patent application has been filed, with MSK and us as applicants, claiming a method for treating a central nerve system (CNS) cancer using huB7H3, as well as <sup>177</sup>Lu-DTPA-8H9 conjugates. Request for entry into the national phase has been filed in the United States, Canada, Europe, Australia, New Zealand, Japan, China, South Korea, India, Brazil, Eurasian, Russia and Hong Kong. We expect that any patent that issue in this family will expire in May 2038. Further, we have one patent family filed by Y-mAbs claiming B7H3 binding antibodies conjugated with chelators in specific chelator to antibody ratios. The family includes pending patent applications in the United States, Europe, China and Taiwan. Any patents issued in this family are expected to expire in 2041.
- For our huB7-H3 technology we further have one patent family, assigned to us, related to new humanized B7-H3 binding antibodies having high human germline content and exhibiting strong bonding to B7-H3 antigen. In this family we have pending patent applications in Taiwan, Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, South Korea, New Zealand and the United States. We expect that any patents that issue in this family will expire in June 2041.
- For our B7-H3 technology we have one additional patent family assigned to us, relating to formulations containing radiolabeled B7-H3 antibodies, stabilized with ascorbic acid. One International patent application is pending in this family. We expect that any patents that may issue in this family will expire in February 2042.
- Our Multimerization Technology patent portfolio, which inter alia relates to nivatrotamab, includes one patent family under which we have a partly exclusive license to MSK's rights in the patent application. The license is exclusive for MSK's rights in the patents rights of this family that claim products, such as bispecific antibodies which are also claimed by other patent rights licensed from MSK, and non-exclusive for patents rights of this family that claim a product that is not claimed by another patent right licensed from MSK. This family consists of patents and patent applications with composition of matter claims covering bispecific binding agents comprised of two fusion proteins, and includes two U.S. patents, one Japanese patent, one Australian patent, one German patent, one French patent one South Korean patent, one Russian patent, one patent in United Kingdom, one patent in Canada, one Chinese patent and one patent in Hong Kong and two pending patent applications in Brazil. We expect that any patents that issue in this family will expire in March 2034. A core U.S. patent in this family is expected to expire on March 25, 2034.
- Our CD33 antibody patent portfolio, which includes one patent family under which we have an exclusive license from MSK to MSK's rights in the patent application. This family consists of one pending patent application in the United States, and five pending patent applications in other jurisdictions, including Europe, Canada, China, Hong Kong and Eurasia relating to anti Siglec-3 (CD33) antibodies generated from a specific principal investigator's laboratory at MSK. We expect that any patents that issue in this family will expire in April 2038.
- Our GD2-GD3 Vaccine patent portfolio, which inter alia relates to a vaccine for stimulation or enhancing production of an antibody which recognized a specific ganglioside, expired in 2022.

37

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[Table of Contents](#)

- For our DOTA-PRIT or SADA patent portfolio, we have an exclusive license from MSK and MIT to MSK's and MIT's rights in the field of Radioimmunotherapy for the diagnosis and treatment of cancer.

29

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[Table of Contents](#)

The license gives access to **seven** **five** patent families owned by MSK, **one patent family owned jointly by MSK and MIT**, and one patent family owned by MIT. The first patent family covers bispecific antibodies capable of binding A33 and DOTA, and use thereof for the treatment of cancer. This first patent family consists of granted patents in the United States, the United Kingdom, France, Germany, Spain, Italy, the Netherlands Hong Kong and Australia and pending patent applications in the United States, China, Canada, Israel and Japan. We expect that any patents granted in this first family will expire in February 2036. A core U.S. patent in this family is expected to expire on July 15, 2037. The second patent family covers specific bispecific antibodies binding A33 and DOTA, and the use thereof for the treatment of cancer. This second family consists of a granted patent in the United **stated States** and pending applications in Australia, Canada, China, Europe, Hong Kong, Israel, Japan, India, South Korea, New Zealand, Eurasia and the United States. We expect that any patents granted in this second family will expire in September 2038. A core U.S. patent in this family is expected to expire on January 27, 2039. The third family covers bispecific antibodies and the use thereof in a three-step PRIT procedure comprising the use of a clearing agent. In particular the family discloses Herceptin conjugated for Pre-targeted Radioimmunotherapy and application as a theranostic product. The license for this patent family has been limited to pending applications in Europe and the United States. We expect that any patents granted in this third family will expire in March 2039. The fourth patent family covers a multimeric antibody for two-step targeting (SADA). This fourth patent family consists of a granted patent in the United States, and pending patent applications in Australia, Canada, Europe, Hong Kong and the United States. We expect that any patents granted in this fourth family will expire in May 2038. A core U.S. patent in this family is expected to expire November 26, 2038. The fifth patent family covers the use of small molecule haptens for pre-targeted radioimmunotherapy (PRIT) using DOTA and bispecific antibodies. This fifth patent family consists of granted patents in Australia, **Japan** and the United States, and pending patent applications in Canada, China, Europe, Hong Kong, Japan and the United States. We expect that any patents granted in this fifth family will expire in July 2038. A core U.S. patent in this family is expected to expire on July 2, 2039. The sixth patent family covers new clearing agents for DOTA-PRIT. The license for this sixth patent family has been limited to **pending patent applications** **an issued Patent** in the United States and **a pending application** in Europe. We expect that any patents granted in this family will expire in July 2039. The seventh patent family **covers PET-based methods for individualizing tumor targeting of antibodies. This seventh patent family consists of granted patents in the United Kingdom, France, Germany, Spain, Italy, the Netherlands and the United States, and pending applications in Australia and Canada. We expect that patents granted in this seventh family will expire in May 2036. The eighth patent family, owned by MIT, covers bispecific antibodies binding DOTA. This **eighth seventh** patent family consists of granted patents in Belgium, France, Germany, Ireland, Italy, Spain, Switzerland, the United Kingdom and the United States. We expect that European patents in this eighth family expire in March 2030 and that the patent in the United States expires in July 2030.**

- We **further** additionally have an agreement with MSK to license two additional patent families related to the SADA PRIT technology. The first patent family covers anti-GD2 SADA conjugates and uses thereof, covering use of alpha radioimmunotherapy and repeated dosing of radiolabeled DOTA-hapten. A pending patent application exists in Australia, Canada, China, Europe, Japan and the United States. We expect that any patents granted that may be in this family would expire in May 2041. The second patent family covers new bispecific antibodies and SADA conjugates able to bind GPA33 and DOTA. Pending patent applications exist in Australia, Canada, Europe and in the United States. We expect that any patents granted that may be in this family would expire in November 2041.
- We have one patent family, assigned to us, related to **an a** humanized CD38-binding antibody and the use thereof for treatment of certain cancers. Pending patent applications exist in the United **states, States,** in Europe, in Australia, in Brazil, in Canada, in China, in Taiwan, in Hong Kong, in India, in Japan, in South Korea and in New Zealand. We expect that any patents that **may** issue in this family would expire in June 2041.
- We also have one patent family, assigned to us, relating to SADA-formulations, in particular GD2-SADA formulations. The family consists of an International Patent Application and one patent application in Taiwan. We expect that any patents that may issue in this family would expire in December 2042.
- We further have one patent family, assigned to us, relating to scFv binding sites devoid of stabilizing disulfide bonds, that are particular useful is SADA-conjugates because it has been shown that these scFv binding sites gives rise to less heterogeneity than usual scFv fragments with stabilizing disulfide bonds.

The family consists of an International Patent Application and one patent application in Taiwan. We expect that any patents that may issue in this family would expire in December 2042.

- For our huB7-H3 patent portfolio, we have an exclusive license from MSK to MSK's rights in one patent family consisting of a patent and patent applications with composition of matter claims covering antibody agents that bind specifically to protein 2Ig-B7H3 or 4Ig-B7H3, and includes one patent in the United States, one patent in Germany, one patent in Spain, one patent in France, one patent in United Kingdom, one patent in Italy, one patent in Australia, one patent in China, one patent in Eurasia, one patent in Hong Kong, one patent in Japan, one patent in India, one patent in South Korea and 3 pending patent applications in other jurisdictions, including Canada, New Zealand and Brazil. We expect that any patents that may issue in this family would expire in August 2035. In addition, an international patent application has been filed, with MSK and us as applicants, claiming a method for treating a central nerve system (CNS) cancer using huB7H3, as well as <sup>177</sup>Lu-DTPA-8H9 conjugates. Request for entry into the national phase has been filed in the United States, Canada, Europe, Australia, New Zealand, Japan, China, South Korea, India, Brazil, Eurasian, Russia and Hong Kong. We expect that any patent that may issue in this family would expire in May 2038. Further, we have one patent family filed by Y-mAbs claiming B7H3 binding antibodies conjugated with chelators in specific chelator to antibody ratios. The family includes pending patent applications in the United States, Europe, China, Hong Kong and Taiwan. Any patents that may be issued in this family are expected to expire in 2041.
- For our huB7-H3 technology we further have one patent family, assigned to us, related to new humanized B7-H3 binding antibodies having high human germline content and exhibiting strong bonding to B7-H3 antigen. In this family we have pending patent applications in Taiwan, Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, South Korea, New Zealand and the United States. We expect that any patents that may issue in this family would expire in June 2041.
- Our Multimerization Technology patent portfolio, which *inter alia* relates to nivatrotamab, includes one patent family under which we have a partly exclusive license to MSK's rights in the patent application. The license is exclusive for MSK's rights in and to the portions of the patents in this family that claim products, such as bispecific antibodies that are also claimed by other patent rights licensed from MSK. The license also provides for non-exclusive rights to the portions of the patents in this family that claim a product that is not claimed by another patent right licensed from MSK. This family consists of patents and patent applications with composition of matter claims covering bispecific binding agents comprised of two fusion proteins, and includes two U.S. patents, one Japanese patent, one Australian patent, one German patent, one French patent one South Korean patent, one Russian patent, one patent in United Kingdom, one patent in Canada, one Chinese patent and one patent in Hong Kong and one pending patent application in Brazil. We expect that any patents that may issue in this family would expire in March 2034. A core U.S. patent in this family is expected to expire on March 25, 2034.
- Our CD33 antibody patent portfolio, which includes one patent family under which we have an exclusive license from MSK to MSK's rights in the patent application. This family consists of one patent in the United States, and five pending patent applications in other jurisdictions, including Europe, Canada, China, Hong Kong and Eurasia relating to anti Siglec-3 (CD33) antibodies generated from a specific principal investigator's laboratory at MSK. We expect that any patents that issue in this family will expire in June 2041. April 2038. A core United States patent in this family is expected to expire on November 9, 2038.
- Our GD2-GD3 Vaccine patent portfolio, which *inter alia* relates to a vaccine for stimulation or enhancing production of an antibody which recognized a specific ganglioside, expired in 2022.

The term of individual patents depends upon the legal term for patents in the countries in which they are granted. In most countries, including the United States, the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. In the United States, a patent's term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office, or USPTO, in examining and granting a patent, or may be shortened if a

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## [Table of Contents](#)

patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date. The Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, permits a patent term extension of up to five years beyond the expiration date of a U.S. patent as partial compensation for the length of time the drug is under regulatory review while the patent is in force. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent applicable to each regulatory review period may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. We cannot provide any

assurance that any patent term extension with respect to any U.S. patent will be obtained and, even if obtained, what the duration of such extension may be.

Similar provisions are available in the European Union and certain other non-U.S. jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our product candidates receive approval by the FDA or non-U.S. regulatory authorities, we expect to apply for patent term extensions on issued patents covering those products, depending upon the length of the clinical trials for each drug and other factors. The expiration dates referred to above are, unless explicitly expressed, without regard to potential patent term extension or other market exclusivity that may be available to us. However, we cannot provide any assurance that any such patent term extension of a non-U.S. patent will be obtained and, even if obtained, the duration of such extension.

As for the immunotherapy products and processes we develop and commercialize, in the normal course of business, we intend to pursue, when possible, composition, method of use, dosing and formulation patent protection. We may also pursue patent protection with respect to manufacturing and drug development processes and technology.

Individual patents extend for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance, and the legal term of patents in the countries in which they are obtained. Generally, patents issued for applications filed in the United States are effective for 20 years from the earliest effective filing date. In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. The restoration period cannot be longer than five years and the total patent term, including the restoration period, must not exceed 14 years following FDA approval. The duration of patents outside of the United States varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. Generally, as noted above, our in-licensed issued patents in all jurisdictions will expire on dates ranging from 2021 to 2039. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2021 to 2041. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

#### **Trademarks**

We have obtained USPTO trademark registration of the “Y-mAbs” mark, USPTO and EU trademark registration **as well as** and registration in other jurisdictions of DANYELZA and certain other trademarks that we intend to use to commercialize our product **candidates. candidates, as well as USPTO, EU and UK trademark registration for SADA PRIT technology.** We currently rely on our registered and unregistered trademarks, trade names and service marks, as well as our domain names and logos, as appropriate, to market our brands and to build and maintain brand recognition. We are seeking to register and will continue to seek to register and renew, or secure by contract where appropriate, trademarks, trade names and service marks as they are developed and used, and reserve, register and renew domain names as appropriate.

#### **Trade Secrets**

We may also rely, in some circumstances, on trade secrets to protect our technology. However, trade secrets are difficult to protect. We seek to protect our technology and product candidates, in part, by entering into confidentiality agreements with those who have access to our confidential information, including our employees, contractors, consultants, collaborators, and advisors. We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our

information technology systems. Although we have confidence in these individuals, organizations, and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become



known or may be independently discovered by competitors. To the extent that our employees, contractors, consultants, collaborators, and advisors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For this and more comprehensive risks related to our intellectual property and proprietary technology, inventions, improvements and products, please see the section on "Risk Factors—Risks Related to Our Intellectual Property."

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## [Table of Contents](#)

### **MSK Agreements**

#### **The MSK License Agreement**

On August 20, 2015, we entered into the MSK License, which grants us a worldwide, sub-licensable license to MSK's rights in certain patent rights and intellectual property rights related to certain know-how to develop, make and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics and cancer treatments. The MSK License is exclusive with respect to MSK rights in such patent rights and tangible materials within such know-how, and nonexclusive with respect to MSK's rights in such know-how and related intellectual property rights. The patents and patent applications covered by the MSK License are directed, in part, to the DANYELZA and omburtamab antibody families, including humanized and chimeric antibodies, as well as MSK's rights in BsAbs, compositions, and their respective use for immunotherapy. Upon entering into the MSK License in 2015 and in exchange for the licenses thereunder, we paid to MSK an upfront payment of \$500,000, issued 1,428,500 shares of our common stock to MSK and agreed to provide certain anti-dilution rights to MSK as further described below. In addition, we are required to pay to MSK certain royalty and milestone payments.

The MSK License requires us to pay to MSK mid to high single-digit royalties based on annual net sales of licensed products or the performance of licensed services by us and our affiliates and sublicensees. We are required to pay annual minimum royalties of \$80,000 over the royalty term, which amounts are non-refundable but are creditable against royalty payments otherwise due thereunder. Total expensed minimum royalty payments under the MSK License were \$1,200,000 in 2016 upon determination that the payment of such minimum royalties was probable and the amount was estimable. We are also obligated to pay to MSK certain clinical, regulatory and sales-based milestone payments under the MSK License, which payments become due upon achievement of the related clinical, regulatory or sales-based milestones. Certain of these clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the MSK License. Total clinical and regulatory milestones potentially due under the MSK License are \$2,450,000 and \$9,000,000, respectively. There are also sales-based milestones that become due should we achieve certain amounts of sales of licensed products resulting from the license arrangement with MSK, with total potential sales-based milestones potentially due of \$20,000,000. As product candidates progress through clinical development, regulatory approval and commercialization, certain milestone payments will come due either as a result of the milestones having been met or the passage of time even if the milestones have not been met. In addition, to the extent we enter into sublicense arrangements, we are required to pay to MSK a percentage of certain payments that we receive from sublicensees of the rights licensed to us by MSK, which percentage will be based upon the date we receive such payments or the achievement of certain clinical milestones. We have entered into sublicenses and distribution agreements related to DANYELZA and omburtamab under the MSK License with Takeda Israel, Swixx BioPharma AG and SciClone in 2020, with Adium in 2021 and WEP in 2022.

The terms of the MSK License provide that MSK is entitled to receive 40% of the income generated from the sale of first PRV, and 33% of any income generated from the sale of any subsequent PRV or the sale of other comparable incentives provided by any non-U.S. jurisdiction. We sold the PRV received upon FDA approval of DANYELZA to United Therapeutics for \$105 million. Pursuant to the agreement with MSK, we were entitled to retain 60% of the net proceeds from monetization of the PRV, and the remaining 40% was due to MSK. We received our portion of the net proceeds of from the sale of the PRV in the amount of approximately \$62.0 million when the transaction was consummated in January 2021.

The MSK License will expire, on a country-by-country basis, and on a licensed-product-by-licensed-product or licensed-service-by-licensed-service basis, on the later of (i) the expiration of the last to expire of the patents and patent



[Table of Contents](#)

applications covering such licensed product or service in such country, (ii) the expiration of any market exclusivity period granted by a regulatory authority for such licensed product or service in such country, or (iii) 15 years from the first commercial sale of such licensed product or service in such country.

MSK may terminate the MSK License upon prior written notice in the event of our uncured material breach, or upon prior written notice if such breach is of a payment obligation. MSK may also terminate the MSK License upon written notice in the event of our bankruptcy or insolvency or our conviction of a felony relating to the licensed products, or if we challenge the validity or enforceability of any licensed patent right. In addition, we have the right to terminate the MSK License in its entirety at will upon prior written notice to MSK, but if we have commenced the

40

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[Table of Contents](#)

commercialization of licensed products and/or licensed services we can only terminate at will if we cease all development and commercialization of such licensed products and/or licensed services.

Our failure to meet certain conditions under the MSK License could cause the related license to such licensed product to be canceled and could result in termination of the MSK License by MSK.

The Sponsored Research Agreement

On November 10, 2015, we entered into the Sponsored Research Agreement, or the SRA, with MSK pursuant to which we committed to provide aggregate research funding to MSK for a term of five years. **The We amended the SRA on September 12, 2019, and it will expire in September 2024. Under the SRA as amended,** research will be conducted in accordance with a written plan and budget approved by the parties. MSK has granted us a non-exclusive, non-commercial, non-transferable, royalty-free license to use any inventions or discoveries developed by MSK within the scope of the information resulting from the project, for our internal, non-commercial research purposes. We have also been granted both a first option to negotiate an exclusive or non-exclusive commercial license to MSK's rights in inventions developed by MSK and a first option to negotiate an exclusive license to MSK's rights in inventions jointly developed by the parties. The SRA **was amended on September 12, 2019, and will expire five years from the date of the amendment. The SRA** may be terminated for convenience by either party upon prior written notice.

The Master Data Service Agreement

On September 20, 2016, we entered into a Master Data Services Agreement, or the MDSA, with MSK pursuant to which we committed to make certain payments to MSK annually in exchange for certain services, including transfer of clinical data and databases, regulatory files and other know-how to us by employees at MSK who are specifically assigned to assist with such services to us. The MDSA will expire upon the completion of activities set forth in each project description entered into thereunder; however we have the option to extend the term upon written notice to MSK. Either party may terminate the MDSA upon prior written notice in the event of an uncured material breach.

Master Clinical Trial Agreement

On June 21, 2017, we entered into the Investigator-Sponsored Master Clinical Trial Agreement, or the MCTA, as later amended on October 11, 2017, with MSK pursuant to which we committed to provide aggregate funding to MSK up to a certain amount for clinical studies to be conducted at MSK. Each such clinical study will be conducted in accordance with a written plan and budget and protocol approved by the parties. Under the MCTA, we and MSK have granted each other a non-exclusive, non-transferable, worldwide, royalty-free license, without right to sublicense, to use any inventions or discoveries developed by personnel of each such party, that is within the scope of the information resulting from the relevant study, for the other party's internal, non-commercial research purposes until such invention is commercially available. We have also been granted a first option to negotiate an exclusive or non-exclusive commercial license to MSK's rights in inventions or discoveries developed by MSK personnel under this MCTA and a first option to negotiate an exclusive license to MSK's rights in inventions

or discoveries jointly developed by MSK and our personnel under this MCTA. The MCTA will continue in effect through completion of the studies, and may be terminated by either party upon prior written notice.

#### The Core Facility Service Agreement

34

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#### Table of Contents

On June 27, 2017, we entered into two separate Core Facility Service Agreements, or CFSAs, with MSK pursuant to which we committed to make certain payments to MSK in exchange for certain laboratory services over the term of the CFSAs. Either party may terminate either of these CFSAs for any reason, or for no reason, upon prior written notice. In the event of termination of either of these CFSAs, we will make full payment to MSK for all work performed on, or expenses related to the project up to the date of termination including all non-cancelable obligations following receipt from MSK of any completed or in-process deliverables in connection with the project.

#### The CD33 License Agreement

On November 13, 2017, we entered into the MSK CD33 License, with MSK, which grants us a worldwide, sub-licensable license to MSK's rights in certain patent rights and intellectual property rights related to certain know-how to develop, make and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics in connection with certain CD33 antibodies generated in a specific principal investigator's laboratory at MSK and constructs thereof. The MSK CD33 License is exclusive with respect to such patent rights and tangible materials within such know-how, and nonexclusive with respect to MSK's rights in such know-how and related intellectual property rights. As product candidates progress through clinical development, regulatory approval and commercialization, certain milestone payments will come due either as a result of the milestones having been met or the passage of time even if the milestones have not been met. Also, we will owe MSK customary royalties on commercial sales of our approved products, if any. Total potential milestones due under the MSK CD33 License are \$550,000, \$500,000 and \$7,500,000 for clinical, regulatory and sales based milestones, respectively. In

41

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#### Table of Contents

addition, the MSK CD33 License contains minimum royalty payments that become due beginning in year 10 of \$40,000 per year over the royalty term, increasing to \$60,000 once a patent within the licensed rights is issued, subject to increase and creditable against any royalty payments due based on sales in the future. We are required to pay mid to high single-digit royalties on sales of licensed products. Additionally, the terms of the MSK CD33 License provide that MSK is entitled to receive 25% of any income generated from the sale of any PRV or the sale of other comparable incentives provided by any non-U.S. jurisdiction.

The MSK CD33 License will expire, on a country-by-country basis, and on a licensed product-by-licensed-product or licensed-service-by-licensed-service basis, on the later of (i) the expiration of the last to expire of the patents and patent applications covering such licensed product or service in such country, (ii) the expiration of any market exclusivity period granted by a regulatory authority for such licensed product or service in such country, or (iii) 15 years from the first commercial sale of such licensed product or service in such country.

MSK may terminate the MSK CD33 License upon prior written notice in the event of our uncured material breach, or upon prior written notice if such breach is of a payment obligation. MSK may also terminate the MSK CD33 License upon written notice in the event of our bankruptcy or insolvency or our conviction of a felony relating to the licensed products, or if we challenge the validity or enforceability of any licensed patent right. In addition, we have the right to terminate the MSK CD33 License in its entirety at will upon prior written notice to MSK,

but if we have commenced the commercialization of licensed products and/or licensed services we can only terminate at will if we cease all development and commercialization of such licensed products and/or licensed services.

#### The MabVax Sublicense

On December 2, 2019, we entered into the Settlement and Assumption and Assignment, or SAAA, of MSK License and Y-mAbs Sublicense Agreement, or the MabVax/Y-mAbs Sublicense, between us and MabVax dated June 27, 2018, with MabVax Therapeutics Holdings, Inc. and MabVax Therapeutics, Inc., or together, MabVax, and MSK, which became effective on December 13, 2019. Pursuant to the MabVax/Y-mAbs Sublicense, MabVax sublicensed to us certain patent rights and know-how for development and commercialization of products for the prevention or treatment of NB by means of administering a bi-valent ganglioside vaccine granted to MabVax, pursuant to an exclusive license agreement dated June 20, 2008 between MabVax and MSK, as amended, or the MabVax/MSK License Agreement.

On March 21, 2019, MabVax filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The essence of the transaction created by the SAAA was for us, in light of the Chapter 11 bankruptcy proceedings affecting

35

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#### Table of Contents

MabVax, to preserve the MabVax/MSK License Agreement and the rights granted to us under the MabVax/Y-mAbs Sublicense and for us to create a direct relationship with MSK with respect to the rights covered under the MabVax/Y-mAbs Sublicense. Pursuant to the SAAA, MabVax agreed to assume the MabVax/Y-mAbs Sublicense and the MabVax/Y-mAbs License Agreement pursuant to Section 365 of the Bankruptcy Code and concurrently to assign both of these agreements to MSK. We remain responsible for any potential downstream payment obligations to MSK related to the GD2-GD3 Vaccine that were specified in the MabVax/MSK License Agreement. This includes the obligation to pay development milestones totaling \$1,400,000 and mid single-digit royalty payments to MSK. In addition, if we obtain FDA approval for the GD2-GD3 Vaccine, then we are obligated to file with the FDA for a PRV. The SAAA stipulates that, if we are granted a PRV from the FDA covering a licensed product under the MabVax/Y-mAbs Sublicense and the PRV is subsequently sold, we will pay directly to MabVax and to MSK, respectively, a total of twenty percent of the proceeds from the sale thereof. The MabVax/MSK License Agreement will expire with effect for us, on a country-by-country basis, on the later of the expiration of (i) 10 years from the first commercial sale of the licensed product in such country or (ii) the last-to-expire valid claim covering such licensed product rights at the time of and in the country of sale.

#### The SADA License Agreement

On April 15, 2020, we entered into a license agreement, or the SADA License Agreement, with MSK and Massachusetts Institute of Technology, or MIT, that grants us an exclusive, worldwide, sublicensable license to certain patent and intellectual property rights developed by MSK and MIT to develop, make, and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics and cancer treatments using SADA-BiDE (2-step our novel Self-Assembly and DisAssembly-Bispecific DOTA-Engaging antibody system) Pre-targeted Radioimmunotherapy Platform, DisAssembly Pretargeted, or the SADA Technology, PRIT, technology platform, a concept we also refer to as Liquid Radiation™. The patents and patent applications covered by the SADA License Agreement are directed, in part, to the SADA

42

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#### Table of Contents

Technology, PRIT technology, as well as a number of SADA PRIT constructs developed by MSK. Upon entering into the SADA License Agreement in April 2020 and in exchange for the licenses, we paid MSK and MIT a cash upfront payment and issued an aggregate of 42,900 shares of our common stock to them. During the year years ended December 31, 2021, and 2022, we made a cash payment payments in the

amount of \$1.0 million **per year** to MSK and MIT under the agreement. During the year ended **December 31, 2022** **December 31, 2023**, we made another cash payment **under the agreement** in the amount of **\$1.0 million** **\$0.6 million** to MSK **and MIT under** **relating to the agreement**, **dosing of the first patient in the Phase 1 trial of GD2-SADA**.

The SADA License Agreement requires us to pay to MSK and MIT mid to high single-digit royalties based on annual net sales of licensed products or the performance of licensed services by us and our affiliates and sublicensees. We are obligated to pay annual minimum royalties of \$40,000, increasing to \$60,000 once a patent has been issued, over the royalty term, commencing on the tenth anniversary of the license agreement. These amounts are non-refundable but are creditable against royalty payments otherwise due under the SADA License Agreement.

Under the SADA License, we are also obligated to pay MSK and MIT certain clinical, regulatory and sales-based milestone payments. Certain of the clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the SADA License Agreement. Total clinical and regulatory milestones potentially due under the SADA License Agreement are \$4,730,000 and \$18,125,000, respectively. There are also sales-based milestones, totaling \$23,750,000, that become due should the Company achieve certain amounts of sales of licensed products. In addition, for each of the SADA **PRIT** constructs generated by MSK and sold for the Company by a sublicensee, the Company may pay sales milestones in the total amount up to \$60,000,000 based on the achievement of various cumulative net sales made by the sub-licensee. Finally, under the terms of the SADA License, MSK is entitled to receive 25% of any income generated from the sale of any PRV or the sale of other comparable incentives provided by any non-U.S. jurisdiction.

Under the SADA License Agreement, we also committed to funding scientific research at MSK for up to \$1,500,000 over the next three years. Accordingly, in October 2020, we entered into a SADA sponsored research agreement with MSK pursuant to which we agreed to fund \$1,500,000 in scientific research at MSK over the next three years to related to the intellectual property licensed under the SADA License Agreement. The scientific research took place over a period that commenced in September 2020 and ended in February 2022.

36

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[Table of Contents](#)

## Government Regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of biologics such as those we are developing. We, along with third-party contractors, will be required to navigate the various pre-clinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources.

The process required by the FDA before biologic product candidates may be marketed in the United States generally involves the following:

- completion of pre-clinical laboratory tests and animal studies performed in accordance with the FDA's GLP regulation;
- submission to the FDA of an IND, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent Institutional Review Board, or IRB, or ethics committee at each clinical site before the trial is begun;

43

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[Table of Contents](#)

- performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the proposed biologic product candidate for its intended purpose;
- preparation of and submission to the FDA of a BLA after completion of all pivotal clinical trials;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- a determination by the FDA within 60 days of its receipt of a BLA to file the application for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the proposed product is produced to assess compliance with cGMP and to assure that the facilities, methods and controls are adequate to preserve the biological product's continued safety, purity and potency, and of selected clinical investigations to assess compliance with Good Clinical Practices, or GCPs; and
- FDA review and approval of our BLA to permit commercial marketing of the product for particular indications for use in the United States, which must be updated annually when significant changes are made.

Prior to beginning the first clinical trial with a product candidate, we must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or

37

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## [Table of Contents](#)

questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

A clinical trial involves the administration of the investigational product to human patients under the supervision of qualified investigators in accordance with GCPs, which includes the requirement that all research patients provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the patients are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for patients or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

For purposes of BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap.

- Phase 1—The investigational product is initially introduced into healthy human patients with the target disease or condition. In oncology, clinical Phase 1 trials are normally conducted in patients, who have been

44

exposed to and failed/relapsed on available standard of care therapies. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.

- Phase 2—The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.
- In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase 4 studies may be made a condition to approval of our BLA.

Phase 1, Phase 2 and Phase 3 testing may not be completed successfully within a specified period, if at all, and there can be no assurance that the data collected will support FDA approval or licensure of the product. Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

#### ***BLA Submission and Review by the FDA***

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, non-clinical studies and clinical trials are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. The BLA must include all relevant data available from pertinent pre-clinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of a use of the product, or from a number of alternative sources, including studies initiated by investigators. The submission of a BLA requires payment of a substantial User Fee to FDA, and the sponsor of an approved BLA is also subject to annual program fees. These fees are typically increased annually. A waiver of user fees may be obtained under certain limited circumstances.

Once a BLA has been submitted, the FDA's goal is to review the application within 10 months after it files the application, or, if the application relates to an unmet medical need in a serious or life-threatening indication, six months after the FDA files the application. The review process is often significantly extended by FDA requests for additional information or clarification. The FDA reviews a BLA to determine, among other things, whether a product is safe, pure and potent and the facility in which it is manufactured, processed, packed, or held meets standards designed to assure the product's continued safety, purity and potency. The FDA may convene an advisory committee to provide clinical insight on application review questions. Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request

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[Table of Contents](#)

additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

The testing and approval process requires substantial time, effort and financial resources, and each may take several years to complete. The FDA may not grant approval on a timely basis, or at all, and we may encounter difficulties or unanticipated costs in our efforts to secure necessary governmental approvals, which could delay or preclude us from marketing our products. After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the product will be produced, the FDA may issue an approval letter, or a Complete Response Letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. A Complete Response Letter may request additional information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the BLA with a Risk Evaluation and Mitigation Strategy, or REMS, plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing regulatory standards is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies. In addition, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could delay or prevent regulatory approval of our products under development.

A sponsor may seek approval of its product candidate under programs designed to accelerate FDA's review and approval of new drugs and biological products that meet certain criteria. Specifically, new drugs and biological products

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[Table of Contents](#)

are eligible for **fast track** **fast-track** designation if they are intended to treat a serious or life-threatening condition and demonstrate the potential to address an unmet medical need for the condition. For a fast-track product, the FDA may consider sections of the BLA for review on a rolling basis before the complete application is submitted if relevant criteria are met. A fast-track designated product candidate may also qualify for priority review, under which the FDA sets the target date for FDA action on the BLA at six months after the FDA files the application. Priority review is granted when there is evidence that the proposed product would be a significant improvement in the safety or effectiveness of the treatment, diagnosis, or prevention of a serious condition. If criteria are not met for priority review, the application is subject to the standard FDA review period of 10 months after FDA files the application. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

Under the accelerated approval program, the FDA may approve a BLA on the basis of either a surrogate objective that is reasonably likely to predict clinical benefit, or on a clinical objective that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Post-marketing studies or completion of ongoing studies after marketing approval are generally required to verify the biologic's clinical benefit in relationship to the surrogate objective or ultimate outcome in

relationship to the clinical benefit. In addition, a sponsor may seek FDA designation of its product candidate as a breakthrough therapy if the product candidate is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the therapy may demonstrate substantial improvement over existing therapies on one or more clinically significant objectives, such as substantial treatment effects observed early in clinical development. Sponsors may request the FDA to designate a breakthrough therapy at the time of or any time after the submission of an IND, but ideally before an end of Phase 2 meeting with FDA. If the FDA designates a breakthrough therapy, it may take actions appropriate to expedite the development and review of the application, which may include holding meetings with the sponsor and the review team throughout the development of the therapy; providing timely advice to, and interactive communication with, the

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[Table of Contents](#)

sponsor regarding the development of the drug to ensure that the development program to gather the non-clinical and clinical data necessary for approval is as efficient as practicable; involving senior managers and experienced review staff, as appropriate, in a collaborative, cross disciplinary review; assigning a cross disciplinary project lead for the FDA review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor; and considering alternative clinical trial designs when scientifically appropriate, which may result in smaller trials or more efficient trials that require less time to complete and may minimize the number of patients exposed to a potentially less efficacious treatment. Breakthrough designation also allows the sponsor to file sections of the BLA for review on a rolling basis.

Fast Track designation, priority review and BTB do not change the standards for approval but may expedite the development or approval process.

**Orphan Drugs**

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with either a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 individuals in the United States when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the United States will be recovered from sales in the United States for that drug or biologic. ODD must be requested before submitting a BLA. After the FDA grants ODD, the generic **identify identity** of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA.

If a product that has received ODD and subsequently receives the first FDA approval for a particular active ingredient for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same biologic for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a

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[Table of Contents](#)

different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of ODD are tax credits for certain research and a waiver of the BLA application user fee.



A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received ODD. In addition, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

#### **Breakthrough Therapy Designation**

When a drug, alone or in combination with one or more other drugs, is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development, it can be granted breakthrough therapy designation. The standard for breakthrough therapy designation is not the same as the standard for drug approval, as the clinical evidence needed to support breakthrough designation is of preliminary nature.

#### **Rare Pediatric Disease Designation**

The Rare Pediatric Disease Priority Review Voucher Program, or the PRV Program, is intended to incentivize pharmaceutical companies to develop drugs for rare pediatric diseases. A company that obtains approval of an IND or a BLA for a designated rare pediatric disease may be eligible for a PRV from the FDA, which may be redeemed to obtain priority review for a subsequent new drug application or BLA by the owner of such PRV. A PRV is fully transferable and can be sold to any company, who in turn can redeem the PRV for priority review of a marketing application in six

47

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#### [Table of Contents](#)

months, compared to the standard timeframe of approximately ten months. A drug that receives a RPDD before September 30, 2024 continues to be eligible for a PRV if the drug is approved before September 30, 2026. Extension beyond these dates will require further Congressional action.

#### **Post-Approval Requirements**

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual program user fee requirements for any marketed products, as well as new application fees for supplemental applications with clinical data. Biologic manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to **expend spend** time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance. We cannot be certain that we or our present or future suppliers will be able to comply with the cGMP regulations and other FDA regulatory requirements. If our present or future suppliers are not able to comply with these requirements, the FDA may, among other things, halt our clinical trials, require us to recall a product from distribution, or withdraw approval of the BLA.

We rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of our product candidates. Future FDA and state inspections may identify compliance issues at our facilities or at the facilities of our contract manufacturers that may disrupt production or distribution, or require substantial resources to correct. In addition, discovery of previously unknown problems with a product or the failure to comply with applicable

41

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[Table of Contents](#)

requirements may result in restrictions on a product, manufacturer or holder of an approved BLA, including withdrawal or recall of the product from the market or other voluntary, FDA-initiated or judicial action that could delay or prohibit further marketing. The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of biologics. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among

[Table of Contents](#)

other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products.

**Other Healthcare Laws and Compliance Requirements**

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of drug products that are granted regulatory approval. Arrangements with providers, consultants, third-party payors and customers are subject to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain our business and/or financial arrangements. Such restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration (including any kickback, bribe or rebate), directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease or order of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid;
- the federal civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

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[Table of Contents](#)

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal laws that prohibit, among other things, knowingly and willingly executing, or attempting to execute, a scheme or making false statements in connection with the delivery of or payment for health care benefits, items, or services;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, which also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information on covered entities and their business associates and covered contractors that perform certain functions or activities that involve the use or disclosure of protected health information on their behalf;
- the federal transparency requirements known as the federal Physician Payments Sunshine Act, under the Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, or collectively the ACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or CMS, within the U.S. Department of Health and Human Services, information related to payments and other transfers of value to certain physicians (defined to include doctors, dentists, optometrists, podiatrists, and chiropractors), other healthcare providers (such as physician assistants and nurse practitioners), and teaching hospitals and information regarding ownership and investment interests held by such physicians and their immediate family members; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers.

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[Table of Contents](#)

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Also, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. No assurance can be given that our internal control policies and procedures will protect us from reckless or negligent acts committed by our employees, future distributors, partners, collaborators or agents. Violations of these laws, or allegations of such violations, could result in significant fines, penalties or prosecution and have a negative impact on our business, results of operations and reputation.

#### **Coverage and Reimbursement**

Sales of pharmaceutical products depend significantly on the availability of third-party coverage and reimbursement. Third-party payors include government health administrative authorities, managed care providers, private health insurers and other organizations. Third-party payors are increasingly challenging the price and examining the cost-effectiveness of medical products and services. In addition, significant uncertainty exists as to the reimbursement status of newly approved healthcare products. We may need to conduct expensive clinical studies to demonstrate the comparative cost-effectiveness of our products. The product candidates that we develop may not be considered cost-effective. It is time consuming and expensive for us to seek coverage and reimbursement from third-party payors. Moreover, a payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Reimbursement may not be available or sufficient to allow us to sell our products on a competitive and profitable basis. Further, coverage policies and third-party payor

reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

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[Table of Contents](#)

In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

***Clinical Trials in the EU***

In the European Union, clinical trials are governed by the Clinical Trials Regulation (EU) No 536/2014, or CTR, which entered into application on January 31, 2022 repealing and replacing the former Clinical Trials Directive 2001/20, or CTD.

The CTR is intended to harmonize and streamline clinical trial authorizations, simplify adverse-event reporting procedures, improve the supervision of clinical trials and increase transparency. Specifically, the Regulation, which is directly applicable in all EU Member States, introduces a streamlined application procedure through a single-entry point, the "EU portal", the Clinical Trials Information System, or CTIS; a single set of documents to be prepared and submitted for the application; as well as simplified reporting procedures for clinical trial sponsors. A harmonized procedure for the assessment of applications for clinical trials has been introduced and is divided into two parts. Part I assessment is led by the competent authorities of a reference Member State selected by the trial sponsor and relates to clinical trial aspects that are considered to be scientifically harmonized across EU Member States. This assessment is then submitted to the competent authorities of all concerned Member States in which the trial is to be conducted for their review. Part II is assessed separately by the competent authorities and Ethics Committees in each concerned EU Member State. Individual EU Member States retain the power to authorize the conduct of clinical trials on their territory.

The extent to which on-going clinical trials will be governed by the CTR will depend on the duration of the individual clinical trial. For clinical trials in relation to which an application for approval was made on the basis of the CTD before January 31, 2023, the CTD will continue to apply on a transitional basis until January 31, 2025. By that date, all ongoing trials will become subject to the provisions of the CTR. The CTR will apply to clinical trials from an earlier date if the related clinical trial application was made on the basis of the CTR or if the clinical trial has already transitioned to the CTR framework before January 31, 2025.

In all cases, clinical trials must be conducted in accordance with GCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki. Medicines used in clinical trials must be manufactured in accordance with the guidelines on cGMP and in a GMP licensed facility, which can be subject to GMP inspections.

***Review and Approval of Medicinal Products in the European Union EU***

In the European Union, medicinal products are subject to extensive regulatory requirements. As in the United States, medicinal products can be marketed only if a marketing authorization from the competent regulatory agencies authorities has been obtained.

The various phases of preclinical and clinical research in the European Union are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC has sought to harmonize the EU clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the European Union, the EU Member States have transposed and applied the provisions of the Directive differently into their national laws. This has led to significant variations in the member state regimes.

The Clinical Trials Regulation (EU) No 536/2014 entered into application on January 31, 2022. The Regulation harmonizes and streamlines clinical trial authorizations, simplifies adverse-event reporting procedures, improves the supervision of clinical trials and increases their transparency. Specifically, the new Regulation, which is directly applicable in all EU Member States, introduces a streamlined application procedure via a single-entry point, the "EU portal"; a single set of documents to be prepared and submitted for the application as well as simplified reporting procedures for clinical trial sponsors. A harmonized procedure for the assessment of applications for clinical trials is divided into two parts. Part I is assessed by the competent authorities of a reference member state selected by the trial sponsor largely of the type of

clinical trial, risk-benefit analysis, and compliance with technical requirements. This assessment, which is valid for the entire EU, is then in Part II submitted to the competent authorities of all the concerned member states in which the trial is to be conducted.

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## [Table of Contents](#)

In the European Economic Area, or EEA, which consists of the 27 Member States of the European Union, as well as Norway, Iceland and Liechtenstein, medicinal products can only be commercialized after a related marketing authorization has been granted. A company may submit a marketing authorization application, or MAA, either on under a centralized procedure administered by the basis European Medicines Agency, or EMA, or one of the centralized procedures administered by the competent authorities of EU Member States (decentralized procedure, national procedure or decentralized procedure. Under the mutual recognition procedure).

The centralized procedure MAAs are submitted to provides for the EMA for scientific review grant of a single MA by the EMA's Committee for Medicinal Products for Human Use, or CHMP. The CHMP issues an opinion concerning whether the quality, safety and efficacy of the product has been demonstrated. The opinion is considered by the EC which is responsible for granting a centralized marketing authorization in the form of a binding EC decision. If the application is approved, the EC grants a single marketing authorization European Commission that is valid throughout the EEA. The Pursuant to Regulation (EC) No 726/2004, the centralized procedure is mandatory compulsory for certain types of specific products, such as biotechnology including for (i) medicinal products derived from biotechnological processes, (ii) products designated as orphan medicinal products, advanced-therapy medicines such as gene-therapy, somatic cell-therapy or tissue-engineered medicines and (iii) advanced therapy medicinal products, containing or ATMPs, and (iv) products with a new active substance indicated for the treatment of HIV, HIV/AIDS, cancer, neurodegenerative disorders, diseases, diabetes, auto-immune and other immune dysfunctions and viral diseases. The For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients,

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## [Table of Contents](#)

authorization through the centralized procedure is optional on related approval. Under the centralized procedure, the EMA's Committee for products containing Medicinal Products for Human Use, or CHMP, conducts the initial assessment of a new active substance not yet authorized product. The CHMP is also responsible for several post-authorization and maintenance activities, such as the assessment of modifications or extensions to an existing MA. The maximum timeframe for the evaluation of an MAA under the centralized procedure is 210 days, excluding clock stops when additional information or written or oral explanation is to be provided by the applicant in response to questions of the EEA, or for products that constitute CHMP.

Accelerated assessment may be granted by the CHMP in exceptional cases, when a significant therapeutic, scientific or technical innovation or which are in medicinal product targeting an unmet medical need is expected to be of major interest from the interest point of view of public health and, in particular, from the European Union, viewpoint of therapeutic innovation. If the CHMP accepts a request for accelerated assessment, the time limit of 210 days will be reduced to 150 days (excluding clock stops). The CHMP can, however, revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment.

National marketing authorizations, which are issued Unlike the centralized authorization procedure, the decentralized MA procedure requires a separate application to, and leads to separate approval by, the competent authorities of EEA countries and only cover their respective territory, are available each EU Member State in which the product is to be marketed. This application is identical to the application that would be submitted to the EMA for products not falling within the mandatory scope of authorization through the centralized procedure. Where a product has already been authorized for marketing in an EEA country, this national marketing authorization can be recognized in another EEA country through the mutual recognition procedure. The mutual recognition procedure provides for the EEA countries selected by

the applicant to mutually recognize a national marketing authorization that has already been granted by the competent authority of another EEA country, referred to as the Reference reference EU Member State or RMS. The decentralized procedure is used when the product in question has yet to be granted prepares a marketing authorization in any EEA country. Under this procedure the applicant can select the EEA country that will act as the RMS. In both the mutual recognition draft assessment and decentralized procedures, the RMS reviews the application and submits its assessment drafts of the application related materials within 120 days after receipt of a valid application. The resulting assessment report is submitted to the EEA countries for which marketing authorizations are being sought, referred to as Concerned concerned EU Member States. Within States who, within 90 days of receiving the application and assessment report, each Concerned Member State receipt, must decide whether to recognize approve the RMS assessment or reject it on report and related materials. If a concerned EU Member State cannot approve the basis of assessment report and related materials due to concerns relating to a potential serious risk to public health. If the health, disputed points cannot elements may be resolved, the matter is first referred to the Heads of Medicines Agencies' Coordination Group for Mutual Recognition and Decentralized Decentralised Procedures – Human, or CMDh, for agreement. If review. The subsequent decision of the Group cannot reach an agreement, a referral is made to the EMA. The CHMP will provide an opinion that will form the basis of a decision to be issued by the EC that European Commission is binding on all EEA countries. If the application is successful during the decentralized or EU Member States.

The mutual recognition procedure national marketing authorizations will allows companies that have a medicinal product already authorized in one EU Member State to apply for this authorization to be granted recognized by the competent authorities in each other EU Member States. Like the decentralized procedure, the mutual recognition procedure is based on the acceptance by the competent authorities of the EEA countries chosen EU Member States of the MA of a medicinal product by the applicant. competent authorities of other EU Member States. The holder of a national MA may submit an application to the competent authority of an EU Member State requesting that this authority recognize the MA delivered by the competent authority of another EU Member State.

In principle, a marketing authorization has an initial validity of five years. The marketing authorization may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the competent authority of the EEA country in which the original marketing authorization was granted. To support the application, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the Electronic Common Technical Document, or eCTD, providing up to date data concerning the quality, safety and efficacy of the product, including all variations introduced since the marketing authorization was granted, at least nine months before the marketing authorization ceases to be valid. The EC or the competent authorities of the EEA countries may decide, on justified grounds relating to pharmacovigilance, to proceed with one further five-year renewal period for the marketing authorization. Once subsequently definitively renewed, the marketing authorization shall be valid for an unlimited period. Any authorization which is not followed by the actual placing of the medicinal product on the EU market (in case of centralized procedure) or on the market of the authorizing EEA country within three years after authorization ceases to be valid (the so-called sunset clause).

Innovative products that target an unmet medical need and are expected to be of major public health interest may be eligible for a number of expedited development and review programs, such as the Priority Medicines, or PRIME, scheme, which provides incentives similar to the breakthrough therapy designation in the U.S. PRIME is a voluntary scheme aimed at enhancing the EMA's support for the development of medicinal products that target unmet medical needs. Eligible products must target conditions for which there is an unmet medical need (there is no satisfactory method of diagnosis, prevention or treatment in the EU or, if there is, the new medicinal product will bring a major therapeutic advantage) and they must demonstrate the potential to address the unmet medical need by introducing new methods of therapy or improving existing ones. Benefits accrue to sponsors of product candidates with PRIME designation, including but not limited to, early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial

51 45

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[Table of Contents](#)

designs and other development program elements, and potentially accelerated MAA assessment once a dossier has been submitted.

In the EU, conditional marketing authorizations a "conditional" MA may be granted in the centralized procedure for a limited number of medicinal products for human use in cases where all the related clinical dataset is required safety and efficacy data are not yet complete. A available. The European Commission may grant a conditional marketing authorization may be granted MA for a medicinal product if (1) it is demonstrated that all of the risk-benefit following criteria are met: (i) the benefit-risk balance of the medicinal product is positive, (2) positive; (ii) it is likely that the applicant will be in a position able to provide the required comprehensive data after the authorization, (3) post-authorization;

(iii) the medicinal product fulfills an unmet medical need; and (iv) the benefit to public health of the immediate availability on the market to patients of the medicinal product outweighs is greater than the risk inherent in the fact that additional data are still required. The authorization conditional MA is subject to conditions to be fulfilled for generating the missing data or ensuring increased safety measures. It is valid for one year and must be renewed annually until all related conditions have been fulfilled. Once any pending studies are provided, the conditional marketing authorization MA can be converted into a traditional marketing authorization MA. However, if the conditions are not fulfilled within the timeframe set by the EMA and approved by the marketing authorization European Commission, the MA will cease to be renewed.

An MA may also be granted "under exceptional circumstances" where the applicant can show that it is unable to provide comprehensive data on efficacy and safety under normal conditions of use even after the product has been authorized and subject to specific procedures being introduced. These circumstances may arise in particular when the intended indications are very rare and, in the state of scientific knowledge at that time, it is not possible to provide comprehensive information, or when generating data may be contrary to generally accepted ethical principles. Like a conditional MA, an MA granted in exceptional circumstances is reserved to medicinal products intended to be authorized for treatment of rare diseases or unmet medical needs for which the applicant does not hold a complete data set that is required for the grant of a standard MA. However, unlike the conditional MA, an applicant for authorization in exceptional circumstances is not subsequently required to provide the missing data. Although the MA "under exceptional circumstances" is granted definitively, the risk-benefit balance of the medicinal product is reviewed annually, and the MA will be withdrawn if the risk-benefit ratio is no longer favorable.

#### **Data and Market Exclusivity in the EU**

In the EU provides opportunities for data and market exclusivity related to MAs. Upon receiving an MA, innovative medicinal products that are subject generally entitled to marketing authorization on the basis of a full dossier and do not fall within the scope of the concept of global marketing authorization qualify for receive eight years of data exclusivity upon marketing authorization and an additional two 10 years of market exclusivity. The concept of global marketing authorization prevents the same marketing authorization holder or members of the same group, or companies that have concluded tacit or explicit agreements concerning the marketing of the same medicinal product, from obtaining separate data and market exclusivity periods for medicinal products that contain the same active substance. Data exclusivity, if granted, prevents regulatory authorities in the European Union EU from referencing the innovator's data to assess a generic application or biosimilar application for eight years from the date of authorization of the innovative product, after which a generic or biosimilar marketing authorization application MAA can be submitted, and the innovator's data may be referenced. However, the market exclusivity period prevents a successful generic product or biosimilar products cannot be marketed applicant from commercializing its product in the EU for a further two until 10 years thereafter. have elapsed from the initial MA of the reference product in the EU. The overall ten-year period may, occasionally, be extended for a further year to a maximum of 11 years if, during the first eight years of those ten years, the marketing authorization MA holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. However, there is no guarantee that a product will be considered by the EU's regulatory authorities to be a new chemical/biological entity, and products may not qualify for data exclusivity.

In the EU, there is a special regime for biosimilars, or biological medicinal products that are similar to a reference medicinal product but that do not meet the definition of a generic medicinal product. For such products, the results of appropriate preclinical or clinical trials must be provided in support of an application for MA. Guidelines from the EMA detail the type of quantity of supplementary data to be provided for different types of biological product.

#### **Pediatric Development in the EU**

In the EU, Regulation (EC) No 1901/2006 provides that all MAAs for new medicinal products must include the results of trials conducted in the pediatric population, in compliance with a pediatric investigation plan, or PIP, agreed with the EMA's Pediatric Committee, or PDCO. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the medicinal product for which marketing authorization is being sought. The PDCO may grant a deferral of the obligation to implement some or all of the measures provided in the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults. Furthermore, the obligation to provide



pediatric clinical trial data can be waived by the PDCO when these data are not needed or appropriate because the product is likely to be ineffective or unsafe in children, the disease or condition for which the product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. Once the marketing authorization is obtained in all EU Member States and study results are included in the product information, even when negative, the product is eligible for a six-month extension to the Supplementary Protection Certificate or SPC if any is in effect at the time of authorization or, in the case of orphan medicinal products, a two-year extension of orphan market exclusivity.

#### **Orphan Designation and Exclusivity in the EU**

Regulation (EC) No. 141/2000, as implemented by Regulation (EC) No. 847/2000 provides that a medicinal product can be designated as an orphan medicinal product by the European Commission if its sponsor can establish that : (1) the product is intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions; (2) either (a) such conditions affect not more than 5 in 10,000 persons in the EU when the application is made, or (b) the product without the benefits derived from orphan status, would not generate sufficient return in the EU to justify the necessary investment in developing the medicinal product; and (3) there exists no satisfactory authorized method of diagnosis, prevention, or treatment of the condition that has been authorized in the EU, or even if such method exists, the product will be of significant benefit to those affected by that condition.

52

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Table Regulation (EC) No 847/2000 includes further provisions for implementation of Contents the criteria for designation of a medicinal product as an orphan medicinal product. An application for the designation of a medicinal product as an orphan medicinal product must be submitted at any stage of development of the medicinal product but before filing of an MAA. An MA for an orphan medicinal product may only include indications designated as orphan. For non-orphan indications treated with the same active pharmaceutical ingredient, a separate marketing authorization has to be sought.

Orphan medicinal product designation entitles an applicant to incentives such fee reductions or fee waivers, protocol assistance, and access to the centralized marketing authorization procedure. Upon grant of a marketing authorization, orphan medicinal products are entitled to a ten-year period of market exclusivity for the approved therapeutic indication, which means that the EMA cannot accept another marketing authorization application, or nor can the European Commission grant a marketing authorization, or accept an application to extend a marketing authorization for a similar product for the same indication for a period of ten years. The period of market exclusivity is extended by two years for orphan medicinal products that have also complied with an agreed Pediatric Investigation Plan, or PIP. No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications. Orphan medicinal product designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

The period of market exclusivity may, however, be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria on the basis of which it received orphan medicinal product designation, including where it can be demonstrated on the basis of available evidence that the original orphan medicinal product is sufficiently profitable not to justify maintenance of market exclusivity or where the prevalence of the condition has increased above the threshold. Additionally, an MA may be granted to a similar medicinal product with the same orphan indication during the 10 year period if: (i) if the applicant consents to a second original orphan medicinal product application, (ii) if the manufacturer of the original orphan medicinal product is unable to supply sufficient quantities; or (iii) if the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior to the original orphan medicinal product. A company may voluntarily remove a product from the register of orphan products.

#### **Post-Approval Requirements in the EU**

Where a marketing authorization an MA is granted in relation to a medicinal product in the EU, the holder of the marketing authorization MA is required to comply with a range of regulatory requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. Similar to the United States, both MA holders and manufacturers of medicinal products are subject to comprehensive regulatory oversight by the EMA, the European Commission and/or the competent regulatory authorities of the individual EU Member States. The holder of an MA must establish and maintain a pharmacovigilance

47



system and appoint an individual qualified person for pharmacovigilance who is responsible for oversight of that system. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports, or PSURs.

All new MAAs must include a risk management plan, or RMP, describing the risk management system that the company will put in place and documenting measures to prevent or minimize the risks associated with the product. The regulatory authorities may also impose specific obligations as a condition of the MA. Such risk-minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs, or the conduct of additional clinical trials or post-authorization safety studies.

In the EU, the advertising and promotion of medicinal products are subject to both EU and EU Member States' laws governing promotion of medicinal products, interactions with physicians and other healthcare professionals, misleading and comparative advertising and unfair commercial practices. General requirements for advertising and promotion of medicinal products, such as direct-to-consumer advertising of prescription medicinal products are established in EU law. However, the details are governed by regulations in individual EU Member States and can differ from one country to another. For example, applicable laws require that promotional materials and advertising in relation to medicinal products comply with the product's Summary of Product Characteristics, or SmPC, which may require approval by the competent national authorities in connection with an MA. The SmPC is the document that provides information to physicians concerning the safe and effective use of the product. Promotional activity that does not comply with the SmPC is considered off-label and is prohibited in the EU.

#### **Pricing, Coverage and Reimbursement**

In the EU, pricing and reimbursement schemes vary widely from country to country. Some EU Member States may approve a specific price for a product, or they may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other EU Member States allow companies to fix their own prices for products but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions.

In addition, some EU Member States may require the completion of additional studies that compare the cost-effectiveness of a particular medicinal product candidate to currently available therapies. This Health Technology Assessment, or HTA, process is the procedure according to which the assessment of the public health impact, therapeutic impact and the economic and societal impact of use of a given medicinal product in the national healthcare systems of the individual country is conducted. The outcome of HTA regarding specific medicinal products will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU Member States. On December 15, 2021, the Health Technology Regulation, or HTA Regulation, was adopted. The HTA Regulation is intended to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and providing the basis for cooperation at EU level for joint clinical assessments in these areas. When it enters into application in 2025, the HTA Regulation will be intended to harmonize the clinical benefit assessment of HTA across the European Union.

In light of the fact that the United Kingdom has left the EU, Regulation No 2021/2282 on HTA will not apply in the United Kingdom. However, the UK Medicines and Healthcare products Regulatory Agency ("MHRA") is working with UK HTA bodies and other national organizations, such as the Scottish Medicines Consortium ("SMC"), the National Institute for Health and Care Excellence ("NICE"), and the All-Wales Medicines Strategy Group, to introduce new pathways supporting innovative approaches to the safe, timely and efficient development of medicinal products.

#### **Brexit**

The United Kingdom's, or UK, withdrawal from the EU on January 31, 2020, commonly referred to as Brexit,

has changed the regulatory relationship between the UK and the EU. The Medicines and Healthcare products Regulatory Agency, or MHRA, is now the UK's standalone regulator for medicinal products and medical devices. Great

Britain (England, Scotland and Wales) is now a third country to the EU. Northern Ireland will, with regard to EU regulations, continue to follow the EU regulatory rules for now.

The UK regulatory framework in relation to clinical trials is governed by the Medicines for Human Use (Clinical Trials) Regulations 2004, as amended, which is derived from the CTD, as implemented into UK national law through secondary legislation. On January 17, 2022, the MHRA launched an eight-week consultation on reframing the UK legislation for clinical trials, and which aimed to streamline clinical trials approvals, enable innovation, enhance clinical trials transparency, enable greater risk proportionality, and promote patient and public involvement in clinical trials. The UK Government published its response to the consultation on March 21, 2023 confirming that it would bring forward changes to the legislation. These resulting legislative amendments will determine how closely the UK regulations will align with the CTR. In October 2023, the MHRA announced a new Notification Scheme for clinical trials which enables a more streamlined and risk-proportionate approach to initial clinical trial applications for Phase 4 and low-risk Phase 3 clinical trial applications.

Marketing authorizations in the UK are governed by the Human Medicines Regulations (SI 2012/1916), as amended. Since January 1, 2021, an applicant for the EU centralized procedure marketing authorization can no longer be established in the UK. As a result, since this date, companies established in the UK cannot use the EU centralized procedure and instead must follow one of the UK national authorization procedures or one of the remaining post-Brexit international cooperation procedures to obtain a marketing authorization to market products in the UK. All existing EU marketing authorizations for centrally authorized products were automatically converted or grandfathered into UK marketing authorization, effective in Great Britain only, free of charge on January 1, 2021, unless the marketing authorization holder opted-out of this possibility. Northern Ireland currently remains within the scope of EU authorizations in relation to centrally authorized medicinal products. Accordingly, until the Windsor Framework is implemented in Northern Ireland on January 1, 2025, products falling within the scope of the EU centralized procedure can only be authorized through UK national authorization procedures in Great Britain.

The MHRA has also introduced changes to national marketing authorization procedures. This includes introduction of procedures to prioritize access to new medicines that will benefit patients, including a 150-day assessment route, a rolling review procedure and the International Recognition Procedures which entered into application on January 1, 2024. Since January 1, 2024, the MHRA may rely on the International Recognition Procedure, or IRP, when reviewing certain types of marketing authorization applications. This procedure is available for applicants for marketing authorization who have already received an authorization for the same product from a reference regulator. These include the FDA, the EMA, and national competent authorities of individual EEA countries. A positive opinion from the EMA and CHMP, or a positive end of procedure outcome from the mutual recognition or decentralized procedures are considered to be authorizations for the purposes of the IRP.

There is no pre-marketing authorization orphan designation for medicinal products in the UK. Instead, the MHRA reviews applications for orphan designation in parallel to the corresponding marketing authorization application. The criteria are essentially the same as those in the EU, but have been tailored for the market. This includes the criterion that prevalence of the condition in Great Britain, rather than the EU, must not be more than five in 10,000. Upon the grant of a marketing authorization with orphan status, the medicinal product will benefit from up to 10 years of market exclusivity from similar products in the approved orphan indication. The start of this market exclusivity period will be set from the date of first approval of the product in Great Britain.

#### **Healthcare Reform**

A primary trend in the United States healthcare industry and elsewhere is cost containment. There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for drugs and other medical products, government control and other changes to the healthcare system in the United States.

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#### [Table of Contents](#)

In March 2010, the U.S. Congress enacted the ACA, which, among other things, includes changes to the coverage and payment for drug products under government health care programs. Among the provisions of the ACA of importance to our potential product candidates are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;

- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare

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[Table of Contents](#)

payments to providers up to two percent (2%) per fiscal year, which went into effect in April 2013 and will remain in effect until 2031 2032 unless additional Congressional action is taken. Under current legislation the actual reduction in Medicare payments will vary from 1% in 2022 to up to 4% in the final fiscal year of this sequester.

Since its enactment, there have been numerous legal challenges and Congressional actions to repeal and replace provisions of the ACA. We expect that the ACA, as currently enacted or as it may be amended in the future, and other healthcare reform measures that may be adopted in the future could have a material adverse effect on our industry generally and on our ability to maintain or increase sales of our existing products that we successfully commercialize or to successfully commercialize our product candidates, if approved. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and creating a new manufacturer discount program. In addition to the ACA, there will continue to be proposals by legislators at both the federal and state levels, regulators and third-party payors to keep healthcare costs down while expanding individual healthcare benefits.

Further, the IRA, among other things, (i) directs the U.S. Department of Health and Human Services, or HHS, to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax by offering a price that is not equal to or less than the negotiated "maximum fair price" for such drugs and biologics under the law, and (ii) imposes rebates with respect to certain drugs and biologics covered under Medicare Part B or Medicare Part D to penalize price increases that outpace inflation. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions will take effect progressively starting in fiscal year 2023, 2023. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although they may be the Medicare drug price negotiation program is currently subject to legal challenges. It is currently unclear how the IRA will be implemented but is likely to have a significant impact on the pharmaceutical industry. Further in response to the Biden administration's October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the CMS Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. On December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march-in rights under the Bayh-Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain if that will continue under the new framework.

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[Table of Contents](#)

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

## Human Capital

We believe the success of the company depends on our ability to continue to attract, retain and motivate qualified employees. We seek to meet this objective by offering competitive compensation and benefits packages in our expanding organization, with opportunities for our employees to thrive, grow and develop in their careers. We hold our employees to high ethical performance standards and our compensation plans include, as applicable, equity and cash compensation components designed to enable us to offer competitive base pay and attractive incentive schemes.

As of December 31, 2022 December 31, 2023, we had 147 100 full time employees. Of these employees, 105 63 were employed in research and development roles, 26 18 were employed in commercial roles and 16 19 were employed within general and administration. Women represented approximately 60% 55% of our workforce and men represented approximately 40% 45%. Following the execution of our 2023 restructuring plan, we had 95 full time employees by the end of February 2023.

The health and safety of our employees is of utmost importance to us. We offer comprehensive benefits to protect the health of our employees and their families.

The members of our management team are employed by both our company and Y-mAbs Therapeutics A/S, our wholly owned Danish subsidiary. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

## Corporate Information

We were incorporated in Delaware on April 30, 2015. Our principal executive offices are located at 230 Park Avenue, Suite 3350, New York, New York 10169, and our telephone number is (646) 885-8505. Our website address is [www.ymabs.com](http://www.ymabs.com).

We make available, free of charge on our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished with the SEC pursuant to

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## [Table of Contents](#)

Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable, practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or SEC. The information contained on, or accessible through, our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider any information contained in, or that can be accessed through, our website as part of this Annual Report on Form 10-K or in deciding whether to purchase our common stock.

We use our website <https://ymabs.com/> as a channel of distribution of material company information. For example, financial and other material information regarding our company is routinely posted on and accessible on our website. Accordingly, investors should monitor this channel, in addition to following our press releases, SEC filings and public conference calls and webcasts. The contents of our website are not, however, a part of this Annual Report on Form 10-K and are not incorporated by reference herein.

Our Code of Conduct applies to all of our employees, directors and officers, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and those of our subsidiaries, subsidiary. The Code of Conduct is available on our website at <https://ir.ymabs.com/> under the section entitled "For Investors" under "Corporate Governance." We

intend to satisfy the disclosure requirements under Item 5.05 of the SEC Form 8-K regarding an amendment to, or waiver from, a provision of our Code of Conduct by posting such information on our website at the website address and location specified above.

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[Table of Contents](#)

#### ITEM 1A. RISK FACTORS.

*Our business is subject to numerous risks. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes, and in our other filings with the SEC. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. In such event, the trading price of our common stock could decline and you might lose all or part of your investment.*

##### Risks Related to Our Financial Condition and Need for Additional Capital

***We have a limited operating history and have incurred significant losses since inception. Our only product approved for sale is DANYELZA, and we have never generated any substantial revenue from product sales. We expect to incur significant losses for the foreseeable future. We may never achieve or maintain profitability, which may cause the market value of our common stock to decline significantly.***

We are a commercial-stage biopharmaceutical company with a limited operating history. Since our inception in 2015, we have incurred significant losses each year. As of **December 31, 2022** **December 31, 2023** our accumulated deficit was approximately **\$436.0 million** **\$457.5 million**. We have financed our operations principally through private placements, the initial public offering of our common stock in 2018 as well as subsequent public offerings of our common stock in November 2019 and February 2021, **the proceeds from the sales of DANYELZA** and the sale of the PRV granted to us upon FDA approval of DANYELZA.

To date, we have devoted substantially all our efforts to research and development, and more recently, commercialization of DANYELZA, which is our only approved product to date and **omburtamab, development of omburtamab and SADA PRIT technology**. On November 25, 2020, DANYELZA was approved by the FDA for the treatment, in combination with GM-CSF, of pediatric patients **1** **one** year of age and older and adult patients with relapsed/refractory, or R/R, high-risk neuroblastoma, or NB, in the bone or bone marrow who have demonstrated a partial response, minor response, or stable disease to prior therapy.

Although in May 2022 our biologic license application, or BLA, for omburtamab was accepted for priority review by the FDA, in November 2022 the FDA issued a complete response letter, or CRL, for the BLA for omburtamab. The letter indicated that the FDA completed the review of the application and determined that it is unable to approve the BLA in its current form. This was consistent with the outcome of the ODAC Meeting held in October 2022.

In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a

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[Table of Contents](#)

favorable benefit-risk profile.

As part of our strategic restructuring plan announced in January 2023, we deprioritized the omburtamab program for all indications and product candidates. We are currently considering the future for our omburtamab development program, and we received an 18-month extension for BLA of omburtamab, which expires on May 30, 2025. We can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

We are using our proprietary Self-Assembly DisAssembly Pretargeted, or SADA PRIT, technology platform, a concept we also refer to as Liquid Radiation™, to advance a series of antibody constructs, using a two-step pre-targeting approach. The bispecific antibody fragments bind to the tumor before a radioactive payload is subsequently injected. GD2-SADA for potential use in GD2-positive solid tumors is our first SADA PRIT construct, and we had our first clinical patients dosed in April 2023 in our Phase 1, dose-escalation, single-arm, open-label, non-randomized, multicenter trial, for the treatment of certain solid tumor cancers, including small cell lung cancer, sarcoma, and malignant melanoma. The IND for our first hematological target, the CD38-SADA construct for the treatment of patients with Relapsed or Refractory Non-Hodgkin Lymphoma was cleared in October 2023, and we expect to dose the first patient in 2024. We are still in early stages of development of SADA PRIT technology platform. We may not be

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## [Table of Contents](#)

successful in our efforts to use the SADA PRIT technology to build a pipeline of product candidates. Our investment in developing SADA PRIT technology may contribute to the risk that we may never achieve profitability.

Our other product candidates are in the early stages of clinical development or pre-clinical research. As a result, we expect that it will be a number of years, if ever, before we have any of these other product candidates approved and ready for commercialization.

We expect to continue to incur significant expenses and operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. Our only approved product for sale is DANYELZA, which received FDA accelerated approval on November 25, 2020. We began limited sales and shipments of DANYELZA in February 2021 and the revenue generated from product sales does not fully fund our operating expenses. We do not anticipate generating revenue that will fully fund our operating expenses for a period of time, if ever. No assurance can be given that we will ever receive regulatory approval for any of our product candidates other than DANYELZA. Our ability to generate revenue and achieve profitability depends significantly on our success in many factors, including:

- the successful commercialization of DANYELZA and our product candidates for which we may obtain regulatory approvals and marketing authorizations, either directly or with a collaborator or distributor;
- completing research regarding, and non-clinical and clinical development of, our product candidates;
- obtaining and maintaining regulatory approvals, marketing authorizations and coverage and reimbursements from payors for DANYELZA and other product candidates for which we complete clinical studies;
- developing and maintaining a sustainable and scalable manufacturing process for DANYELZA and our other product candidates, including establishing and maintaining commercially viable supply relationships with third parties including, Patheon/Thermo Fisher and EMD/Merck, among others, or establishing our own manufacturing capabilities and infrastructure;
- obtaining market acceptance of DANYELZA and our product candidates as viable treatment options;
- addressing any competing products, product candidates, related technologies and/or market developments;
- identifying, assessing, acquiring and/or developing new product candidates;
- negotiating favorable terms in any collaboration, licensing, distribution or other arrangements into which we may enter;
- maintaining, protecting, and expanding our portfolio of intellectual property rights, including patents, trade secrets, and know-how;
- attracting, hiring, and retaining qualified personnel; and
- adequately financing our operations at acceptable terms.

We anticipate incurring research, development, clinical trial, manufacturing and marketing costs associated with commercializing even approved products such as DANYELZA products. For example, we continue to run clinical studies on our currently marketed product DANYELZA to fulfill the regulatory requirement from the accelerated approval of the product by FDA. The accelerated approval of DANYELZA is subject to certain post-marketing requirements and commitments, including a confirmatory post-marketing trial of clinical benefit, that must be completed in order to convert the BLA to full approval and prevent withdrawal of the license by FDA. The confirmatory post-marketing clinical trial required by the FDA to verify and to further characterize the clinical benefit is our ongoing Study 201, which is designed to enroll a

53

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[Table of Contents](#)

minimum of 80 evaluable patients and report overall rate of response, or ORR, duration of response, or DOR, progression free survival, or PFS, and overall survival, or OS. The ORR is the primary endpoint for the study, DOR is the secondary endpoint and PFS and OS are secondary endpoints in long-term follow-up. We anticipate completing the study no later than by March 31, 2027.

Our expenses could increase beyond expectations if we are required by the FDA or other regulatory agencies, authorities, domestic or foreign, to change our manufacturing processes or assays, or to perform clinical, non-clinical, or other types of studies in addition to those that we currently anticipate. If we are successful in obtaining regulatory approvals to market more of our product candidates, our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the accepted price for any such product, the ability to obtain reimbursement at any price, and whether we own the commercial rights

56

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[Table of Contents](#)

for that territory. If the number of our addressable patients is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect, or the reasonably expected populations for treatment are narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved. If we are not able to generate sufficient revenue from the sale of DANYELZA or any other approved products, we may never become profitable.

***Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.***

We were incorporated and began our operations on April 30, 2015. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, commercializing DANYELZA, conducting clinical trials of DANYELZA and other products and conducting pre-clinical studies and clinical trials of our other product candidates, and identifying additional potential product candidates. Typically, it takes about six to 10 years to develop a new drug from the time it is in Phase 1 clinical trials to when it is approved for treating patients, but in many cases it may take longer. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history or a history of successfully developing and commercializing multiple pharmaceutical products. In addition, as a business with a limited operating history, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors as we continue to develop and commercialize DANYELZA and our other product candidates.

***We may not realize the expected benefits from our recent business restructuring and workforce reduction and we may incur additional costs implementing it or other difficulties.***

In January 2023, we announced a restructuring plan and implemented a workforce reduction. The objective of these initiatives is to focus the organization and its resources on key near and long-term potential growth drivers, namely the DANYELZA franchise and

development of our SADA platform. We believe these changes were needed to streamline our organization and reallocate our resources in light of the omburtamab CRL from the FDA.

However, the changes to our business strategy and the reduction in workforce may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond our intended reduction-in-force, a reduction in morale among our remaining employees, and the risk that we may not achieve the anticipated benefits, all of which may have an adverse effect on our development activities, ability to progress our technology roadmap, and results of operations or financial condition. We expect to incur restructuring expenses of approximately \$4.7 million, consisting predominantly of cash related notice and severance payments of approximately \$3.0 million and acceleration of stock-based compensation of approximately \$1.7 million in 2023. We may also incur other charges, costs, future cash expenditures or impairments not currently contemplated due to events that may occur as a result of, or in connection with, the revised business plan and reduction in workforce. For example, we recorded an impairment charge of \$0.6 million to write-off the net book value of fixed assets that were related to the production of omburtamab in 2022. In addition, we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. In addition, our management may need to divert a disproportionate amount of its attention away from our day-to-day strategic and operational activities and devote a substantial amount of time to managing these organizational changes.

We may also discover that the reductions in workforce and cost cutting measures will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. Moreover, there is no assurance we will be successful in our pursuit of any of our new goals. Our failure to successfully accomplish any of the above activities and goals may have a material adverse impact on our business, financial condition, and results of operations.

57

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## [Table of Contents](#)

***Our payment obligations to MSK and MIT may be a drain on our cash resources, or may cause us to incur debt obligations or issue additional securities to satisfy such payment obligations, which may adversely affect our financial position and results of operations.***

Under the MSK License, we have committed to funding scientific research as well as conducting certain clinical trial activities at MSK. As licensed product candidates progress through clinical development and commercialization, certain milestone payments will come due, and we will owe MSK customary royalties on commercial sales of our approved products, if any. Milestone payments become due upon achievement of the related clinical, regulatory or sales-based milestone set forth in the MSK license agreements and all milestones are accrued for when they are probable and estimable. Certain of the clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the MSK license agreements, whether or not the milestone activity has been achieved. Total clinical and regulatory milestones potentially due under the MSK License are \$2.5 million and \$9.0 million, respectively. There are also sales-based milestones that become due should we achieve certain amounts of sales of licensed products with total sales-based milestones potentially due of \$20.0 million.

Under the MSK CD33 License, we are obligated to make potential payments of \$0.6 million, \$0.5 million and \$7.5 million for clinical, regulatory and sales-based milestones, respectively.

In April 2020, we entered into the SADA License Agreement which requires us to pay to MSK and MIT mid to high **single-digit single digit** royalties based on annual net sales of licensed products or the performance of licensed services by us and our affiliates and sublicensees. We are obligated to pay annual minimum royalties of \$40,000, increasing to \$60,000 once a patent has been issued, over the royalty term, commencing on the tenth anniversary of the SADA License. These amounts are non-refundable but are creditable against royalty payments otherwise due under the SADA License. We are

54



also obligated to pay to MSK and MIT certain clinical, regulatory and sales-based sales based milestone payments under the SADA License Agreement. Certain of the clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the SADA License Agreement. Total clinical and regulatory milestone payments potentially due under the SADA License Agreement are \$4.7 million and \$18.1 million, respectively. Additionally, we are also obligated to make sales-based sales based milestones payments totaling \$23.8 million, that become due should we achieve certain amounts of sales of licensed products under the SADA License. In addition, for each of the SADA PRIT constructs generated by MSK and sold on our behalf by one of our sublicenses, we may pay sales-based sales based milestone payments in the total amount of \$60.0 million based on the achievement of various levels of cumulative net sales by the sublicensee. Under the SADA License Agreement, we also committed to fund scientific research at MSK under a Sponsored Research Agreement for \$1.5 million. The scientific research took place over a period that commenced in September 2020 and ended in February 2022.

In addition, we have committed to acquire certain personnel and laboratory services at MSK under a Master Data Services Agreement, or MDSA, and two separate Core Facility Service Agreements, or CFSAs. We have also entered into an Investigator-Sponsored Master Clinical Trial Agreement, or the MCTA, with MSK under which we are providing drug product and funding for certain clinical trials at MSK under separate executed appendices. Additionally, we have entered into a Sponsored Research Agreement, or the SRA, with MSK pursuant to which we paid MSK to conduct certain research projects over a period of five years related to the intellectual property licensed under the MSK License. The SRA was amended on September 13, 2019, and will expire five years from the date of the amendment. We also remain responsible for any potential downstream payment obligations to MSK related to the GD2-GD3 Vaccine. This includes our obligation to make development and regulatory milestone payments, if achieved, totaling \$1.4 million, annual minimum royalties of \$10,000, increasing to \$25,000 from approval of the first new drug application, or NDA, or BLA for a licensed product over the royalty term, and mid-single-digit mid-single digit royalty payments to MSK on sales.

These payments could be significant and in order to satisfy our obligations to MSK and MIT, we may be required to use our existing cash, incur debt obligations or issue additional equity securities, any of which may materially and adversely affect our financial position and results of operations.

***We will need substantial additional funding until at least such time as we can generate substantial revenue from product sales. If we fail to obtain such additional funding, we may be forced to delay, reduce or eliminate our research and drug development programs or current or future commercialization efforts and our license and other agreements may be terminated.***

Developing pharmaceutical products, including conducting pre-clinical studies and clinical trials and commercialization of any approved products, is a very time-consuming, expensive and uncertain process that takes years to complete. We expect our expenses to increase in connection with our ongoing activities, particularly as we grow our sales and marketing team to support sale of DANYELZA and conduct clinical trials of, and seek marketing approval for our other product candidates. We expect to incur commercialization expenses, which may be significant, related to product sales, marketing, manufacturing and distribution of DANYELZA. Accordingly, until at least such time as we can generate substantial additional revenues from sales of DANYELZA or our product candidates, if approved, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise sufficient amounts of additional capital when needed or on attractive terms, we may be forced to delay, reduce or eliminate our research and drug development programs or our future commercialization efforts.

Changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We will require additional capital for further development and commercialization of our product candidates and may need to raise additional funds earlier if we choose to expand more rapidly than we presently anticipate.

In addition, we cannot be certain that additional funding will be available on acceptable terms when needed, or at all. Our ability to raise additional capital may be adversely impacted by worsening global economic conditions, with disruptions to, and volatility in, the credit and financial markets in the U.S. and worldwide resulting from the effects of inflationary pressures, health crises, the military conflict between Ukraine and Russia, the state of war between Israel and Hamas and the threat of a greater conflict, current and potential future bank failures, and otherwise. If these

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[Table of Contents](#)

conditions persist and deepen, we could experience an inability to access additional capital or our liquidity could otherwise be impacted, which could in the future negatively affect our capacity for certain corporate development transactions or our ability to make other important, opportunistic investments. We have no firmly committed source of additional capital and if we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our product candidates or other research and development initiatives. Our licenses and other agreements may also be terminated if we are unable to meet the payment obligations under such agreements. We could be required to seek collaborators for DANYELZA or our product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available or relinquish or license on unfavorable terms our rights to our product candidates in markets where we otherwise would seek to pursue development or commercialization ourselves. Any of the above events could significantly harm our business, prospects, financial condition and results of operations and cause the price of our common stock to decline.

***Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to DANYELZA or our product candidates on terms unfavorable to us.***

We expect our expenses to increase in connection with our planned operations. Until such time, if ever, as we can generate substantial additional revenues from the sale of DANYELZA and our product candidates, if approved, we expect to finance our cash needs through a combination of cash on hand, securities offerings, debt financings, collaborations, strategic alliances and/or licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible securities, ownership interests will be diluted, and the terms of these securities could include liquidation or other preferences and anti-dilution protections that could adversely affect the rights of common stockholders. In addition, debt financing, if available, would result in fixed payment obligations and may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures or acquisitions, limiting our ability to conduct licensing transactions, creating liens, redeeming stock or declaring dividends, that could adversely impact our ability to conduct our business. In addition, securing financing could require a substantial amount of time and attention from our management and may divert a disproportionate amount of their attention away from day-to-day day to day activities, which may adversely affect our management's ability to oversee the commercialization of DANYELZA or other products candidates, if approved, or the development of our product candidates.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights related to our intellectual property, future revenue streams or any of our future product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, reduce and/or eliminate our product development or current

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[Table of Contents](#)

or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

*We may expand our resources to pursue a particular product or product candidate or indication and fail to capitalize on other products or product candidates or indications that may be more profitable or for which there is a greater likelihood of success.*

We Historically, we have focused our efforts and managerial resources on specific products and product candidates and on specific indications such as DANYELZA for the treatment of R/R high-risk NB in bone and/or bone marrow and omburtamab for central nervous system, or CNS leptomeningeal metastases, or LM from NB. NB, and more, recently, SADA for solid tumors and Non-Hodgkin Lymphoma. As a result, we may forgo or delay pursuit of opportunities with other products or product candidates or for other indications that may prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Failure to properly assess potential product candidates for indications could result in focusing on product candidates for indications with lower market potential, which could harm our business and financial condition. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable product. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through partnering, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate or

56

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#### [Table of Contents](#)

product. For example, in November 2022 the FDA issued a CRL for our BLA for omburtamab. The letter indicated that the FDA completed the review of the application and determined that it is unable to approve the BLA in its current form. This was consistent with the outcome of the ODAC Meeting held in October 2022. In its CRL for omburtamab, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. As part of our strategic restructuring plan announced in January 2023, we deprioritized the omburtamab program for all indications and product candidates. We are currently considering the future for our omburtamab development program and we can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

***We depend on a limited number of customers for a high percentage of our revenue. If we cannot maintain our current relationships with customers, fail to sustain recurring sources of revenue with our existing customers, or if we fail to enter into new relationships, our future financial condition and results of operations will be adversely affected. Moreover, the financial difficulties or insolvency of one or more of our major customers or their lack of willingness and ability to distribute our approved product, DANYELZA, could adversely affect our financial position and results of operations.***

We had product sales to certain customers that accounted for more than 10% of total product revenue, net for the years ended December 31, 2023 and 2022. McKesson, AmerisourceBergen, WEP and Cardinal Health accounted for 46%, 22%, 10% and 13%, respectively, of the Company's product revenue, net for the year ended December 31, 2023. McKesson, AmerisourceBergen, and Cardinal Health accounted for 70.8%, 17.4%, and 10.1%, respectively, of the Company's product revenue, net for the year ended December 31, 2022. Our future success depends on our ability to maintain these relationships, to increase our penetration among these existing customers and to establish new relationships. We engage in conversations with other companies and institutions regarding potential commercial opportunities on an ongoing basis, which can be time consuming. There is no assurance that any of these conversations will result in a commercial agreement, or if an agreement is reached, that the resulting relationship will be successful. In addition, if our customers order our approved product, DANYELZA, but fail to pay on time or at all, our liquidity, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

Moreover, our product sales are made through arrangements primarily with three national specialty distributors in the United States of America. As of December 31, 2023, the accounts receivable balances from such distributors totaled 66% of the Company's outstanding accounts receivable. A default by any of these customers on their amounts owed to us could have a material adverse effect on our financial position. Future sales and our ability to collect accounts receivable depend, in part, on the financial strength of our customers and our distributors' willingness and ability to successfully market our approved product, DANYELZA. We estimate an allowance for doubtful accounts based on our assessment of specific identifiable customer accounts considered at risk or uncollectible, as well as an analysis of current receivables aging and expected future write-offs and this allowance adversely impacts our results of operations. In the event customers experience greater than anticipated financial difficulties, insolvency, or difficulty marketing DANYELZA, we expect our financial position and

results of operations to be further adversely impacted by our failure to collect accounts receivable in excess of the amount due, net of the estimated allowances.

#### Risks related to product development and commercialization

*Drug development is a lengthy and expensive process, with an uncertain outcome. If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs, experience delays in completing, or ultimately be unable to complete, the development of our product candidates or be unable to obtain marketing approval. We may encounter substantial delays in our clinical trials, or may not be able to conduct our trials on the timelines we expect.*

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must complete pre-clinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates. No assurance can be given that any clinical studies will be conducted as planned or completed on schedule, if at all. In addition, we cannot be sure that we will be able to submit investigational new drug applications,

57

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#### [Table of Contents](#)

or INDs, for any of our product candidates in the future and we cannot be sure that submission of an IND will result in the FDA allowing clinical trials to begin. Moreover, even if these clinical studies begin, issues may arise that could suspend or terminate such clinical trials. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. Failure of one or more clinical trials can occur at any stage of testing.

The outcome of pre-clinical studies and early-stage clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial, such as the results of our ongoing clinical trials of our lead product candidates, do not necessarily predict final results. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drugs. The nature of the patient populations that we study in our clinical trials means that the treatment effect of our product candidates has to be demonstrated despite being the second or third-line of treatment, and in some cases, despite concomitant treatment with radiation or chemotherapy. Some of our target indications including CNS/LM from NB, may also be difficult to assess via current imaging technology and other testing methods, which may lead to in conclusory in-conclusory or equivocal data regarding treatment effect. Furthermore, because our study populations are small, statistical

60

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#### [Table of Contents](#)

analyses may not fully adjust for these and other potential bias in the data. Such As was the case for omburtamab, any or all of these factors may mean that we are unable to demonstrate substantial evidence of the effectiveness of our product candidates to the satisfaction of the FDA or comparable foreign regulatory authorities.

*Our only approved product, DANYELZA, our product candidates and related technologies are novel approaches to cancer treatment that present significant challenges, and our ability to generate product revenue is dependent on the success of DANYELZA or one or more of our product candidates, which might require additional clinical testing before we can seek regulatory approval and begin commercial sales.*

DANYELZA and our product candidates and related technologies represent novel approaches to cancer treatment generally. Developing and commercializing these products therefore subjects us to a number of challenges. On November 25, 2020, DANYELZA received regulatory approval by the FDA in the United States for the treatment in combination with GM-CSF of high-risk R/R NB. The FDA has issued a post-marketing commitment to provide data on PFS, supporting the efficacy of the product. We are currently performing clinical studies, such as Study 201, aimed to fulfill the requirements. There can be no assurance that these studies will generate data sufficient to support the efficacy of the product.

Although the FDA accepted our BLA for omburtamab for priority review, in November 2022 the FDA issued a CRL for our BLA for omburtamab. The letter indicated that the FDA completed the review of the application and determined that it is unable to approve the BLA in its current form. In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. As part of our strategic restructuring plan announced in January 2023, we deprioritized the omburtamab program for all indications and product candidates. We are currently considering the future for our omburtamab development program and we received an 18-month extension for the BLA, which expires on May 30, 2025. There is no assurance that we will continue to develop omburtamab or receive approval of our BLA for omburtamab.

The SADA PRIT technology is still in early stages of clinical development or pre-clinical research. We may never be able to develop a marketable product other than DANYELZA. Our ability to generate product revenue is highly dependent on our ability to successfully commercialize DANYELZA and to obtain additional regulatory approvals of and successfully commercialize additional product candidates. This will require additional clinical and non-clinical development, regulatory review and approval in each jurisdiction in which we intend to market them, substantial investment, access to sufficient commercial manufacturing capacity, and significant marketing efforts. We cannot be certain that any of our other product candidates will be successful in clinical studies and they may not receive regulatory approval even if they are successful in clinical studies.

The success of our product candidates in development will depend on several factors, including the following:

- successful and timely completion of our ongoing clinical trials;

58

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#### [Table of Contents](#)

- initiation and successful patient enrollment and completion of additional clinical trials on a timely basis;
- safety, tolerability and efficacy profiles that are satisfactory to the FDA or any comparable foreign regulatory authority for marketing approval;
- timely receipt of marketing and reimbursement approvals for our lead product candidates from applicable regulatory authorities;
- the performance of our future collaborators, if any;
- the extent of any required post-marketing approval commitments to applicable regulatory authorities;
- establishment of supply arrangements with third-party raw materials and drug product suppliers and manufacturers;
- establishment of scaled production arrangements with third-party manufacturers to obtain finished products that are appropriately packaged for sale;
- obtaining and maintaining patent protection, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- protection of our rights in our intellectual property portfolio, including our licensed intellectual property;

61

[Table of Contents](#)

- successful launch of commercial sales following any marketing approval including the hiring of a direct salesforce and creation of marketing campaigns;
- a continued acceptable safety profile following any marketing approval;
- commercial acceptance by physicians and patients, the medical community and third-party payors; and
- our ability to compete with other therapies.

We do not have complete control over many of these factors, including certain aspects of clinical development and the regulatory submission process, potential threats to our intellectual property rights and the manufacturing, marketing, distribution and sales efforts of any future collaborator. Further, competitors who are developing product candidates with technology similar to ours may experience problems with their product candidates that could identify problems in the technology that would potentially harm our business.

Many of our product candidates are based on similar technologies. Therefore, if one product candidate encounters safety or efficacy problems, developmental delays, regulatory issues, or other problems, our other development plans and business could be significantly harmed.

***The SADA PRIT Technology that we use is unproven still in early stages of clinical development or pre-clinical research and may not result in approvable or marketable products, which exposes us to unforeseen risks and makes it difficult for us to predict the time and cost of product development and potential for regulatory approval, and we may not be successful in our efforts to use the SADA PRIT Technology to build a pipeline of product candidates.***

We are seeking to identify and develop a broad pipeline of product candidates using the SADA PRIT Technology. We have **not commenced clinical trials for any product candidates developed using the SADA Technology, only recently begun dosing patients in our Phase 1 trial of GD2-SADA.** The scientific research that forms the basis of our efforts to develop product candidates with the SADA PRIT Technology is still ongoing. We are not aware of any **FDA approved FDA-approved** therapeutics utilizing a similar technology. Further, the scientific evidence to support the feasibility of developing therapeutic treatments based on the SADA PRIT Technology is both preliminary and limited. As a result, we are exposed to a number of unforeseen risks, and it is difficult to predict the types of

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[Table of Contents](#)

challenges and risks that we may encounter during development of our product candidates using the SADA PRIT Technology. For example, **before the first dosing in our Phase 1 trial of GD1-SADA, we have had** not tested any of the product candidates being developed using the SADA platform in humans, and **most of** our current data is limited to animal models and **preclinical pre-clinical** cell lines, the results of which may not translate into humans. Further, relevant animal models and assays may not accurately predict the safety and efficacy of our product candidates based on the SADA Technology in humans, and we may encounter significant challenges creating appropriate models and assays for demonstrating the safety and purity of our product candidates. In addition, the SADA PRIT Technology has potential safety risks related to, but not limited to, the radiation stemming from the delivery of radioactive payloads. As a result, it is possible that safety events or concerns could negatively affect the development of our product candidates developed using the SADA PRIT Technology, including adversely affecting patient enrollment among the patient populations that we intend to treat.

Given the novelty of the SADA PRIT Technology, we intend to work closely with the FDA and comparable foreign regulatory authorities to perform the requisite scientific analyses and evaluation of our methods to obtain regulatory approval for our product candidates; however, due to a lack of comparable experiences, the regulatory pathway with the FDA and comparable regulatory authorities may be more complex and time-consuming relative to other more well-known therapeutics. Even if we obtain human data to support our product candidates developed using the SADA PRIT Technology, the FDA or comparable foreign regulatory agencies may lack experience in evaluating the safety and efficacy of our product candidates developed using the SADA PRIT Technology, which could result in a longer than expected regulatory review process, increase our expected development costs, and delay or prevent commercialization of our product candidates. The validation

process takes time and resources, may require independent third-party analyses, and may not be accepted or approved by the FDA and comparable foreign regulatory authorities. We cannot be certain that our approach will lead to the development of approvable or marketable products developed using the SADA PRIT Technology, alone or in combination with other therapies.

62

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[Table of Contents](#)

Additionally, an element of our strategy is to use and expand the SADA PRIT Technology to build a pipeline of product candidates and progress those product candidates through clinical development for the treatment of a variety of different cancers. Although our research and development efforts to date have been focused on identifying a pipeline of product candidates directed at cancers, we may not be able to develop product candidates that are safe and effective. Even if we are successful in building a pipeline of product candidates developed using the SADA PRIT Technology, the potential product candidates that we identify may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be approvable or marketable products that will receive marketing approval and achieve market acceptance. If we do not continue to successfully develop, get approval for and begin to commercialize any product candidates developed using the SADA PRIT Technology, we will face difficulty in obtaining product revenue therefrom in future periods, which could result in significant harm to our financial position and adversely affect our share price.

***Russia's invasion of Ukraine and ancillary developments have had and may continue to have an adverse effect on our business.***

On February 24, 2022, Russia launched a wide-ranging attack on Ukraine. The resulting conflict and retaliatory measures by the global community have created global security concerns, including the possibility of expanded regional or global conflict, which have had and are likely to continue to have, short-term and more likely longer-term adverse impacts on Russia, Ukraine and Europe and around the globe. Sanctions issued by the U.S. and other countries against Russia in response to its attack on Ukraine and related counter-sanctions issued by Russia have made it very difficult for us to operate in Russia. In light of the conditions in the region, we terminated our clinical trials of DANYELZA in Russia and suspended our regulatory activities to obtain marketing authorization for DANYELZA in Russia. We have been able to make DANYELZA available in Russia on a compassionate (unapproved) use basis for a limited number of patients. Although we are considering expanding the compassionate use of DANYELZA in Russia through our partnership with Swixx BioPharma AG, the sanctions have negatively impacted our plans to commercialize and sell DANYELZA in Russia and may therefore adversely affect our business. At this time, we cannot guarantee that our clinical or regulatory activities will recommence or that we will be able to expand our collaboration with Swixx BioPharma AG. In addition, the conflict between Russia and Ukraine and related sanctions has had significant ramifications on global financial markets, including volatility in the U.S. and global financial markets experienced, which has led to disruptions to trade,

60

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[Table of Contents](#)

commerce, pricing stability, credit availability, supply chain supply-chain continuity and reduced access to liquidity globally, and has caused and may continue to cause volatility in the price of our common stock, which may adversely impact our ability to raise capital on favorable terms or at all.

The full economic and social impact of the sanctions imposed on Russia and possible future punitive measures that may be implemented, as well as the counter measures imposed by Russia, in addition to the ongoing military conflict between Ukraine and Russia remains uncertain; however, both the conflict and related sanctions have resulted and could continue to result in disruptions to trade, commerce, pricing stability, credit availability, supply chain supply-chain continuity and reduced access to liquidity on acceptable terms, in both Europe and globally, and has introduced significant uncertainty into global markets. As a result, our business and results of operations may be

adversely affected by the ongoing conflict between Ukraine and Russia and related sanctions, particularly to the extent it escalates to involve additional countries, further economic sanctions or wider military conflict.

***We have limited experience operating as a commercial company and the marketing and sale of DANYELZA or any future approved products may be unsuccessful or less successful than anticipated.***

While we have initiated the commercial launch of DANYELZA in the United States, we have limited experience as a commercial company and there is limited information about our ability to successfully overcome many of the risks and uncertainties encountered by companies commercializing drugs in the biopharmaceutical industry. To execute our business plan, in addition to successfully marketing and selling DANYELZA, we will need to successfully:

- establish and maintain our relationships with healthcare providers who will be treating the patients who may receive our products and any future products;
- maintain adequate pricing and reimbursement for DANYELZA and any future products;

63

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## [Table of Contents](#)

- gain regulatory authorization for the development and commercialization of our product candidates;
- develop and maintain successful strategic alliances;
- accurately forecast demand for our products and scale manufacturing to meet that demand;
- manage our spending as costs and expenses increase due to clinical trials, marketing approvals, and commercialization; and
- maintain and grow our relationship with MSK as a user of DANYELZA and any future products.

If we are unsuccessful in accomplishing these objectives, we may not be able to successfully develop product candidates, commercialize DANYELZA or any future approved products, raise capital, expand our business, or continue our operations.

***The commercial success of DANYELZA and of any future approved products, will depend upon the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community.***

The commercial success of DANYELZA, and of any future approved products, will depend in part on market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current cancer treatments like surgery, chemotherapy or radiation therapy are well-established in the medical community, and doctors may continue to rely on these treatments. If DANYELZA or any future approved products do not achieve an adequate level of acceptance, we may not generate significant revenues from sales of drugs and we may not become profitable. The degree of market acceptance of DANYELZA, and of any future product, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of the product and the prevalence and severity of any side effects;
- developing processes for the safe administration of our products, including long-term follow-up for all patients who receive the product;
- the potential advantages of the product compared to competitive therapies;
- whether the product is designated under physician treatment guidelines as a first-, second-, first, second or third-line therapy;
- our ability, or the ability of any potential future collaborators, to offer the product for sale at competitive prices;
- the product's convenience and ease of administration compared to alternative treatments and any requirement for in-patient versus out-patient administration;
- the willingness of the target patient population to try, and of physicians to prescribe, the product;
- limitations or warnings, including distribution or use restrictions contained in the product's approved labeling;



- the strength of sales, marketing and distribution support;
- changes in the standard of care for the targeted indications for the product;

64

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## [Table of Contents](#)

- the willingness of the target patient populations to try new therapies and enroll in ongoing clinical trials, and of physicians to prescribe these therapies;
- relative convenience and ease of administration;

61

---

## [Table of Contents](#)

- availability and amount of coverage and reimbursement from government payors, managed care plans and other third-party payors; and
- the timing of competitive product introductions and other actions by competitors in the marketplace.

*We have only recently established our marketing and sales organization and have only limited experience in operating as a commercial company and the marketing and sale of biopharmaceutical products. DANYELZA or any future approved products may be unsuccessful or less successful than anticipated. We may not be successful in commercializing DANYELZA or any future approved product unless we are able to maintain and expand our sales and marketing capabilities or enter into agreements with third parties to sell and market such approved products.*

We While we have only recently established our sales commercially launched DANYELZA in the United States and marketing organization and in several other countries, we have only limited experience as a commercial company and there is limited information about our ability to successfully overcome many of the risks and uncertainties encountered by companies commercializing drugs in marketing and sale of the biopharmaceutical products. industry. We began small shipments of DANYELZA in February 2021. Other than our commercialization partnerships for DANYELZA and omburtamab covering certain territories outside the United States, with SciClone Pharmaceuticals International Ltd, Takeda Israel, Swixx Biopharma AG, Adium Pharma S.A. and WEP Clinical Ltd., we are not currently a party to any strategic collaboration that provides us with access to a collaborator's resources in selling or marketing drugs.

To achieve commercial success for any future approved products we must successfully maintain and expand our sales and marketing organization or outsource these functions to strategic collaborators and other third parties. We have built our own focused, specialized sales and marketing organization in the United States. We continue to explore selectively establishing partnerships in markets outside the United States to support the commercialization of our product candidates for which we obtain marketing approval and that can be commercialized with such capabilities.

Risks are involved both with further establishing our own direct sales and marketing capabilities and with entering into arrangements with third parties to perform these services. For example, recruiting and training even a small sales force can be expensive and time-consuming and could delay any commercial launch of a product candidate, if approved. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed, or does not occur for any reason, or authorization is lost, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our drugs on our own after obtaining any marketing approval include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel; personnel, and continue to develop and expand our sales and marketing efforts;
- our inability to raise financing necessary to maintain and grow our commercialization infrastructure;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers our failure to educate physicians on the benefits of physicians to prescribe prescribing DANYELZA or any future approved products;
- the lack of complementary drugs to be offered by our sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive offerings; offerings, and the lack of accurately forecast demand for our products and scale manufacturing to meet that demand;
- unforeseen costs and expenses associated with creating an independent sales and marketing organization; and
- our inability to obtain sufficient coverage and reimbursement from third-party payors and governmental agencies; agencies;

65 62

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## [Table of Contents](#)

- our inability to establish and maintain our relationships with healthcare providers who will be treating the patients who may receive our products and any future products;
- our inability to maintain or to gain regulatory authorization for the development and commercialization of our product candidates;
- our inability to develop and maintain successful strategic alliances; and
- our inability to develop and maintain successful strategic alliances.

Conversely, if we are unsuccessful in accomplishing these objectives, we may not be able to successfully develop product candidates, commercialize DANYELZA or any future approved products, raise capital, expand our business, or continue our operations. In addition, our revenues from the sale of drugs or the profitability of these revenues to us are likely to be lower from arrangements that we enter into with third parties to perform sales and marketing services (such as with SciClone Pharmaceuticals International Ltd, Takeda Israel, Swixx Biopharma AG, Adium Pharma S.A. and WEP Clinical Ltd.) than if we were ourselves to market and sell any drugs that we develop. We have limited control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drugs effectively. In addition, we may not be successful in entering additional arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. If we do not maintain and expand our sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we might not be successful in commercializing DANYELZA or any of our product candidates for which we receive marketing approval, if any. In the event that we are unable to effectively deploy our sales organization or distribution strategy on a timely and efficient basis, if at all, the commercialization of DANYELZA or our product candidates, if approved, could be delayed which would negatively impact our ability to generate product revenues.

***We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.***

The biopharmaceutical industry, biotechnology and pharmaceutical industries generally, and the market for developing antibody-based products in particular, is cancer drug sector specifically, are characterized by rapidly advancing technologies, evolving understanding of disease etiology, intense competition and rapid innovation. Our competitors may be able to develop other compounds or drugs a strong emphasis on intellectual property. While we believe that are able to achieve similar or better results. Our actual our product candidates and our knowledge and experience provide us with competitive advantages, we face substantial potential competitors include major multinational competition from many different sources, including large and specialty pharmaceutical companies, established and biotechnology companies, specialty pharmaceutical companies, universities, academic research institutions and other governmental agencies and public and private research institutions. Many of our competitors have substantially greater financial, technical and other resources, such as larger research and development staff and experienced manufacturing organizations as well as established marketing and sales forces. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated in our competitors. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of

capital for investment in these industries. Our competitors, either alone or with collaborative partners, may succeed in developing, acquiring or licensing on an exclusive basis drug or biologic products that are more effective, safer, more easily commercialized, or less costly than DANYELZA, or our other product candidates, or may develop proprietary technologies or secure patent protection that we may need for the commercialization of DANYELZA and the development of our product candidates and related technologies.

Specifically, MacroGenics, Inc. In addition to the current standard of care for patients, commercial and Daiichi Sankyo Co. academic clinical trials are developing antibodies against being pursued by a number of parties in the B7-H3 molecule that field of immunotherapy. Early results from these trials have fueled continued interest in immunotherapy, which is being pursued by several biotechnology companies as well as by large pharmaceutical companies. Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing, pre clinical studies, conducting clinical trials, and marketing approved products than we do. Mergers and acquisitions in the target pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of omburtamab. our competitors. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

63

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#### [Table of Contents](#)

With respect to DANYELZA, which targets GD2-positive tumors, United Therapeutics Corporation, or United Therapeutics, has commercialized Unituxin Unituxin® (dinutuximab), an antibody against GD2, in the United States, Canada and Japan. Although United Therapeutics has discontinued its efforts to investigate Unituxin's Unituxin®'s potential activity against adult cancerous tumors, it has maintained its efforts to develop a humanized version of Unituxin Unituxin® and plans to develop Unituxin Unituxin® within R/R NB, NB. DANYELZA also faces competition from Qarziba® (dinutuximab beta) a similar antibody product against GD2 developed by Apeiron Biologics AG, or Apeiron. EUSA Pharma (UK) Ltd., or EUSA, has acquired global commercialization rights to Qarziba® (dinutuximab beta), and it is currently being commercialized in Europe European Union and was approved by the EMA European Commission to treat high-risk NB and R/R NB. In January 2020, EUSA and BeiGene Ltd., or BeiGene, announced an exclusive collaboration to commercialize Qarziba® in mainland China and in August 2021 EUSA and BeiGene announced that the China National Medical Products Administration, or NMPA, had granted Qarziba® (dinutuximab beta) conditional marketing approval for the treatment of high-risk NB and R/R NB. EUSA has previously announced plans to file for registration of dinutuximab beta in the United States for the treatment of R/R NB. EUSA was acquired by Recordati in March 2022. In addition, Renaissance Pharma Ltd in the United Kingdom announced in August 2023 a development program focused on Hu14.18, a humanized anti-GD2 monoclonal antibody, licensed from St. Jude Children's Research Hospital for the treatment of newly diagnosed high-risk neuroblastoma. US WorldMeds has also received FDA approval of eflornithine hydrochloride, or DFMO, to reduce the risk of relapse in pediatric patients with high-risk neuroblastoma who have completed multiagent, multimodality therapy.

In mainland China, DANYELZA The SADA PRIT technology, where bispecific antibody fragments bind to the tumor before a radioactive payload is not injected in a two-step approach faces competition from a range of companies developing comparable approaches, involving one-step, two-step or three-step models to bind antibody construct to the tumor and radiate the tumor. OncoOne Research & Development GmbH, or OncoOne, is developing several constructs under their PreTarg-it® technology, which is a modular platform utilizing bispecific antibodies for delivery of payloads, where the bispecific antibody is first approved injected and accumulated on the tumor, while unbound antibodies are decomposed and excreted. Subsequently, a payload is administered through a second infusion and binds to the bispecific antibody treatment for R/R NB. If approved in Europe, DANYELZA will not be the first approved antibody treatment for R/R NB in Europe. We may not be the first to market in other geographies, which may affect the price or demand for DANYELZA. Similarly, we may not be the first to market for any of our other future products, if approved. tumor.

Additionally, the availability and price of our competitors' products could limit the demand and the price we are able to charge for our DANYELZA or for any other future products, if approved. We may not be able to implement our business plan if the acceptance of DANYELZA or for any other future products, if approved, is inhibited by price competition or the reluctance of physicians to switch from

66

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[Table of Contents](#)

existing methods of treatment to our products, or if physicians switch to other new drug or biologic products or choose to reserve our products for use in limited circumstances. Additionally, a competitor could obtain orphan product exclusivity from the FDA with respect to such competitor's product. If such competitor product is determined to be the same product as one of our product candidates, that may prevent us from obtaining approval from the FDA for such product candidate for the same indication for seven years, except in limited circumstances.

***The market opportunities for DANYELZA and our other product candidates, if approved, may be limited to those patients who are ineligible for or have failed prior treatments and may be small. Also, the market opportunity for DANYELZA and our product candidates, if approved, may be smaller than we expect.***

Our current target patient populations are based on our beliefs and estimates regarding the incidence or prevalence of certain types of cancers that may be addressable by DANYELZA, and our other product candidates, which are derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, and market research. The total addressable market opportunity for DANYELZA and any other products we may produce, if approved, will ultimately depend upon, among other things, the diagnosis criteria included in the final label for the relevant product, acceptance by the medical community and patient access, drug pricing, and reimbursement. The number of patients in our targeted commercial markets and elsewhere may turn out to be lower than expected, possibly materially, patients may not be otherwise amenable to treatment with our drug, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

Our current target patient populations are small as we have so far focused our clinical development efforts on rare pediatric cancers. By way of example, only approximately 700 children are diagnosed with **high-risk** NB in the United States each year. Even if we obtain significant market share for DANYELZA, or our other product candidates, if approved,

[Table of Contents](#)

because the initial target populations we are seeking to treat are small, we may never achieve profitability without obtaining regulatory approval for additional and broader indications, including use of DANYELZA or our product candidates, if approved, for front-line and third-line therapy.

DANYELZA is approved only as second-line treatment for patients with R/R high-risk NB in bone and/or bone marrow. Even if we would seek approval as front-line or third-line therapy for DANYELZA or another product candidate there is no guarantee that any will be approved. In addition, we may have to conduct additional clinical trials prior to gaining approval for front-line or third-line therapy.

***The indications we seek to treat have low prevalence and it may be difficult to identify and enroll patients with these diseases. If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.***

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the relevant trial until its conclusion. We have experienced and may continue to experience difficulties in patient enrollment in our clinical trials for a variety of reasons, including:

- the size and nature of the patient populations;
- the patient eligibility criteria defined in the protocol;
- the size of the study population required for analysis of the trial's primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial;

- our ability to recruit clinical trial investigators with the appropriate competencies and experience;

67

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[Table of Contents](#)

- competing clinical trials for similar therapies or other new therapeutics not involving our product candidates and or related technologies;
- clinicians' and patients' perceptions as to the potential advantages and side effects of the product candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents; and
- the risk that patients enrolled in clinical trials will not complete a clinical trial.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead enroll in a trial being conducted by one of our competitors. We expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites. Moreover, because our product candidates represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy and radiation, rather than enroll patients in any of our clinical trials.

Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our product candidates, submit regulatory filings, obtain marketing approvals and delay the commercial launch of our product candidates, if approved.

65

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[Table of Contents](#)

***DANYELZA or any current or future product candidates, including those based on the SADA PRIT Technology, may cause serious adverse events, or SAEs, undesirable side effects or have other properties that could halt their clinical development, prevent, delay, or cause the withdrawal, variation or suspension of their regulatory approval, limit their commercial potential, or result in significant negative consequences, including death of patients or cause regulatory authorities to require labeling statements, such as boxed warnings. Even after approval, if we, or others, later discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, our ability, or that of any potential future collaborators, to market the drug could be compromised.***

As with most biological drug products, use of DANYELZA or any current or future product candidates, including those based on the SADA PRIT Technology, could be associated with undesirable side effects or adverse events which can vary in severity from minor reactions to death and in frequency from infrequent to prevalent. Undesirable side effects or unacceptable toxicities caused by our products or product candidates could cause us or regulatory authorities to withdraw marketing approval or to interrupt, delay, or halt clinical trials.

Treatment-related undesirable side effects or adverse events could also affect patient recruitment or the ability of enrolled subjects to complete the trial, or could result in potential product liability claims. In addition, these side effects may not be appropriately or timely recognized or managed by the treating medical staff, particularly outside of the research institutions that collaborate with us. We educate and

train medical personnel using our products and product candidates, to understand their side effect profiles both for our approved product DANYELZA and our current clinical trials. We anticipate this also to be the case for our future products, if approved, and clinical trials. Inadequate training in recognizing or managing the potential side effects of our products or product candidates could result in adverse effects to patients, including death. Any of these occurrences may materially and adversely harm our business, financial condition and prospects.

Undesirable side effects caused by DANYELZA or any other product or product candidate could limit the commercial profile of such product or product candidate or result in significant negative consequences such as a more restrictive label or other limitations or restrictions.

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[Table of Contents](#)

In clinical studies, DANYELZA has been shown to cause serious infusion reactions including anaphylaxis, cardiac arrest, bronchospasm, stridor, and hypotension. The most common adverse events were mainly mild and moderate and included infusion-related reaction, pain, tachycardia, vomiting, cough, nausea, diarrhea, decreased appetite, hypertension, fatigue, erythema multiforme, peripheral neuropathy, urticaria, pyrexia, headache, edema, anxiety, localized edema and irritability. DANYELZA has been approved with a boxed warning for serious infusion reactions and neurotoxicity.

Clinical trials of our product candidates must be conducted in carefully defined subsets of patients who have agreed to enter into clinical trials. Consequently, it is possible that our clinical trials, or those of any potential future collaborator, may indicate an apparent positive effect of a product candidate that is greater than the actual positive effect, if any, or alternatively fail to identify undesirable side effects. If a product candidate receives marketing approval and we, or others, discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, including during any long-term follow-up observation period recommended or required for patients who receive treatment using our products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw, suspend or vary approvals of such product or seize the product;
- we, or any future collaborators, may be required to recall the product, change the way such product is administered to patients or conduct additional clinical trials;
- additional restrictions may be imposed on the marketing of, or the manufacturing processes for, the particular product;

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[Table of Contents](#)

- regulatory authorities may narrow the indications for use of, or withdraw the approval for such product based on the outcome of post-marketing testing and safety or efficacy of the product, as the FDA did in its approval of DANYELZA for the treatment of R/R high-risk NB rather than NB that was not R/R;
- we, or any future collaborators, may be required to create a Risk Evaluation and Mitigation Strategy, or REMS, or comparable foreign strategies, which could include a medication guide outlining the risks of such side effects for distribution to patients, a communication plan for healthcare providers, and/or other elements to assure safe use;
- we, or any future collaborators, may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- we, or any future collaborators, could be sued and held liable for harm caused to patients;
- the drug may become less competitive; and
- our reputation may suffer.

Any of the foregoing could prevent us from achieving or maintaining market acceptance of DANYELZA or a particular product candidate, if approved **in the United States, or achieving additional approvals**, and could significantly harm our business, results of operations, and prospects, and could adversely impact our financial condition, results of operations, ability to raise additional financing or the market price of our common stock.

***The outcome of pre-clinical studies and early clinical trials may not be predictive of the success of later clinical trials, interim results of a clinical trial do not necessarily predict final results, and the results of our clinical trials may not satisfy the requirements of the FDA or comparable foreign regulatory authorities, and if an adverse safety issue, clinical hold or other adverse finding occurs in one or more of our clinical trials of our lead product candidates, such event could adversely affect our other clinical trials of our lead product candidates.***

Success in pre-clinical studies and early-stage clinical trials does not mean that future larger registration clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate sufficient safety

69

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[Table of Contents](#)

and efficacy to the satisfaction of the FDA and non-U.S. regulatory authorities despite having progressed through pre-clinical studies and early-stage clinical trials. Product candidates that have shown promising results in pre-clinical studies and early-stage clinical trials may still suffer significant setbacks in subsequent clinical trials. Additionally, the outcome of pre-clinical studies and early-stage clinical trials may not be predictive of the success of larger, later-stage clinical trials.

From time to time, we may publish or report interim or preliminary data from our clinical trials. Interim or preliminary data from clinical trials that we may conduct may not be indicative of the final results of the trial and are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Interim or preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the interim or preliminary data. As a result, interim or preliminary data should be viewed with caution until the final data are available. In addition, the design of a clinical trial can determine whether its results will support approval of a drug and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We may be unable to design and conduct a clinical trial to support marketing approval. Further, if our product candidates are found to be unsafe or lack efficacy, we will not be able to obtain marketing approval for them and our business would be harmed. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in pre-clinical studies and earlier clinical trials.

In some instances, there can be significant variability in safety and efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in size and

67

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[Table of Contents](#)

type of the patient populations, differences in and adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants.

We do not know whether any clinical trials we may conduct will demonstrate consistent or adequate efficacy and safety sufficient to obtain marketing approval to market our product candidates. We have multiple clinical trials currently ongoing or planned. In the event that an adverse safety issue, clinical hold or other adverse finding occurs in one or more of our clinical trials of the same product candidate, such event could adversely affect our other clinical trials of our other product candidates. We have received clinical holds on our IND applications for

certain of our product candidates in the past and there is no assurance that we will not be subject to additional clinical holds in the future, which may ultimately delay or otherwise adversely affect the clinical development of our product candidates. We submitted a BLA to the FDA for radiolabeled **131I-omburtamab** for CNS LM from NB in August 2020, and received a Refusal to File letter from the FDA in October 2020. The reason for the FDA's decision to issue the Refusal to File letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC, Module and the Clinical Module of the BLA required further detail. We completed the resubmission of the BLA for omburtamab in March 2022. Survival and safety data from our pivotal Phase 2 clinical trial 03-133 formed the primary basis for our resubmission of the BLA for omburtamab, and we compared this data with data from an external cohort comprising data from the Central German Childhood Cancer Registry, or CGCCR, database. Furthermore, we believe interim efficacy, safety and pharmacokinetic data from our pivotal Phase 2 clinical trial 101 supported the BLA resubmission. In May 2022, the FDA indicated that our BLA had been accepted for priority review. The FDA convened an Advisory Committee, which met on October 28, 2022, and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival among the target patient **population**. In November 2022, the FDA issued a CRL for our BLA for omburtamab indicating that the FDA determined that it was unable to approve the BLA in its current form since it did not provide substantial evidence of effectiveness of omburtamab for the proposed indication.

***We do not know whether any clinical trials we may conduct will demonstrate consistent or adequate efficacy and safety sufficient to obtain marketing approval to market our product candidates.***

Before obtaining marketing approvals for the commercial sale of any product candidate for a target indication, we must demonstrate with substantial evidence gathered in pre-clinical studies and well-controlled clinical studies, and, with respect to approval in the United States, to the satisfaction of the FDA, that the product candidate is safe and effective for use for that target indication. There is no assurance that the FDA or non-U.S. regulatory authorities will

70

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#### [Table of Contents](#)

consider our present or future clinical trials to be sufficient to serve as the basis for approval of **omburtamab** or any of our **other** product candidates for any indication. The FDA and non-U.S. regulatory authorities retain broad discretion in evaluating the results of our clinical trials and in determining whether the results demonstrate that a product candidate is safe and effective.

In the November 2022 CRL for our BLA for omburtamab, the FDA determined that it was unable to approve the BLA in its current form since it did not provide substantial evidence of effectiveness of omburtamab for the proposed indication. Further, the FDA stated that comparisons of overall survival between our Study 101 and the external control could not be used to estimate the treatment effect of omburtamab on survival and support claims of effectiveness. Additionally, the FDA held that response rate data from our study 101 were not reliable to verify the anti-tumor activity of omburtamab. This was consistent with the outcome of the ODAC Meeting held in October 2022.

In its CRL for omburtamab, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile.

If we are required and we determine to conduct additional clinical trials of a product candidate, including if we determine to resume development of omburtamab, we will need substantial additional funds and there is no assurance that the results of any such additional clinical trials will be sufficient for approval.

Further, our product candidates may not be approved even if they achieve their primary endpoints in Phase 3 clinical trials or other pivotal trials. The FDA or non-U.S. regulatory authorities may disagree with our trial design and our interpretation of data from pre-clinical studies and clinical trials or conclude that we do not have adequate manufacturing controls or quality systems. For example, as was the case for our BLA for omburtamab, analysis of the clinical data may rely on external control comparator populations to demonstrate efficacy, rather than blinded, **placebo-controlled** **placebo-**

68



[Table of Contents](#)

**controlled** comparator populations. Data from our clinical trials may therefore be subject to heightened scrutiny regarding potential sources of bias such as treatment-center selection bias or differences in treatment patterns between countries and over time. Furthermore, because our clinical trials typically enroll a small number of patients, statistical analyses may only partially adjust to account for such potential bias. For example, FDA identified key review issues with our BLA for omburtamab, stating that the external control population for our omburtamab BLA is not fit-for-purpose as a comparator and limits the ability to reliably attribute survival differences to omburtamab treatment, that the BLA application does not include reliable response rate data to provide supportive evidence of the treatment effect of omburtamab, and that differences in survival cannot be reliably attributed to omburtamab and provide a large degree of uncertainty regarding whether the observed differences in overall survival between patients treated with omburtamab and external control populations are due to omburtamab or whether they are due to differences in other anticancer treatment, supportive care regimens, unknown differences between the two populations, or a combination of these factors.

In addition, any of these regulatory authorities may change requirements for the approval of a product candidate even after reviewing and providing comments or advice on a protocol for a pivotal clinical trial that has the potential to result in approval by the FDA or another regulatory authority. Any of these regulatory authorities may also approve a product candidate for fewer or more limited indications than we request or may grant approval contingent on the performance of costly post-marketing clinical trials. The FDA or other non-U.S. regulatory authorities may not approve the labeling claims that we believe would be necessary or desirable for the successful commercialization of our product candidates.

***Research and development of biopharmaceutical products is inherently risky. We may not be successful in our efforts to create a pipeline of product candidates and develop commercially successful products. If we fail to develop additional product candidates, our commercial opportunity will be limited.***

Other than DANYELZA, the product candidates and related technologies we have licensed have not yet led, and may never lead, to approved products. Our only approved product DANYELZA was only approved in late 2020 by the FDA and launched in the United States in early 2021. Further, DANYELZA was only approved by the Israeli Ministry of Health in Israel, in August 2022, and by the NMPA in China in December 2022, 2022, by Anvisa in Brazil in April 2023, and by COFEPRIS in Mexico in September 2023. Hence its commercial

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[Table of Contents](#)

potential cannot be judged with accuracy at this point in time. Even if we are successful in continuing to build our pipeline, obtaining regulatory approvals and commercializing our other product candidates will require substantial additional funding and are prone to the risks of failure inherent in medical product development. Investment in biopharmaceutical product development involves significant risk that any potential product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval, and/or become commercially viable. We cannot provide any assurance that we will be able to successfully obtain marketing approval for omburtamab or advance any of our other product candidates through the development process. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development or commercialization for many reasons, including the following:

- we may not be successful in identifying additional product candidates;
- we may not be able to assemble sufficient resources to acquire or discover additional product candidates;
- our product candidates may not succeed in pre-clinical or clinical testing;
- a product candidate may on further study be shown to have harmful side effects or other characteristics that indicate it is unlikely to be effective or otherwise does not meet applicable regulatory criteria;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- product candidates we develop may nevertheless be covered by third parties' patents or other exclusive rights;

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[Table of Contents](#)

- the market for a product candidate may change so that the continued development of that product candidate is no longer reasonable;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors, as applicable.

If any of these events occur, we may be forced to abandon our development efforts for a program or programs, or we may not be able to identify, discover, develop, or commercialize additional product candidates, which would have a material adverse effect on our business and could potentially cause us to cease operations. As for DANYELZA, which has been approved by the FDA for the US market, the Israeli Ministry of Health in Israel for Israel and NMPA in China for China, no assurance can be given that it will be successfully commercialized, widely accepted in the any marketplace or more effective than other commercially available alternatives.

***We are dependent on our ability to maintain and continue to leverage our relationship with MSK. We have entered into several agreements with MSK that are important to our business. We may also form or seek other collaborations or strategic alliances or enter into additional licensing arrangements in the future but may not realize the benefits of such collaborations or strategic alliances. If we are unable to enter into future collaborations, or if such collaborations are not successful, our business could be adversely affected.***

We currently have in place several agreements with MSK, including the MSK License, the CD33 License, the MabVax Sublicense MabVax/MSK License Agreement and the SADA License Agreement, which are important to us, and we may form or seek strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our product candidates and any future product candidates that we may develop. In addition, we anticipate that MSK, because it is a hospital where patients are treated, may become a major source for the distribution and administration of DANYELZA. Any disruption of our relationship with MSK could have a material adverse effect on our business, results of operations

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[Table of Contents](#)

and financial condition. In addition, any of these relationships may require us to incur other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business.

In addition, we face significant competition in seeking appropriate strategic partners and the negotiation of strategic collaborations is time consuming and complex. We may not be successful in our efforts to establish a strategic partnership, other than the one we have with MSK, or other alternative arrangements for our product candidates because potential strategic partners may deem our product candidates to be at too early a stage of development for collaborative effort, because third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy or because the commercial potential of our product candidates is too difficult to predict.

Further, arrangements with third parties, such as our arrangement with MSK or other current or potential future collaborations that we may enter, are subject to numerous risks, including the following:

- such third parties may have significant discretion in determining the efforts and resources that they will apply to a collaboration;

- such third parties may not pursue development and commercialization of our products or product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;

70

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[Table of Contents](#)

- such third parties may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials, or require a new formulation of a product candidate for clinical testing;
- such third parties could independently develop, or develop with others, products that compete directly or indirectly with our products or product candidates;
- product candidates discovered through such arrangements or any potential future collaborations with us may be viewed by such third parties as competitive with their own product candidates or products, which may cause such third parties to cease to devote resources to the commercialization of our products or product candidates;
- such **third-party third parties** with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- such third parties may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and such third-party or any current or potential future collaborator that cause the delay or termination of the research, development or commercialization of our products or product candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- such third parties may infringe the intellectual property rights of others, which may expose us to litigation and potential liability;
- such arrangements or any current or potential future collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product or product candidate; and

73

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[Table of Contents](#)

- such third parties may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

As a result, if we are unable to maintain current arrangements or collaborations or enter into and maintain future arrangements and collaborations, or if such arrangements or collaborations are not successful, our business could be adversely affected. If we enter into certain arrangements or collaboration agreements and strategic partnerships or license our products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new collaborations or strategic partnership agreements related to our products or product candidates could delay the development and commercialization of our products or product candidates in certain territories for certain indications, which would harm our business prospects, financial condition, and results of operations.

***If we or third parties, such as contract research organizations, or CROs, or contract manufacturing organizations, or CMOs, use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.***

Our research and development activities may involve the controlled use of potentially hazardous substances, including chemical and biological materials, by us or third parties, such as CROs and CMOs. We have used Lutetium-177, Iodine-131 and Iodine-124 label and conjugated antibody treatments. Our uses involve the inherent risk of exposure

71

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[Table of Contents](#)

from beta ray emissions, which can alter or harm healthy cells in the body. We, our CROs, our CMOs and other third parties are subject to federal, state, and local laws and regulations in the United States and **Europe foreign countries** governing the use, manufacture, storage, handling, and disposal of medical and hazardous materials. Although we believe that our and such third-parties' procedures for using, handling, storing, and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state, or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition, or results of operations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of hazardous and flammable materials, including chemicals and biological materials. We do not have insurance coverage for pollution cleanup and removal. Currently the costs of complying with applicable federal, state, local and foreign environmental regulations are not significant, and consist primarily of waste disposal expenses. However, compliance could become expensive, and current or future environmental laws or regulations may impair our research, development, production and commercialization efforts. Furthermore, failure to comply with these laws and regulations may result in substantial fines, penalties or other sanctions.

#### **Risks related to our dependence on third parties**

***We rely on third parties to conduct our clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval of or commercialize our product candidates.***

We rely on third parties to conduct our clinical trials under agreements with MSK, universities, medical institutions, CROs, strategic partners, and others. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory, and scientific standards, and our reliance

74

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[Table of Contents](#)

on third parties does not relieve us of our regulatory responsibilities. We and these third parties are required to comply with current good clinical practices, or GCPs, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for product candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators, and trial sites. If we or any of these third parties fail to comply with applicable GCP regulations, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional non-clinical or clinical trials before approving our marketing applications. We cannot be certain that, upon inspection, such regulatory authorities will determine that any of our clinical trials comply with the GCP regulations. In addition, our clinical trials must be conducted with biologic product

produced under cGMP regulations and will require a large number of test patients. Our failure or any failure by these third parties to comply with these regulations or to recruit a sufficient number of patients may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal, foreign or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed, varied or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize our product candidates. We may also rely on investigator-reported interim data in making business decisions. Independent review of the data could fail to confirm the investigator reported investigator-reported interim data, which may lead to revisions in disclosed clinical trial results in the future. Any such revisions that reveal more negative data than previously disclosed investigator-reported interim data could have an adverse impact on our business prospects

72

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[Table of Contents](#)

and the trading price of our common stock. Such revisions could also reduce investor confidence in investigator-reported interim data that we disclose in the future.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms. Switching or adding additional CROs involves additional cost and delays and requires management time and focus. Though we intend to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges in the future or that these challenges will not have a material adverse impact on our business, financial condition and prospects.

***We rely on third parties to manufacture DANYELZA for commercial supply and our product candidates, including our antibody constructs based on the SADA technology, PRIT Technology, for our ongoing and planned pre-clinical studies and clinical studies. Our business could be harmed if third parties fail to provide us with sufficient quantities of DANYELZA or our other product candidates, including our antibody constructs based on the SADA technology, PRIT Technology, or fail to do so at acceptable quantities, quality levels or prices or fail to maintain adequate compliance with CMC guidelines of the FDA. FDA and comparable foreign regulatory authorities. Our third-party manufacturers have in the past and may in the future experience manufacturing difficulties, and any such difficulties could harm our business.***

We do not currently own any facility that may be used for commercial or clinical-scale manufacturing and processing, and we rely on outside vendors to manufacture DANYELZA for commercial supply and for supplies and processing of our product candidates, including our antibody constructs based on the SADA technology, PRIT Technology, for pre-clinical studies and clinical trials. Our other product candidates have only been manufactured or processed on a limited basis and we and our CMO may not be able to continue manufacturing any of our other product candidates. The manufacturing process that we have developed may be more difficult or expensive than other approaches currently in use. We may make changes as we work to optimize the manufacturing process, and we cannot be sure that even minor changes in the process will not result in significantly different substances that may not be as safe and effective as any substances deployed by our third-party research institution collaborators.

To date, we have obtained the active pharmaceutical ingredient, or API, of DANYELZA from a limited number of third-party manufacturers. We have engaged a separate third-party manufacturer to conduct fill-and-finish and labeling services, as well as for the storage and distribution of DANYELZA to clinical sites and for commercial use. We do not have a long-term supply agreement with any of these third-party API manufacturers, and we purchase our required drug supplies on a purchase order basis.

75

[Table of Contents](#)

We rely also on CMOs and third-party collaborators for the manufacture of DANYELZA for commercial supply, and we expect that this will be the manufacturing arrangement for any of our other potential products, if approved. If we are unable to establish agreements with CMOs on acceptable terms, or at all, our business and results of operations may be materially adversely affected.

If we determine to resume development of omburtamab, we expect to continue to be highly dependent on our current CMO, EMD/Merck, for the production of omburtamab since this manufacturing process uses a hybridoma cell line in a relatively small scale (200 liters) cGMP manufacturing process. Many manufacturers refuse to allow hybridoma cell lines to be used in their facilities due to the risk of contamination. In addition, the relatively small scale of the cGMP system required for manufacture of omburtamab may increase the risk that we are unable to establish an alternative manufacturing arrangement on commercially reasonable terms because the small scale may lead to less commercially attractive terms for us.

We are subject to the following additional risks with respect to the third-party manufacture of our antibody-based cancer treatments:

- If we need to qualify any new manufacturer of DANYELZA or other product candidates, the respective BLA submissions will need to be amended, and ultimately the FDA must approve any new manufacturer. Any such approval would require new testing, which may include comparability analyses between the biologic substance manufactured for use in prior clinical trials and the biologic substance manufactured by

73

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[Table of Contents](#)

such potential new manufacturer. Any such potential new manufacturer would further need to pass cGMP compliance inspections by the FDA, FDA or comparable foreign regulatory authorities.

- If we need to qualify any new manufacturer, such third-party third party would have to be educated in, or develop substantially equivalent processes for, production of our product and/or product candidates.
- Any of our third-party manufacturers might be unable to timely manufacture our product and/or product candidates or to produce the quantity and quality required to meet our clinical and commercial needs.
- Any of our third-party manufacturers may not be able to execute our manufacturing procedures and other logistical support requirements appropriately.
- Any of our third-party manufacturers may not perform as agreed, according to our schedule or specifications, or at all. Any such third-party manufacturer may not devote sufficient resources to our product candidates, may give greater priority to the supply of other products over our product candidates, or may not remain in the contract manufacturing business for the time required to supply our clinical trials or commercial needs.
- We are exposed to the risk of cross-contamination from other drug substances if more than one product is manufactured at a third-party manufacturer's production facilities.
- Our third-party manufacturers are subject to ongoing periodic unannounced inspection by the FDA, and corresponding state agencies and comparable foreign regulatory authorities to ensure strict compliance with cGMPs and other government regulations and corresponding foreign standards. We do not have limited control over third-party manufacturers' compliance with these and or any other applicable regulations and standards, and any of our third-party manufacturers could fail to comply with applicable government regulations.

- We may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our products.
- Any of our third-party manufacturers could breach, terminate or choose not to renew their agreement with us at a time that is costly or inconvenient for us.

76

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[Table of Contents](#)

- The raw materials and components used to manufacture and process DANYELZA and our product candidates, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects.
- Any of our third-party manufacturers could potentially mislabel commercial or clinical supplies, which may result in the wrong dose amounts being supplied or active drug or placebo not being properly identified;
- Any of our third-party manufacturers could misappropriate our proprietary information, including our trade secrets and know-how, which could lead to weaker intellectual property protection for our portfolio or potentially increased competition if a competitor were to obtain such proprietary information.
- Our clinical trials may be interrupted if third-party suppliers fail to deliver clinical supplies on time, or we may experience lost sales if drug supplies are not distributed to commercial vendors in a timely manner, in each case because of inclement weather, natural or man-made disasters, or other circumstances beyond our control.
- Any of our third-party manufacturers may have unacceptable or inconsistent product quality success rates and yields and may have inadequate quality control systems.

74

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[Table of Contents](#)

Each of these risks could delay or prevent the completion of our clinical trials, could delay any additional BLA submissions or the approval of any of our product candidates by the FDA, or comparable foreign submission and approvals by the competent regulatory authorities, result in higher costs or adversely impact commercialization of our product candidates. Any shortage in the supply of such raw materials used in the manufacture of our product candidates could delay or prevent the completion of our clinical trials or the approval of any of our product candidates by the FDA, or comparable foreign regulatory authorities, result in higher costs or adversely impact commercialization of our product candidates. For example, in the past, we experienced a shortage in the supply of Iodine-131, one of the components of **131I-omburtamab** product candidate, from our **single source** supplier.

In addition, we have and will continue to rely on third parties to perform certain specification tests on our product candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and the FDA, or comparable foreign regulatory authorities could place significant restrictions on us until deficiencies are remedied.

The facilities used by our CMOs to manufacture DANYELZA and our product candidates, including our antibody constructs based on the SADA technology, PRIT Technology, must be approved by the FDA pursuant to inspections conducted after submittal of a BLA to the FDA. Comparable requirements are applicable outside the United States. We do not have complete control over all aspects of the manufacturing process of, and are dependent on, our contract manufacturing partners for compliance with cGMP regulations for manufacturing both active drug substances and finished drug products. DANYELZA and any product candidates that we may develop may compete with product candidates of other companies for access to manufacturing facilities. There is a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our commercial product and clinical product candidates and harm our business and results of operations.

Any performance failure on the part of our existing or future manufacturers could adversely affect our commercialization of approved products, such as DANYELZA, and delay clinical development or marketing approval of other product candidates. For example, we have had to scrap batches of DANYELZA due to our third-party manufacturer's discontinuation of the batch manufacture. As a result, during the years ended December 31, 2023 and 2022, the Company recorded charges to write-off inventory of \$0.8 million and \$1.2 million, respectively. We do not currently have arrangements in place for redundant supply of DANYELZA or other product candidates, and we currently use only a single third-party manufacturer for fill-and-finish services for DANYELZA and other product candidates. If any of our current CMOs cannot perform as agreed, we may be required to replace such manufacturer and we may incur added costs and delays in identifying and qualifying any such replacement.

77

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#### [Table of Contents](#)

***We are, and will continue to be, reliant in significant part on outside scientists and their third-party research institutions for research and development and early clinical testing of our product candidates. These scientists and institutions may have other commitments or conflicts of interest, which could limit our access to their expertise and adversely affect the timing of the IND filings and our ability to conduct future planned clinical trials.***

We currently have limited internal research and development capabilities. We conduct independent clinical trials and perform pre-clinical research but we also rely on third-party research institutions for both clinical trial and pre-clinical research.

Currently, MSK is conducting a clinical trial to address relapsed osteosarcoma using DANYELZA. Under the terms of the MCTA, we are obligated to pay for costs associated with this clinical trial. We are conducting a clinical trial at MSK for CNS/LM from NB for omburtamab. The trial has completed accrual and no new patients are enrolled but we are performing follow-up activities on already-treated patients.

We have agreed to fund certain research and development costs under both the MSK License, the MSK CD33 License and the SADA License Agreement. However, the research we have agreed to fund constitutes only a small portion of the overall research of MSK. Other research being conducted by MSK may receive higher priority than research on the programs we may fund.

75

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#### [Table of Contents](#)

The outside scientists who conduct the clinical testing of DANYELZA and our other current product candidates, and who conduct the research and development upon which our product candidate pipeline depends, are not our employees; rather they serve as either independent contractors or the primary investigators under research and other agreements that we have entered into with MSK. Such



scientists and collaborators may have other commitments that limit their availability to us. Although our scientific advisors generally agree not to do competing work, if an actual or potential conflict of interest between their work for us and their work for MSK or another entity arises, we may lose their services. These factors could adversely affect the timing of our IND filings and our ability to conduct future planned clinical trials. It is also possible that some of our valuable proprietary knowledge may become publicly known through these scientific advisors if they breach their confidentiality agreements with us, which would cause competitive harm to, and have a material adverse effect on, our business.

Our existing agreements with MSK may be subject to termination by MSK upon the occurrence of certain circumstances including in the event of our insolvency or bankruptcy, if we are convicted of a felony relating to the manufacture, use, or sale of products licensed from MSK or if we fail to pay amounts owed to MSK under the agreements or other types of breach by us of our obligations under the agreements that remain uncured. If MSK terminates the MSK License, the MSK CD33 License, the SADA License Agreement or its other agreements with us, commercialization of any approved product, such as DANYELZA, or the research and development of the relevant product candidates would be suspended, and we would not be able to research, develop, and license our existing and future product candidates as currently contemplated. We may be required to devote additional resources to the development of our product candidates or seek a new collaboration partner, and the terms of any additional collaborations or other arrangements that we establish may not be favorable to us. Switching or adding third parties to conduct our clinical trial would involve substantial costs and delays and require extensive management time and focus, which can materially impact our ability to meet our desired clinical development timelines.

***DANYELZA and our product candidates, including those based on the SADA PRIT Technology, are biologics and the manufacture of DANYELZA and our product candidates, including those based on the SADA PRIT Technology, is complex. We, or any of our third-party manufacturers, may encounter difficulties in production, particularly with respect to process development or scaling-up of our manufacturing capabilities. For some reagents, equipment, and materials, we rely or may rely on sole source vendors or a limited number of vendors. Such difficulties may result in an inadequate supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure.***

DANYELZA and our product candidates, including those based on the SADA PRIT Technology, are biologics and the process of manufacturing them is complex, highly regulated and subject to multiple risks. As a result of the complexities, the cost to manufacture biologics is generally higher than traditional small molecule chemical compounds, and the manufacturing process for biologics is

78

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## [Table of Contents](#)

less reliable and is more difficult to reproduce. In addition, manufacture of DANYELZA and our product candidates, including those based on the SADA PRIT Technology, requires many reagents, which are substances used in our manufacturing processes to bring about chemical or biological reactions, and other specialty materials and equipment, some of which are manufactured or supplied by small companies with limited resources and experience to support commercial biologics production. Our manufacturing process may be susceptible to product loss or failure due to interruptions in the manufacturing process variability in product characteristics, quality control, contamination, equipment or reagent failure, improper installation or operation of equipment, product testing, vendor or operator error, availability of qualified personnel, logistics and shipping delays as well as compliance with strictly enforced federal, state and foreign regulations. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects, and other supply disruptions. If microbial, viral, or other contaminants are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. No assurance can be given that any stability failures or other issues relating to the manufacture of DANYELZA or our product candidates, including those based on the SADA PRIT Technology, will not occur in the future.

Further, as a product candidate progresses from pre-clinical studies to late-stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not

76

achieve these intended objectives, and any of such **change changes** could cause the product candidate to perform differently and affect the results of planned clinical trials or other future clinical trials. Moreover, as we develop and/or scale-up our manufacturing processes, we expect that we will need to obtain rights to and supplies of certain materials and equipment to be used as part of those processes. We may not be able to obtain rights to such materials on commercially reasonable terms, or at all.

In addition, the manufacturing process for any products that we may develop is subject to FDA **EMA** and other foreign regulatory **authority** approval process, and we will need to contract with manufacturers who can meet all applicable FDA, **EMA** **EU** and other foreign regulatory **authority** requirements on an ongoing basis. If we, or our CMOs, are unable to reliably produce products to specifications acceptable to the FDA, EMA **and European Commission** or other foreign regulatory authorities, we may not obtain or maintain the approvals we need to commercialize such products. Even if we obtain regulatory approval for any of our product candidates, there is no assurance that either we or our CMOs will be able to manufacture the approved product to specifications acceptable to the FDA, EMA **and European Commission** or other foreign regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product, or to meet potential future demand. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidate, impair commercialization efforts, increase our cost of goods, and have an adverse effect on our business, financial condition, results of operations and growth prospects. Although we are working to develop commercially viable processes, our manufacturing capabilities could be affected by cost overruns, unexpected delays, equipment failures, labor shortages, natural disasters, power failures and numerous other factors that could prevent us from realizing the intended benefits of our manufacturing strategy and have a material adverse effect on our business. We may ultimately be unable to, among other things, develop a manufacturing process and distribution network that will, reduce the cost of goods for our product candidates to levels that will allow for an attractive return on investment if and when those product candidates are commercialized.

***We have entered into strategic collaborations for the development, marketing and commercialization of DANYELZA and omburtamab in certain jurisdictions and may do so in the future for all or some of our product candidates. If those collaborations are not successful, or if we are unable to establish additional collaborations, we may have to alter or delay our development and commercialization plans.***

In November 2020, we entered into an exclusive license and distribution agreement for DANYELZA and omburtamab with Takeda Israel, a **wholly owned wholly-owned** subsidiary of Takeda Pharmaceutical Company Limited covering the State of Israel, West Bank and Gaza Strip. **The ongoing and rapidly evolving conflict between Israel and Hamas may have a material adverse impact on Takeda Israel's ability to sell our products and/or collect receivables from customers in the State of Israel as well as on Takeda Israel's ability to pursue the development, marketing and/or commercialization of DANYELZA in the State of Israel, West Bank and Gaza Strip, which may ultimately have an adverse impact on the amount of royalties we receive pursuant to the Takeda Licensing Agreement.** In December 2020, we entered into a distribution agreement for DANYELZA and omburtamab with Swixx BioPharma AG for the Eastern European territories Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia and Slovenia. Sanctions issued by the U.S. and other countries against Russia in response to its attack on Ukraine and related counter-sanctions issued by Russia have made it very difficult for us to operate in Russia and may have a material adverse impact

on our ability to sell our products and/or collect receivables from customers in Russia. In December 2020, we entered into a license agreement for DANYELZA and omburtamab with SciClone Pharmaceuticals International Ltd., or SciClone, for Greater China, including Mainland China, Taiwan, Hong Kong and Macau. In May 2021, we entered into an exclusive distribution agreement with Adium Pharma S.A., or Adium, for Latin America. Finally, in December 2022, we entered into a distribution agreement with WEP Clinical Ltd. in connection with an early access program for DANYELZA in Europe. We may enter into further strategic collaborations for the development, marketing and commercialization of all or some of our product candidates. Our current and future potential collaborators include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for any further collaborations will depend, among other things, upon our assessment of

the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. We have and will for any future collaborations likely have limited control over the amount and timing of resources that our collaborators dedicate to the development,

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[Table of Contents](#)

marketing and/or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our current and future potential collaborators' abilities to successfully perform the functions assigned to them in these arrangements. In addition, our current collaborators have and any future collaborators may have, the right to abandon research or development projects and terminate applicable agreements, including funding obligations, prior to or upon the expiration of the agreed upon terms.

Our current and any future potential collaborations involving our product candidates pose risks to us, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development, marketing and/or commercialization of our product candidates or may elect not to continue or renew development, marketing or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our drugs or product candidates;
- a collaborator with marketing and distribution rights to one or more drugs may not commit sufficient resources to the marketing and distribution of such drug or drugs;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation;

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[Table of Contents](#)

- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- we may lose certain valuable rights under circumstances identified in any collaboration arrangement that we enter into, such as if we undergo a change of control;
- we may be restricted under then-existing collaboration agreements from entering into future agreements on certain terms with potential collaborators;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development, marketing and/or commercialization of the applicable product candidates;

- collaborators may learn about our discoveries, data, proprietary information, trade secrets, or compounds and use this knowledge to compete with us in the future; and

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[Table of Contents](#)

- the number and type of our collaborations could adversely affect our attractiveness to potential future collaborators or acquirers.

Our current and any future collaboration agreements, if any, may not lead to development or commercialization of product candidates in the most efficient manner, or at all.

We may not be able to negotiate additional collaborations on a timely basis, on acceptable terms, or at all, if and when we seek to enter into collaborations. If we are unable to do so, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms, or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate revenue from sales of drugs.

#### Risks related to government regulation; market approval and other legal compliance matters

*Even if we complete the necessary non-clinical studies and clinical trials, the FDA and comparable foreign regulatory authority approval process is processes are lengthy, time-consuming, and inherently unpredictable, and we or any of our potential future collaborators may experience significant delays in the clinical development and regulatory approval, if any, for the commercialization of our product candidates. To date, we have only obtained regulatory approval to market DANYELZA in the United States, Europe, China, Israel, Brazil and Mexico for R/R high-risk NB in bone and/or bone marrow. We cannot predict when or if, and in which other territories, we, or any of our potential future collaborators, will obtain marketing approval to commercialize DANYELZA or any of our product candidates.*

The research, testing, manufacturing, labeling, approval, selling, import, export, marketing, and distribution of drug products, including biologics, are subject to extensive regulation by the FDA and other regulatory authorities in the United States, States and foreign countries. Even if we complete the necessary pre-clinical studies and clinical trials, we will not be permitted to market any biological drug product in the United States or in foreign countries, until we receive a Biologics License from the FDA, FDA or foreign equivalent in other countries. Although we have received a Biologics License for DANYELZA for R/R high-risk NB in bone and/or bone marrow, we intend to discuss with the FDA submission of additional BLAs for approval of DANYELZA to treat additional indications that currently lack an FDA-approved treatment option.

The FDA standard for regular approval of a BLA generally requires two well-controlled Phase 3 studies or one large and robust, well-controlled Phase 3 study in the patient population being studied that provides substantial evidence that a biologic is safe, pure and potent. Phase 3 clinical studies typically involve hundreds of patients, have significant costs and take years to complete. However, product candidates studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may be

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[Table of Contents](#)

eligible for accelerated approval and may be approved on the basis of adequate and well-controlled clinical trials establishing that the product candidate has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be

measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments. As is the case with DANYELZA in the United States, as a condition of accelerated approval, the FDA may require a sponsor to perform post-marketing studies to verify and describe the predicted effect on irreversible morbidity or mortality or other clinical endpoint, and the drug or biologic may be subject to withdrawal procedures by the FDA that are more accelerated than those available for regular approvals. The FDA may ultimately require one or multiple Phase 3 clinical trials prior to approval of any product candidates for which we seek accelerated approval.

We have some, but only limited, experience in completing a submission of a BLA to the FDA, or similar approval submissions to comparable foreign authorities. Our BLA for DANYELZA was approved, but we received a CRL for our BLA for omburtamab. A BLA must include extensive pre-clinical and clinical data and supporting information to establish that the product candidate is safe, pure, and potent for each desired indication. The BLA must

79

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## [Table of Contents](#)

also include significant information regarding the chemistry, manufacturing, and controls for the product, and the manufacturing facilities must complete a successful pre-license inspection. We expect the novel nature of our product candidates and the small size of our target patient populations, to create further challenges in obtaining regulatory approval from the FDA and other regulatory authorities. For example, for product candidates targeting ultra-rare diseases, such as CNS/LM from NB, where the very small patient population makes it difficult or impossible to conduct two traditional, adequate and well-controlled studies, the FDA or comparable foreign regulatory authorities may need to exercise flexibility in approving therapies for such diseases. Even flexibility from the FDA may not be sufficient to obtain approval. For instance, in its CRL for omburtamab, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of adequate and well-controlled trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile.

The FDA may also require a panel of experts, referred to as an Advisory Committee, to deliberate on the adequacy of the safety and efficacy data, and the use of control groups to support licensure. For example, in connection with our BLA for omburtamab, the FDA convened an Advisory Committee that met on October 28, 2022, in October 2022, which voted 16 to 0 that the BLA did not provide sufficient evidence to conclude that omburtamab improves overall survival among the target patient population. The opinion of this and any other Advisory Committee, although not binding, may have a significant impact on our ability to obtain licensure our product candidates based on the completed clinical trials, such as was the case for omburtamab. Accordingly, the regulatory approval pathway for our product candidates may be uncertain, complex, expensive, and lengthy, and approval may not be obtained.

The process of obtaining marketing approvals, both in the United States, the European Union and elsewhere, is a lengthy, expensive and uncertain process. It may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Securing marketing approval requires the submission of extensive pre-clinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. The FDA, EMA and the European Commission or other regulatory authorities have substantial discretion and may determine that our product candidates are not safe and effective, only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use.

Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

In addition, clinical trials can be delayed or terminated for a variety of reasons, including delays or failures related to:

- obtaining regulatory approval to begin a trial, if applicable;

82

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[Table of Contents](#)

- the availability of financial resources to begin and complete the planned trials;
- reaching agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtaining approval at each clinical trial site by an Institutional Review Board or IRB; IRB or positive opinions from Ethics Committees;
- recruiting suitable patients to participate in a trial in a timely manner;
- having patients complete a trial or return for post-treatment follow-up;
- clinical trial sites deviating from trial protocol, not complying with GCPs, or dropping out of a trial;

80

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[Table of Contents](#)

- addressing any patient safety concerns that arise during the course of a trial;
- addressing any conflicts with new or existing laws or regulations;
- adding new clinical trial sites;
- manufacturing qualified materials under cGMPs for use in clinical trials;
- impact of the COVID-19 pandemic pandemics or other health epidemic or macroeconomic conditions; public-health emergencies;
- impact of the Russian invasion of Ukraine;
- impact of the state of war between Israel and Hamas, and the related risk of a larger conflict; or
- inspection of clinical trial sites and manufacturing facilities by regulatory authorities.

Patient enrollment is a significant factor in the timing of clinical trials and is affected by many factors. See the risk factor above “—If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.” for additional information on risks related to patient enrollment. Further, a clinical trial may be suspended or terminated by us, the IRBs or Ethics Committees for the institutions in which such trials are being conducted, the Data Monitoring Committee for such trial, or the FDA or other regulatory authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience termination of, or delays in the completion of, any clinical trial of our product candidates, the commercial prospects for our product candidates will be harmed, and our ability to generate potential future product revenue will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenue.

Our third-party research institution collaborators may also experience similar difficulties in completing ongoing clinical trials and conducting future clinical trials of product candidates. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

Our product candidates could fail to receive marketing approval for many reasons, including the following:

- the FDA, EMA, [European Commission](#) or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;

83

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[Table of Contents](#)

- we may be unable to demonstrate to the satisfaction of the FDA, EMA, [European Commission](#) or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA, EMA, [European Commission](#) or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA, EMA, [European Commission](#) or comparable foreign regulatory authorities may disagree with our interpretation of data from pre-clinical studies or clinical trials;

81

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[Table of Contents](#)

- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA or other submission or to obtain marketing approval in the United States, the EU or elsewhere;
- the FDA, [EMA](#) [European Commission](#), [national competent authorities of EEA countries](#) or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies;
- the FDA, [EMA](#) or comparable foreign regulatory authorities may fail to approve any companion diagnostics, [or the legal manufacturer may fail to CE mark companion diagnostics, which is an acronym for the French "Conformite Europeenne" that certifies that a product has met EU health, safety, and environmental requirement](#), that may be required in connection with approval of our therapeutic product candidates; and
- the approval policies or regulations of the FDA, [EMA](#) [European Commission](#) or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of clinical trial results resulted in our failure to obtain marketing approval to market omburtamab. The same factors may also result in a failure for us to obtain marketing approval to market any of our other product candidates, which would further significantly harm our business, results of operations and prospects. In addition, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted drug application may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional pre-clinical studies, clinical trials, toxicology or other in vivo or in vitro data to support the initiation of other studies and testing. In addition, varying interpretations of the data obtained from pre-clinical studies and clinical trials could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we, or any collaborators we may have in the future, ultimately obtain may be limited or subject to restrictions or post approval commitments that render the approved drug not commercially viable.

Any delay in obtaining or failure to obtain required approvals could materially adversely affect our ability or that of any collaborators we may have to generate revenue from the particular product candidate, which likely would result in significant harm to our financial position and adversely impact our stock price.

The EMA, the European Commission or comparable foreign regulatory authorities, may disagree with our regulatory plans, including our plans to seek conditional marketing authorization, and we may fail to obtain regulatory approval of DANYELZA from the European Commission, or our other product candidates, which would prevent DANYELZA, or our other product candidates from being marketed abroad. Any approval we are granted for our product candidates in the United States, such as the approval of DANYELZA, would not assure approval of our product candidates in foreign jurisdictions.

In order to market and sell our drugs in the European Union and many other jurisdictions, we, and any collaborators we may have in the future, must obtain separate marketing approvals and comply with numerous and varying regulatory requirements.

84

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[Table of Contents](#)

On April 27, 2021 we submitted a MAA, to the EMA for omburtamab for the treatment of pediatric patients with CNS/LM from NB. In December 2022, the European Committee for Medicinal Products for Human Use, or EMA's CHMP, adopted a negative opinion recommending a refusal of the MAA. CHMP determined that it was not possible to conclude on the effectiveness of omburtamab as the main study did not have a randomized comparator. We are assessing the implications of the negative opinion and our plans for the omburtamab program.

The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The marketing approval process outside of the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside of the United States, it is required that the drug be approved for reimbursement before the drug can be

82

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[Table of Contents](#)

approved for sale in that country. We, and any collaborators we may have in the future, may not obtain approvals from regulatory authorities outside of the United States on a timely basis, if at all. Approval by the FDA, such as the approval of DANYELZA, does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside of the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA.

As part of its marketing authorization process, the EMA European Commission may grant marketing authorizations on the basis of less complete data than is normally required, when, for certain categories of medicinal products, doing so may meet unmet medical needs of patients and serve the interest of public health. In such cases, it is possible for the Committee for Medicinal Products for Human Use, or CHMP, to recommend the granting of a "conditional" marketing authorization subject to certain specific obligations to be reviewed annually, which is referred to as in cases where all the required safety and efficacy data are not yet available. The European Commission may grant a conditional marketing authorization. This may apply to authorization for a medicinal products for human use product if it is demonstrated that fall under the jurisdiction all of the EMA, including those that aim at the treatment, the prevention, or the medical diagnosis of seriously debilitating diseases or life-threatening diseases and those designated as orphan medicinal products.

A conditional marketing authorization may be granted when the CHMP finds that, although comprehensive clinical data referring to the safety and efficacy of the medicinal product have not been supplied, all the following requirements criteria are met:

- the risk-benefit balance of the medicinal product is positive;
- it is likely that the applicant will be in a position to provide the comprehensive clinical data;
- the medicinal product fulfills an unmet medical needs will be fulfilled; need; and



- the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required.

The granting of a conditional marketing authorization is restricted subject to situations in which only the clinical part of the application is not yet fully complete. Incomplete non-clinical or quality data may only be accepted if duly justified and only in the case of a product intended conditions to be used in emergency situations in response to public-health threats.

Conditional marketing authorizations are fulfilled for generating the missing data or ensuring increased safety measures. It is valid for one year on a renewable basis. The holder will and must be required to complete ongoing renewed annually until all related conditions have been fulfilled. Once any pending studies or to conduct new studies with a view to confirming that are provided, the benefit-risk balance is positive. In addition, specific obligations may be imposed in relation to the collection of pharmacovigilance data.

The granting of a conditional marketing authorization can be converted into a traditional marketing authorization. However, if the conditions are not fulfilled within the timeframe set by the EMA and approved by the European Commission, the marketing authorization will allow medicines cease to reach patients with unmet medical needs earlier than might otherwise be the case and will ensure that additional data on a product are generated, submitted, assessed and acted upon. renewed.

Although we may seek a conditional marketing authorization for one or more of our product candidates by the EMA, European Commission, the EMA or CHMP the European Commission may ultimately not agree that the requirements for such conditional marketing authorization have been satisfied.

Our clinical trial results may also not support approval, whether accelerated approval, conditional marketing authorizations, or regular approval. The results of pre-clinical and clinical studies may not be predictive of the results of

85

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[Table of Contents](#)

later-stage clinical trials, and product candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through pre-clinical studies and initial clinical trials.

Failure to obtain regulatory approval to market any of our product candidates outside of the US would significantly harm our business, results of operations, and prospects.

***We may seek Breakthrough Therapy Designation, or BT, for one or more of our product candidates. We may not receive such designation, and even if we do, such designation may not lead to a faster development or regulatory review or approval process.***

BT is intended to expedite the development and review of products that treat serious or life-threatening diseases when preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation of a product candidate as a breakthrough therapy provides potential benefits that include more frequent meetings with the FDA to discuss the development plan for the product candidate and ensure collection of appropriate data needed to support approval; more frequent written correspondence from the FDA about such things as the design of the proposed clinical trials and use of biomarkers; intensive guidance on an efficient drug development program, beginning as early as Phase 1; organizational commitment involving senior managers; and eligibility for rolling review and priority review.

83

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[Table of Contents](#)

In June 2017, 131I-omburtamab received BTB for the treatment of pediatric patients with R/R NB who have CNS/LM from NB. We may seek BTB for some or all of our other product candidates, but we may never receive another BTB, or, if received, such designation for a product candidate may not result in a faster development or regulatory review or approval process compared to drugs considered for approval under conventional FDA procedures. BTB does not change the standards for product approval nor assure ultimate approval by the FDA.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe that one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the product candidate no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

***Our product candidates may not be able to obtain or maintain Orphan Drug Designation, or ODD, or Rare Pediatric Disease Designation, or RPDD.***

Regulatory authorities in some jurisdictions, including the United States and the European Union, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as an indication with a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In August 2016, the FDA granted ODD to 131I-omburtamab for the treatment of NB. In 2013, the FDA granted ODD to DANYELZA for the treatment of NB. In November 2018, the European Commission granted orphan medicinal product designation, or OMPD, for naxitamab for the treatment of NB. In February 2017, the European Commission granted OMPD orphan medicinal product designation to omburtamab for the treatment of NB. In August 2016, the FDA granted ODD to 131I-omburtamab for the treatment of NB. In 2013, the FDA granted ODD to DANYELZA for the treatment of NB.

In the United States, ODD entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. In addition, if a product that has ODD subsequently receives the first FDA approval for the disease for which it has such designation, the product may be entitled to orphan drug exclusivity. Orphan drug exclusivity in the United States provides that the FDA may not approve any other applications, including a full BLA, to market the same drug for the same indication for seven years, except in limited circumstances. The corresponding exclusivity period is 10 years in Europe. The European exclusivity period Europe, and can be reduced to six years if a drug no longer meets the criteria for ODD or if the drug is sufficiently profitable so that market exclusivity is no longer justified.

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[Table of Contents](#)

The Rare Pediatric Disease Priority Review Voucher Program, or PRV Program, is intended to incentivize pharmaceutical sponsors to develop drugs for rare pediatric diseases. A sponsor who obtains approval of a BLA for a rare pediatric disease may be eligible for a PRV, under this program, which may be redeemed by the owner of such PRV to obtain priority review for a marketing application. A PRV is fully transferrable and can be sold to any sponsor, who in turn can redeem the PRV for priority review of a marketing application in six months, compared to the standard timeframe of approximately 10 months.

A drug that receives RPDD before September 30, 2024, will continue to be eligible for a PRV if the drug is approved by the FDA before September 30, 2026. If development of omburtamab continues and the BLA for omburtamab is not approved prior to September 30, 2026, regardless of whether it meets the criteria for a rare pediatric disease PRV, it will not be eligible for a PRV.

Even if we obtain ODD or RPDD for any of our product candidates in the future, we may not be able to maintain such status or enjoy the anticipated associated benefits. We may not be the first to obtain marketing approval of any product candidate that has ODD for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we, or any future collaborators, obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product from

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[Table of Contents](#)

competition because different drugs with different active moieties may be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug with the same active moiety for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care or the manufacturer of the product with orphan exclusivity is unable to maintain sufficient product quantity. ODD neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

***Even if we, or any collaborators we may have in the future, obtain marketing approvals for our product candidates, the terms of approvals and ongoing regulation of our drugs could require substantial expenditure of resources and may limit how we, or they, manufacture and market our drugs, which could materially impair our ability to generate revenue.***

Once marketing approval has been granted, as it was for DANYELZA in the United States, an approved drug and its manufacturer and marketer are subject to ongoing review and extensive regulation. The accelerated approval of DANYELZA is subject to certain post-marketing requirements and commitments, including a confirmatory post-marketing trial of clinical benefit, that must be completed in order to convert the BLA to full approval and prevent withdrawal of the license by FDA. The confirmatory post-marketing clinical trial required by the FDA to verify and to further characterize the clinical benefit is our ongoing Study 201, which will enroll a minimum of 80 evaluable patients and report overall rate of response, or ORR, duration of response, or DOR, progression free survival, or PFS, and overall survival, or OS. The ORR is the primary endpoint for the study, DOR is the secondary endpoint and PFS and OS are secondary endpoints in long-term follow up. As of March 1, 2023 we have enrolled 87 patients and we follow-up. We anticipate completing the study no later than by March 31, 2027. Other post-marketing requirements associated with the approval of DANYELZA include submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. We, and any collaborators we may have in the future, must also comply with requirements concerning advertising and promotion for any of our product candidates for which we or they obtain marketing approval. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the drug's approved labeling. Thus, we, and any collaborators we may have in the future, may not be able to promote any drugs we develop for indications or uses for which they are not approved.

The FDA and comparable foreign regulatory authorities may also impose requirements for costly post-marketing post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a drug. For example, the approval may be subject to limitations on the indicated uses for which the drug may be marketed or to the conditions of approval, including the requirement to implement a Risk

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[Table of Contents](#)

Evaluation and Mitigation Strategy, or comparable foreign strategies, which could include requirements for a restricted distribution system. Manufacturers of approved drugs and those manufacturers' facilities are also required to comply with extensive FDA and comparable foreign regulatory requirements, including ensuring that quality control and manufacturing procedures conform to cGMPs, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. We, our contract manufacturers, our future collaborators and their contract manufacturers could be subject to periodic unannounced inspections by the FDA and comparable foreign regulatory authorities to monitor and ensure compliance with cGMPs. Accordingly, assuming we, or our potential future collaborators, receive marketing approval for one or more of our product candidates, we, and our potential future collaborators, and our and their contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control.

If we, and our future potential collaborators, are not able to comply with post-approval regulatory requirements, we, and our potential future collaborators, could have the marketing approvals for our drugs withdrawn by regulatory authorities and our, or our potential future collaborators', ability to market any future drugs could be limited, which could adversely affect our ability to achieve or sustain profitability. Further, the cost of compliance with post-approval regulations may have a negative effect on our operating results and financial condition.

85

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[Table of Contents](#)

***DANYELZA and any of our product candidates for which we, or our potential future collaborators, obtain marketing approval in the future will be subject to substantial penalties if we, or they, fail to comply with regulatory requirements or if we, or they, experience unanticipated problems with our drugs following approval.***

DANYELZA and any of our product candidates for which we, or our potential future collaborators, obtain marketing approval in the future, will be subject to continual review by the FDA and other regulatory authorities.

The FDA and other agencies, including the Department of Justice, or the DOJ, **as well as comparable foreign regulatory authorities** closely regulate and monitor the post-approval marketing and promotion of drugs to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA **imposes and comparable foreign regulatory authorities impose** stringent restrictions on manufacturers' communications regarding off-label use and if we, or our potential future collaborators, do not market any of our product candidates for which we, or they, receive marketing approval for only their approved indications, we, or they, may be subject to warnings or enforcement action for off-label marketing. Violation of the Federal Food, Drug and Cosmetic Act, or FDCA, and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations or allegations of violations of federal and state healthcare fraud and abuse laws and state consumer protection laws.

In addition, later discovery of previously unknown adverse events or other problems with our drugs or their manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- litigation involving patients taking our drug;
- restrictions on such drugs, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a drug;
- restrictions on drug distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the drugs from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;

88

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[Table of Contents](#)

- recall of drugs;
- fines, restitution or disgorgement of profits or revenues;
- suspension, **variation** or withdrawal of marketing approvals;

- damage to relationships with any potential collaborators;
- restrictions on coverage by third-party payors;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of drugs;

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[Table of Contents](#)

- drug seizure; or
- injunctions or the imposition of civil or criminal penalties.

***Current and future legislation, or changes in existing FDA and other government regulations and policies, may increase the difficulty and cost for us and our potential future collaborators to maintain or obtain potential marketing approval of and commercialize our product candidates and affect the prices we, or they, may obtain.***

In the United States and some foreign jurisdictions, there have been and continue to be a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability, or the ability of our potential future collaborators, to profitably sell any drugs for which we, or they, obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and additional downward pressure on the price that we, or our potential future collaborators, may receive for any approved drugs. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained for DANYELZA, and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad.

In the United States, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the Affordable Care Act, or ACA, substantially changed the way healthcare is financed by both governmental and private insurers.

New laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used. We cannot predict whether these challenges will continue or other proposals will be made or adopted, or what impact these efforts may have on us. Further, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several recent Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the price of drugs under Medicare and reform government program reimbursement methodologies for drug products. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment

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[Table of Contents](#)

methodologies and additional downward pressure on the price that we receive for any approved product and/or the level of reimbursement physicians receive for administering any approved product we might bring to market. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the “donut hole” under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and creating a new manufacturer discount program. Reductions in reimbursement levels may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare

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[Table of Contents](#)

payments to providers up to two percent (2%) per fiscal year, which went into effect in April 2013 and will remain in effect until 2032 unless additional Congressional action is taken.

Some states are also considering legislation and ballot initiatives that would control the prices and coverage and reimbursement levels of drugs, including laws to allow importation of pharmaceutical products from lower cost jurisdictions outside the U.S. and laws intended to impose price controls on state drug purchases.

We expect healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for DANYELZA and any other approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our drug candidates or additional pricing pressures. The cost of prescription pharmaceuticals in the United States has also been the subject of considerable discussion in the United States, and members of Congress and the Administration have stated that they will address such costs through new legislative and administrative measures. The pricing of prescription pharmaceuticals is also subject to governmental control outside the United States. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to that of other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our ability to generate revenues and become profitable could be impaired.

Legislative and regulatory proposals have also been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of DANYELZA or our other approved products, if any, may be. In addition, increased scrutiny by the Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us and any future collaborators to more stringent drug labeling and post-marketing testing and other requirements.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. As an example, the regulatory landscape related to clinical trials in the EU has evolved. The EU Clinical Trials Regulation, or CTR, which was adopted in April 2014 and repeals the EU Clinical Trials Directive, became applicable on January 31, 2022. The CTR permits trial sponsors to make a single submission to both the competent authority and an ethics committee in each EU Member State, leading to a single decision for each EU Member State. The assessment procedure for the authorization of clinical trials has

been harmonized as well, including a joint assessment of some elements of the application by all EU Member States in which the trial is to be conducted, and a separate assessment by each EU Member State with respect to specific requirements related to its own territory, including ethics rules. Each EU Member State's decision is communicated to the sponsor through a centralized EU portal, the Clinical Trial Information System, or CTIS. The CTR provides a three-year transition period. The extent to which ongoing clinical trials will be governed by the CTR varies. For clinical trials in relation to which an application for approval was made on the basis of the Clinical Trials Directive before January 31, 2023, the CTR will continue to apply on a transitional basis until January 31, 2025. By that date, all ongoing trials will become subject to the provisions of the CTR. The CTR will apply to clinical trials from an earlier date if the related clinical trial application was made on the basis of the CTR or if the clinical trial has already transitioned to the CTR framework before January 31, 2025.

In addition, on April 26, 2023, the European Commission adopted a proposal for a new Directive and Regulation to revise the existing pharmaceutical legislation. If adopted in the form proposed, the recent European Commission proposals to revise the existing EU laws governing authorization of medicinal products may result in a decrease in data and market exclusivity opportunities for our product candidates in the EU and make them open to generic or biosimilar competition earlier than is currently the case with a related reduction in reimbursement status.

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[Table of Contents](#)

If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may be impacted.

***Government price controls or other changes in pricing regulation could restrict the amount that we are able to charge for DANYELZA or any of our other product candidates that may be approved in the future, which would adversely affect our revenue and results of operations.***

We expect that coverage and reimbursement of pharmaceutical products may be increasingly restricted both in the U.S. and internationally. The escalating cost of health care has led to increased pressure on the health care industry to reduce costs. In particular, drug pricing by pharmaceutical companies has come under increased scrutiny and continues to be subject to intense political and public debate in the U.S. and abroad. Government and private third-party payors have proposed health care reforms and cost reductions. A number of federal and state proposals to control the cost of health care, including the cost of drug treatments, have been made in the U.S. Specifically, there have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drugs. For example, the IRA, among other things, (i) directs the U.S. Department of Health and Human Services, or HHS, to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax

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[Table of Contents](#)

by offering a price that is not equal to or less than the negotiated "maximum fair price" for such drugs and biologics under the law, and (ii) imposes rebates with respect to certain drugs and biologics covered under Medicare Part B or Medicare Part D to penalize price increases that outpace inflation. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. These provisions will take effect progressively starting in fiscal year 2023, 2023. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although they may be the Medicare drug price negotiation program is currently subject to legal challenges. It is currently unclear how the IRA will be implemented but is likely to have a significant impact on the pharmaceutical industry. Further, in response to the Biden administration's

October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the Centers for Medicare & Medicaid Services Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. In some international markets, the government controls the pricing, which can affect the profitability of drugs. On December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march-in rights under the Bayh-Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain if that will continue under the new framework.

Current government regulations and possible future legislation regarding health care may affect coverage and reimbursement for medical treatment by third-party payors, which may render DANYELZA or our other product candidates, if approved, not commercially viable or may adversely affect our anticipated future revenues and gross margins.

In markets outside of the United States, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. For example, the EU provides options for EU Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. An EU Member State may approve a specific price for the medicinal product, it may refuse to reimburse a product at the price set by the manufacturer or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Many EU Member States also periodically review their reimbursement procedures for medicinal products, which could have an adverse impact on reimbursement status. We expect that legislators, policymakers and healthcare insurance funds in the EU Member States will continue to propose and implement cost-containing measures, such as lower maximum prices, lower or lack of reimbursement coverage and incentives to use cheaper, usually generic, products as an alternative to branded products, and/or branded products available through parallel import to keep healthcare costs down.

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[Table of Contents](#)

Moreover, in order to obtain reimbursement for our products in some European countries, including some EU Member States, we may be required to compile additional data comparing the cost-effectiveness of our products to other available therapies. This Health Technology Assessment ("HTA") of medicinal products is becoming an increasingly common part of the pricing and reimbursement procedures in some EU Member States, including those representing the larger markets. The HTA process is the procedure to assess therapeutic, economic and societal impact of a given medicinal product in the national healthcare systems of the individual country. The outcome of an HTA will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU Member States. The extent to which pricing and reimbursement decisions are influenced by the HTA of the specific medicinal product currently varies between EU Member States. In December 2021, Regulation No 2021/2282 on HTA amending Directive 2011/24/EU, was adopted in the EU. This Regulation, which entered into force in January 2022 and will apply as of January 2025, is intended to boost cooperation among EU Member States in assessing health technologies, including new medicinal products, and providing the basis for cooperation at EU level for joint clinical assessments in these areas. The Regulation foresees a three-year transitional period and will permit EU Member States to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU Member States will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technologies, and making decisions on pricing and reimbursement. If we are unable to maintain favorable pricing and reimbursement status in EU Member States for product candidates that we may successfully develop and for which we may obtain regulatory approval, any anticipated revenue from and growth prospects for those products in the EU could be negatively affected.

We cannot predict the extent to which our business may be affected by these or other potential future legislative or regulatory developments. However, future price controls or other changes in pricing regulation or negative publicity related to the pricing of pharmaceutical drugs generally could restrict the amount that we are able to charge for any our future products, which would adversely affect our anticipated revenue and results of operations.



***Our relationships with healthcare providers, physicians and third-party payors are subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to penalties, including criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.***

Our relationships with healthcare providers, physicians and third-party payors are subject to additional healthcare statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we conduct our business. Our current and future arrangements with healthcare providers, physicians and third-party payors and patients may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute DANYELZA and other our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- Anti-Kickback Statute—the federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation or arranging of, any good or service, for which payment may be made under federal and state healthcare programs, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- False Claims Act—the federal False Claims Act imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment by a federal healthcare program or making a false statement or record material to payment of a false claim or avoiding, decreasing

90

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[Table of Contents](#)

or concealing an obligation to pay money to the federal government, with potential liability including mandatory treble damages and significant per-claim penalties;

- HIPAA—the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. violation;
- HIPAA Privacy Provisions—as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and its implementing regulations, also imposes obligations on certain covered entity healthcare providers, health plans, and

91

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[Table of Contents](#)

healthcare clearinghouse as well as their business associates and covered contractors that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms and technical safeguards, with respect to safeguarding the privacy, security and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;

- **HIPAA Privacy Provisions**—as amended by HITECH (“HITECH”) and its implementing regulations, HIPAA also imposes obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouse as well as their business associates and subcontractors that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms and technical safeguards, with respect to safeguarding the privacy, security and transmission of individually identifiable health information, and HIPAA, as amended, requires notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;
- **Transparency Requirements**—the federal legislation commonly referred to as the Physician Payments Sunshine Act, enacted as part of the Affordable Care Act, and its implementing regulations, which requires certain manufacturers of drugs, devices, therapeutic biologics and medical supplies reimbursable under Medicare, Medicaid, and Children’s Health Insurance Programs to report annually to the Department of Health and Human Services information related to certain payments and other transfers of value, including consulting fees, travel reimbursements, research grants, and other payments or gifts with values over \$10 made to physicians (defined to include doctors, dentists, optometrists, podiatrists, and chiropractors), other healthcare providers (such as physician assistants and nurse practitioners), and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- **FDCA**—the FDCA, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices; and
- **Analogous State and Foreign Laws**—analogous state and foreign fraud and abuse laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Outside the United States, interactions between pharmaceutical companies and health care professionals are also governed by strict laws, such as national anti-bribery laws of European countries, national sunshine rules, regulations, industry self-regulation codes of conduct and physicians’ codes of professional conduct. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

Some state and foreign laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information.

Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations involve substantial costs. It is possible that interpretation of healthcare laws and regulations will vary across jurisdictions, and that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement,

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## [Table of Contents](#)

imprisonment, exclusion of drugs from government funded government-funded healthcare programs, such as Medicare and Medicaid, or comparable foreign programs, and the curtailment or restructuring of our operations. We have established internal policies and procedure procedures to mitigate our compliance risks. However, no assurance can be given that such policies and procedures will be adequate to ensure compliance with applicable laws and regulations. Moreover, although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management’s attention from the operation of our business, even if our defense is successful. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, it may be costly to us in terms of money, time and resources, and they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

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## [Table of Contents](#)

*We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.*

In the ordinary course of business, we and our collaborators and third-party providers may collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal data and other sensitive information, such as proprietary and confidential business data, trade secrets, intellectual property, and data we collect about trial participants in connection with our clinical trials. Our data processing activities may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contracts, and other obligations that govern the processing of sensitive information by us and on our behalf. In the United States, federal, state, and local laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), govern the collection, use, disclosure and protection of health-related and other personal data and could apply to our operations or the operations of our collaborators and third-party providers. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, which imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. Depending on the facts and circumstances, we could be subject to significant penalties if we violate HIPAA.

States are In the past few years, numerous U.S. states—including California, Virginia, Colorado, Connecticut, and Utah—have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal information. As applicable, such rights may include the right to access, correct, or delete certain personal information, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. These state laws also constantly amending existing laws, requiring attention to frequently changing regulatory requirements, allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, collectively the CCPA, imposes obligations on covered businesses. These obligations include, without limitation, providing applies to personal information of consumers, business representatives, and employees who are California residents and requires businesses to provide specific disclosures in privacy notices and affording honor requests of California residents to exercise certain privacy rights related to their personal data. The CCPA allows provides for statutory fines for noncompliance (up of up to \$7,500 per violation) intentional violation and a allows private right of action for litigants affected by certain data breaches. Although breaches to seek to recover potentially significant statutory damages. While the CCPA exempts some data processed in the context and many of clinical trials, the CCPA may increase compliance costs and potential liability with respect to other personal data we may maintain about California residents. In addition, in 2020 the CCPA expanded to add a new right for individuals to correct their personal data and establish a new regulatory agency to implement and enforce the law. Other states have also enacted data privacy these state laws including Virginia, Colorado, Utah, and Connecticut, all of which differ from the CPRA and become effective in 2023. While these states, like the CCPA, also exempt some data processed in the context of clinical trials, these developments further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely.

We expect more states to pass similar laws in the future.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union's General Data Protection Regulation, or EU GDPR, the United Kingdom's GDPR, or UK GDPR, Brazil's General Data Protection Law (Lei Geral de Proteção de Dados Pessoais, or LGPD) (Law No. 13,709/2018), and China's Personal Information Protection Law, or PIPL, impose strict requirements

[Table of Contents](#)

for processing personal data. In particular, the EU GDPR applies to any company established in the European Economic Area, or EEA, and to companies established outside the EEA that process personal data in connection with the offering of goods or services to data subjects in the EEA or the monitoring of the behavior of data subjects in the EEA. The obligations from the EU **GDPR** and UK GDPR, together referred to as GDPR, may include limiting personal data processing to only what is necessary for specified, explicit, and legitimate purposes; requiring a legal basis for personal data processing; complying with specific requirements to process health-related data; requiring the appointment of a data protection officer in certain circumstances; increasing transparency obligations to data subjects; requiring data protection impact assessments in certain circumstances; limiting the collection and retention of personal data; increasing rights for data subjects; formalizing a heightened and codified standard of data subject consents; requiring the implementation and maintenance of technical and organizational safeguards for personal data; mandating notice of certain personal data breaches to the relevant supervisory authority(ies) and affected individuals; and mandating the appointment of representatives in the UK and/or the EU in certain circumstances. Under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros **under the EU GDPR** (17.5 million British Pounds under the UK GDPR) or 4% of annual global revenue, **in each case**, whichever is greater; or private litigation related to

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[Table of Contents](#)

processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross-border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the EEA and UK have significantly restricted the transfer of personal data to the United States and other countries whose data privacy **and security** laws they **generally** believe are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the **EEA and UK's EU's** standard contractual clauses, **the UK's International Data Transfer Agreement/Addendum**, and the **EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers for relevant U.S.-based organizations who self-certify compliance and participate in the Framework)**, these mechanisms **are may be** subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activities groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the EU GDPR's cross-border data transfer limitations. In addition to data privacy and security laws, we are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the GDPR and the CCPA, require our customers to impose specific contractual restrictions on their service providers.

We publish privacy policies, marketing materials and other statements, such as **confirmation of** compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model.

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[Table of Contents](#)

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims claims and mass arbitration demands); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management's attention; additional reporting requirements and/or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. In particular, plaintiffs have become more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.

Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including, as relevant, clinical trials); interruptions or stoppages of data collection needed to train our algorithms; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

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[Table of Contents](#)

***If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.***

In the ordinary course of our business, we and the third parties upon which we process proprietary, confidential, and sensitive data, including personal data (such as health-related data), intellectual property and trade secrets (collectively, sensitive information).

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely, including our current and future CROs, CMOs, other contractors and consultants. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, nation-states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-

attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, (such as credential stuffing), stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by AI, telecommunications failures, earthquakes, fires, floods, and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent – particularly for companies like ours in the medical field – and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

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[Table of Contents](#)

Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations.

Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, communication systems, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

95 We take steps to detect and remediate vulnerabilities, but we may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security incident has occurred. These vulnerabilities pose risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

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[Table of Contents](#)

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely, including our research partners or collaborators. We may

expend significant resources or modify our business activities (including our clinical trial activities or product development) to try to protect against security incidents.

Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive information.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect and remediate vulnerabilities, but we may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security incident has occurred. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents, incidents, including affected individuals, customers, regulators, and investors. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

If we, (or or a third party upon whom we rely) rely, experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversions of management's attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause customers to stop using our products, deter new customers from using our products, and negatively impact our ability to grow and operate our business. For example, the loss of clinical trial data

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## [Table of Contents](#)

from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or disclosure of confidential or proprietary information, further development and commercialization of our product candidates could be delayed.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition, third parties may gather, collect, or infer competitively sensitive information about us from public sources, data brokers, or by other means that could be used to undermine our competitive advantage or market position. Additionally, any sensitive information (including confidential, competitive, proprietary, or personal data) that we input into a third-party generative AI platform could be leaked or disclosed to others, including if sensitive information is used to train the third parties' AI model.

**Coverage and reimbursement may be limited or unavailable in certain market segments for DANYELZA and our product candidates, which could make it difficult for us to sell DANYELZA and our product candidates profitably.**

Successful sales of DANYELZA and our product candidates, if approved, depend on the availability of adequate coverage and reimbursement from third-party payors. In addition, because DANYELZA and our product candidates represent relatively new approaches to the treatment of cancer, we cannot accurately estimate the potential revenue from DANYELZA or our product candidates.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors are critical to new product acceptance.

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[Table of Contents](#)

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. As a result, obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide to each payor supporting scientific, clinical and cost-effectiveness data for the use of our products on a payor-by-payor basis, with no assurance that coverage and adequate reimbursement will be obtained. To date, although a number of third-party providers have established coverage policies and provided reimbursement for DANYELZA, there is no guarantee that third-party providers will establish coverage policies or provided reimbursement for any of our other product candidates, if approved. The reimbursement payment rates for DANYELZA or any other product we commercialize might not be adequate for us to achieve or

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[Table of Contents](#)

sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our products, if approved. **Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services, and imposing controls to manage costs. Our rebate payments may increase, or our prices may be adjusted under value-based purchasing arrangements based on evidence-based measures or outcomes-based measures for a patient or beneficiary based on use of DANYELZA or any other product we commercialize.** Patients are unlikely to use our product unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our products. Because our products and product candidates have a higher cost of goods than conventional therapies, and may require long-term follow up evaluations, the risk that coverage and reimbursement rates may be inadequate for us to achieve profitability may be greater. Further, coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

To date DANYELZA has been approved for sale in the United States, Israel, **China** and **China Brazil** only, but we intend to seek approval to market our products **in both the United States as well as** in additional selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for our product candidates, we or our partner holding the approval such as Takeda Israel, holding the approval of DANYELZA in Israel will be subject to rules and regulations in those jurisdictions. In some foreign countries, particularly those in the EU, the pricing of biologics is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take



considerable time after obtaining marketing approval of a product candidate. In addition, market acceptance and sales of our product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our product candidates and may be affected by existing and future health care reform measures.

***We may incur significant liability if enforcement authorities allege or determine that we are engaging in commercial activities or promoting DANYELZA or another product candidate in a way that violates applicable regulations.***

Physicians have the discretion to prescribe drug products for uses that are not described in the product's labeling and that differ from those approved by the FDA or other applicable regulatory agencies. Off-label authorities. Off label uses are common across medical specialties. Although the FDA and other regulatory agencies authorities do not regulate a physician's choice of treatments, the FDA and other regulatory agencies authorities regulate a manufacturer's communications regarding off-label off label use and prohibit off-label off label promotion, as well as the dissemination of false or misleading labeling or promotional

97

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## [Table of Contents](#)

materials. Manufacturers may not promote drugs for off-label off label uses. Accordingly, we may not promote DANYELZA in the United States for use in any indications other than relapsed/refractory high-risk high risk neuroblastoma in bone and/or bone marrow. The FDA and other regulatory and enforcement authorities actively enforce laws and regulations prohibiting promotion of off-label off label uses and the promotion of products for which marketing approval has not been obtained. A company that is found to have improperly promoted off-label off label uses may be subject to significant liability, which may include civil and administrative remedies as well as criminal sanctions.

Notwithstanding regulations related to product promotion, the FDA and other regulatory authorities allow companies to engage in truthful, non-misleading, and non-promotional scientific exchange concerning their products. We intend to engage in medical education activities and communicate with healthcare providers in compliance with all applicable laws and regulatory guidance.

***Due to the nature of radioactive isotopes in radioimmunotherapy product candidates, the product shelf life is limited and susceptible to spoilage and/or loss, which could adversely affect our business, financial condition and operating results.***

Our radioimmunotherapy product candidates have a very limited shelf life once radiolabeled with radioactive elements. For commercial manufacture and supply these product candidates require reliable transportation and radiolabeling production facilities located in close proximity to our final customers to avoid spoilage, damage and/or

97

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## [Table of Contents](#)

loss. The failure of third parties with whom we contract to deliver these product candidates within the scope of their limited shelf lives could result in the loss of a given shipment and the sales associated with it. Any delay in shipment results in a loss of the radioactive dose as a result of radioactive decay, with the risk that the entire useful dose may be lost. Moreover, since each order is made individually and delivered with dedicated transportation in compliance with local regulations applicable to the handling of radioactive materials, we do not have readily available replacements to substitute for a lost delivery if circumstances beyond our control, such as delays or problems caused by inclement weather or a failure in the transportation system operated by third parties that we hire, prevent the timely delivery of a batch, or if the receiving facility fails to distribute the ordered batch in a timely fashion in accordance with specifications. Such losses or failures could have a material adverse effect on our business, financial condition and results of operations.

***If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on our business.***

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous, radioactive and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

***Laws and regulations governing any international operations we may have in the future may preclude us from developing, manufacturing and selling certain products or product candidates outside of the United States and require us to develop and implement costly compliance programs.***

We currently have operations in the United States and Denmark and we maintain relationships with CMOs in the United States as well as other parts of Europe as well as in the United States for the manufacture of our product candidates. If we further expand our operations outside of the United States, we must comply with numerous laws and regulations in each new

98

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[Table of Contents](#)

jurisdiction in which we plan to operate. The creation and implementation of international business practices compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required. No assurance can be given that our compliance policies and procedures are or will be sufficient or that our directors, officers, employees, representatives, consultants and agents have not engaged and will not engage in conduct for which we may be held responsible, nor can we assure you that our business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to us or even result in our being held liable for such conduct.

The FCPA prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the DOJ. The Securities and Exchange Commission, or SEC, is involved with enforcement of the books and records provisions of the FCPA.

98

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[Table of Contents](#)

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions. Similar laws in other countries, such as the U.K. Bribery Act 2010, may apply to our operations.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain drugs and product candidates outside of the United States, which could limit our growth potential and increase our development costs.

The failure to comply with laws governing international business practices may result in substantial penalties, including suspension or debarment from government contracting. Violation of the FCPA or other export control, anti-corruption, anti-money laundering and anti-terrorism laws or regulations can result in significant civil and criminal penalties. Indictment alone under the FCPA can lead to suspension of the right to do business with the U.S. government until the pending claims are resolved. Conviction of a violation of the FCPA can result in long-term disqualification as a government contractor. The termination of a government contract or relationship as a result of our failure to satisfy any of our obligations under laws governing international business practices would have a negative impact on our operations and harm our reputation and ability to procure government contracts. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

#### **Risks related to our intellectual property**

***Our success depends in part on our ability to protect our intellectual property. It is difficult and costly to protect our proprietary rights and technology, and we may not be able to ensure their protection.***

Our commercial success will depend in large part on obtaining and maintaining proprietary rights including patent, trademark and trade secret protection of our products, product candidates and related proprietary technologies, their respective components, formulations, methods used to manufacture them and methods of treatment, as well as successfully defending these patents against third-party challenges. Our ability to stop unauthorized third parties from making, using, selling, offering to sell or importing our products, product candidates and related proprietary technologies is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

99

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#### [Table of Contents](#)

The patenting process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not be able to pursue or obtain patent protection in all relevant markets. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Our pending and future patent applications may not result in issued patents that protect our product candidates or related technologies, in whole or in part. In addition, our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing product candidates or products and related technologies.

***We currently depend on proprietary technology licensed from MSK and MIT and may depend on other third-party licensors in the future. If we lose our existing licenses or are unable to acquire or license additional proprietary rights from MSK, MIT or other third parties, we may not be able to continue developing our products.***

We currently in-license certain intellectual property from MSK and MIT. In the future we may in-license intellectual property from other licensors. We rely on certain of these licensors to file and prosecute patent applications and maintain patents and otherwise protect the intellectual property we license from them. We have limited control over these activities or any other intellectual property that may be related to our in-licensed intellectual property. For example, we cannot be certain that such activities by these licensors have been or will be conducted in compliance with

99

applicable laws and regulations or will result in valid, enforceable or sufficient patents and other intellectual property rights. We have limited control over the manner in which our licensors may initiate an infringement proceeding against a third-party infringer of the intellectual property rights, or defend certain of the intellectual property that is licensed to us. It is possible that the licensors' infringement proceedings or defense activities may be less vigorous than had we conducted them ourselves.

The growth of our business may depend in part on our ability to acquire or in-license additional proprietary rights. For example, our programs may involve additional product candidates that may require the use of additional proprietary rights held by third parties. Our products or product candidates may also require specific formulations to work effectively and efficiently. These formulations may be covered by intellectual property rights held by others. We may develop products containing our compounds and pre-existing pharmaceutical compounds. These pharmaceutical compounds may be covered by intellectual property rights held by others. We may be required by the FDA or comparable foreign regulatory authorities to provide a companion diagnostic test or tests with our products or product candidates. Such diagnostic test or tests may be covered by intellectual property rights held by others. We may not own, or may have to share, the intellectual property rights obtained in collaboration with any other party, or intellectual property rights obtained relating to improvements of in-licensed products or processes.

We may be unable to acquire or in-license any relevant third-party intellectual property rights that we identify as necessary or important to our business operations. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all, which would harm our business. We may need to cease use of the compositions or methods covered by such third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe on such intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license under such intellectual property rights, any such license may be non-exclusive, which may allow our competitors to access the same technologies licensed to us. Additionally, we sometimes collaborate with academic and other institutions, such as MSK, to accelerate our pre-clinical research or development under written agreements with these institutions. In certain cases, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to others, potentially blocking our ability to pursue our program. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of such program and our business and financial condition could suffer.

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates, products and related proprietary technologies. More established companies may have a competitive

advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. There can be no assurance that we will be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional product candidates that we may seek to acquire.

We are a party to license agreements with MSK, MIT and others, pursuant to which we in-license key patent and patent applications for our product candidates, products and related proprietary technologies. These existing licenses impose various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these obligations or otherwise materially breach a license agreement, our licensors may have the right to terminate the license, in which event we would not be able to develop or market the products covered by such licensed intellectual property. In addition, any claims asserted against us by our licensors may be costly and time-consuming, divert the attention of key personnel from business operations or otherwise have a material adverse effect on our business.

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[Table of Contents](#)

***Uncertainty as to the issuance, scope, validity, enforceability and value of patents, and the potential for future changes in patent and other intellectual property protections, may result in inadequate protection of our as well as in-licensed intellectual property or may result in alleged or actual infringement of the intellectual property rights of third parties.***

The patent position of pharmaceutical and biotechnology companies generally is highly uncertain and involves complex legal and factual questions for which many legal principles remain unresolved. In recent years patent rights have been the subject of significant litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights and in-licensed patent rights are highly uncertain. Our pending and future patent applications and in-licensed patent applications may not result in patents being issued in the United States or in other jurisdictions which protect our products or product candidates or related technologies or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our and in-licensed patents or narrow the scope of our patent protection. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. In addition, the U.S. Patent and Trademark Office, or USPTO, might require that the term of a patent issuing from a pending patent application be disclaimed and limited to the term of another patent that is commonly owned or names a common inventor. As a result, the issuance, scope, validity, enforceability and commercial value of our as well as in-licensed patent rights are highly uncertain.

Recent or future patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and in-licensed patent applications and the enforcement or defense of the issued patents. In March 2013, under the Leahy-Smith America Invents Act, or America Invents Act, the United States moved from a "first to invent" "first-to-invent" to a "first-to-file" system. Under a "first-to-file" system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. The America Invents Act includes a number of other significant changes to U.S. patent law, including provisions that affect the way patent applications are prosecuted, redefine prior art and establish a new post-grant review system. The effects of these changes are currently unclear as the USPTO only recently developed new regulations and procedures in connection with the America Invents Act and many of the substantive changes to patent law, including the "first-to-file" provisions, only became effective in March 2013. In addition, the courts have yet to address many of these provisions and the applicability of the act and new regulations on specific patents discussed herein have not been determined and would need to be reviewed. However, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition. During examination of our own as well as our in-licensed patent applications third parties may present observations or submit patents, published patent applications or other prior art which may affect the patentability of the claimed inventions. The costs for obtaining patent protection may be increased significantly by the need for appeal proceedings or oral proceedings, which may also result in a patent not being issued. We may become involved in opposition, interference, derivation, post grant post-grant review, inter partes review, ex-parte re-examination or other proceedings

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[Table of Contents](#)

challenging our patent rights or the patent rights of others, and the outcome of any proceedings are highly uncertain. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our and in-licensed patent rights, allow third parties to commercialize our

products, product candidates and related technologies and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights.

***Intellectual property rights do not necessarily address all potential threats.***

Even if our owned or in-licensed patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as

101

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[Table of Contents](#)

to its scope, validity or enforceability, and our owned and in-licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in the patent claims of our owned or in-licensed patents being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our products, product candidates and technology. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and in-licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours or otherwise provide us with a competitive advantage.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may be able to make or use compounds that are similar to the pharmaceutical compounds used in our products or product candidates but that are not covered by the claims of our patents;
- the APIs in our current products or product candidates may eventually become commercially available in generic drug products, and no patent protection may be available with regard to formulation, method of manufacture or method of use;
- we may not be able to prevent parallel importation of products into the U.S., EU member states and/or other jurisdictions, which may reduce our profit margin;
- we or our licensors, as the case may be, may fail to meet our obligations to the U.S. government in regard to any in-licensed patents and patent applications funded by U.S. government grants, leading to the loss of patent rights;
- we or our licensors, as the case may be, might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate any of our products or product candidates and proprietary technologies;
- it is possible that our owned or in-licensed pending patent applications will not result in issued patents;
- it is possible that there are prior public disclosures that could invalidate our or our licensors' patents, as the case may be, or parts of our or their patents;
- we may not be able to obtain patent term extensions or supplementary protection certificates covering our products;

102

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[Table of Contents](#)

- it is possible that others may circumvent our owned or in-licensed patents;
- it is possible that there are unpublished applications or patent applications maintained in secrecy that may later issue with claims covering our product candidates, products or technologies similar to ours;
- the laws of foreign countries may not protect our or our licensors', as the case may be, proprietary rights to the same extent as the laws of the United States;
- the claims of our owned or in-licensed issued patents or patent applications, if and when issued, may not cover our product candidates or products;

102

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## [Table of Contents](#)

- our owned or in-licensed issued patents may not provide us with any competitive advantages, may be narrowed in scope, or be held invalid or unenforceable as a result of legal challenges by third parties;
- the inventors of our owned or in-licensed patents or patent applications may become involved with competitors, develop products or processes which design around our patents, or become hostile to us or the patents or patent applications on which they are named as inventors;
- we have engaged in scientific relationships in the past, such as with MSK, and expect to continue to do so with MSK and/or other third parties in the future. Such third parties may develop adjacent or competing products to ours that are outside the scope of our licensed patents and/or the respective research collaboration/agreement with such [third-party](#); [third parties](#);
- we may not develop additional proprietary technologies for which we can obtain patent protection;
- it is possible that products, product candidates or diagnostic tests we develop may be covered by third parties' patents or other proprietary rights; or
- the patents of others may have an adverse effect on our business.

In addition, during the course of business we have decided not to pursue certain products or processes and we may do so again in the future. If it is later determined that our activities, product or product candidates infringed the intellectual property of any third-party, we may be liable for damages, enhanced damages or subjected to an injunction, any of which could have a material adverse effect on our business.

We also may rely on trade secrets to protect our technology, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect, and we have limited control over the protection of trade secrets used by our licensors, collaborators and suppliers. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose our information to competitors or use such information to compete with us. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. If our confidential or proprietary information is divulged to or acquired by third parties, including our competitors, our competitive position in the marketplace will be harmed and this would have a material adverse effect on our business.

If any of our owned or in-licensed patents are found to be invalid or unenforceable, or if we are otherwise unable to adequately protect our rights, it could have a material adverse impact on our business and our ability to commercialize or license our technology products and product candidates. Likewise, our current owned patents and patents in-licensed from MSK relating to our proprietary technologies and our product candidates comprise patents that are expected to expire on various dates from [2022](#) [2026](#) through [2039](#); [2042](#), without taking into account any possible patent term adjustments, extensions or supplementary protection. Upon the expiration of our current patents, we may lose the right to exclude others from practicing the relevant inventions. The expiration of these patents could also have a similar material adverse effect on our business, results of operations, financial condition and prospects. We own or in-license pending patent applications from MSK and others covering our proprietary technologies or our product candidates that if issued

103

as patents are expected to expire from 2031 through 2041, without taking into account any possible patent term adjustments, extensions or supplementary protections. However, no assurance can be given that the USPTO or relevant foreign patent offices will grant any of these patent applications. Even if granted, we may fail to obtain patent term extensions or supplementary protection certificates covering our products.

***We may incur substantial costs as a result of litigation or other proceedings relating to patents, and we may be unable to protect our rights to our product candidates, products and technologies.***

If we or our licensors choose to go to court to stop a third-party from using the inventions claimed in our owned or in-licensed patents, that third-party may ask the court to rule that the patents are invalid and/or should not be enforced against that third-party. These lawsuits are expensive and would consume time and other resources even if we or they, as

the case may be, were successful in stopping the infringement of these patents. In addition, there is a risk that the court will decide that these patents are not valid and that we or they, as the case may be, do not have the right to stop others from using the inventions.

There is also a risk that, even if the validity of these patents is upheld, the court will refuse to stop the third-party on the ground that such third-party's activities do not infringe our owned or in-licensed patents. In addition, the U.S. Supreme Court has changed some legal principles that affect patent applications, granted patents and assessment of the eligibility or validity of these patents. As a consequence, issued patents may be found to contain invalid claims according to the newly revised eligibility and validity standards. Some of our owned or in-licensed patents may be subject to challenge and subsequent invalidation or significant narrowing of claim scope in proceedings before the USPTO, or during litigation, under the revised criteria which could also make it more difficult to obtain patents. Similar considerations pertain to patents granted outside of the United States, for which the validity, enforceability and/or scope of protection may be influenced by changing national and/or international legal principles.

We, or our licensors, may not be able to detect infringement against our owned or in-licensed patents, as the case may be, which may be especially difficult for manufacturing processes or formulation patents. Even if we or our licensors detect infringement by a **third-party third party** of our owned or in-licensed patents, we or our licensors, as the case may be, may choose not to pursue litigation against or settlement with the **third-party third party**. If we, or our licensors, later sue such **third-party third party** for patent infringement, the **third-party third party** may have certain legal defenses available to it, which otherwise would not be available except for the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us or our licensors to enforce our owned or in-licensed patents, as the case may be, against such **third-party third party**. If another party questions the patentability of any of our claims in our owned or in-licensed U.S. patents, the **third-party third party** can request that the USPTO review the patent claims such as in an inter partes review, ex parte re-exam or post-grant review proceedings. These proceedings are expensive and may result in a loss of scope of some claims or a loss of the entire patent. In addition to potential USPTO review proceedings, we may become a party to patent opposition proceedings in the European Patent Office, or EPO, or similar proceedings in other foreign patent offices, where either our owned or in-licensed foreign patents are challenged. The costs of these opposition or similar proceedings could be substantial, and such oppositions may result in a loss of scope of some claims or a loss of the entire patent. An unfavorable result at the USPTO, EPO or other patent office may result in the loss of our right to exclude others from practicing one or more of our inventions in the relevant country or jurisdiction, which could have a material adverse effect on our business.

***We may incur substantial costs as a result of litigation or other proceedings relating to intellectual property rights other than patents, and we may be unable to protect our rights to our product candidates, products and technologies.***

We may rely on trade secrets and confidentiality or nondisclosure agreements to protect our proprietary technology and know-how, especially where we do not believe patent protection is appropriate or obtainable. Where we enter into agreements imposing confidentiality or nondisclosure obligations upon employees or third parties to protect our proprietary technology and know-how, these confidentiality obligations



may be breached or may not provide meaningful protection for our trade secrets or proprietary technology and know-how. Furthermore, despite the existence of such confidentiality and nondisclosure agreements, or other contractual restrictions, we may not be able to prevent the unauthorized disclosure or use of our confidential proprietary information or trade secrets by consultants, vendors,

104

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#### [Table of Contents](#)

former employees or current employees. In addition, adequate remedies may not be available in the event of an unauthorized access, use, or disclosure of our trade secrets or know-how.

Enforcing a claim that a **third-party third party** illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets effectively or to the same extent as the laws of the United States. If we choose to go to court to stop a **third-party third party** from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful.

Third parties may obtain knowledge of our trade secrets through independent development or other access by legal means. The occurrence of such events could limit or preclude our ability to produce or sell our products in a competitive manner or otherwise have a material adverse effect on our business.

104

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#### [Table of Contents](#)

***If we are sued for infringing patents or other intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in that litigation may have a material adverse effect on our business.***

Our commercial success depends upon our ability to develop, manufacture, market and sell our products or product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields relating to our product candidates or products. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that others may assert that our products or product candidates infringe others' patent rights. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our product candidates or products, technologies or methods.

In addition, because some patent applications in the United States may be maintained in secrecy until the patents are issued, patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after filing, and publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications for technology related to our products or product candidates, technology covered by our owned and in-licensed issued patents or our pending applications, or that we or, if applicable, a licensor were the first to invent the technology. Our competitors may have filed, and may in the future file, patent applications covering our products or technology similar to ours. Any such patent application may affect technology covered by our owned and in-licensed patent applications or patents, which could require us to obtain rights to issued patents covering such technologies. If another party has filed a U.S. patent application on inventions similar to those owned by or in-licensed to us, we or, in the case of in-licensed technology, the licensor may have to participate in an interference proceeding declared by the USPTO to determine priority of invention in the United States. If we or one of our licensors is a party to an interference proceeding involving a U.S. patent application on inventions owned by or in-licensed to us, we may incur substantial costs, divert management's time and expend other resources, even if we are successful.

There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries generally. We may be subject to, or threatened with litigation by third parties having patent or other intellectual property rights alleging that our product candidates or products and/or proprietary technologies infringe, misappropriate or violate their intellectual property rights.

If a third-party claims that we infringe its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement and other intellectual property claims, which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business;
- substantial damages for infringement, which we may have to pay if a court decides that the product candidate or technology at issue infringes on or violates the **third-party's third party's** rights, and, if the court finds that

105

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#### [Table of Contents](#)

the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees;

- a court prohibiting us from developing, manufacturing, marketing or selling our product candidates or products, or from using our proprietary technologies, unless the **third-party third party** licenses its product rights to us, which it is not required to do;
- if a license is available from a **third-party, third party**, it may not be offered on reasonable terms and may require that we pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our products; and
- redesigning our products or product candidates or processes so they do not infringe, which may not be possible or may require substantial monetary expenditures and time.

105

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#### [Table of Contents](#)

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

We may choose to challenge the patentability of claims in a **third-party's third party's** U.S. patent by requesting that the USPTO review the patent claims in an ex-parte re-exam, inter partes review or post-grant review proceedings. These proceedings are expensive and may consume our time or other resources. We may choose to challenge a **third-party's third party's** patent in patent opposition proceedings in the EPO, or other foreign patent office. The costs of these opposition proceedings could be substantial, and such proceedings may consume our time or other resources. If we fail to obtain a favorable result at the USPTO, EPO or other patent office then we may be exposed to litigation by a **third-party third party** alleging that the patent may be infringed by our product candidates or products or proprietary technologies.

***We may not be able to protect our intellectual property rights with patents throughout the world.***

Filing, prosecuting and defending patents on all of our products or product candidates throughout the world would be prohibitively expensive. Competitors may use our technology in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as in the United States. These products may compete with our products or product candidates in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products against third parties in violation of our proprietary rights generally. The initiation of proceedings by third parties to challenge the scope or validity of our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

***Obtaining and maintaining our patent protection depends upon compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.***

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent prosecution process and following the issuance of a patent. Our failure to comply with such requirements could result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event,

106

---

[Table of Contents](#)

competitors might be able to enter the market earlier than would otherwise have been the case if our patent were in force, which would have a material adverse effect on our business.

***Failure to secure trademark registrations could adversely affect our business.***

If we do not successfully register our trademarks, we may encounter difficulty in enforcing, or be unable to enforce, our trademark rights against third parties, which could adversely affect our business and our ability to effectively compete in the marketplace. When we file registration applications for trademarks relating to our products or product candidates, those applications may be rejected, and registered trademarks may not be obtained, maintained or enforced. During trademark registration proceedings in the United States and foreign jurisdictions, we may receive rejections. We are given an opportunity to respond to those rejections, but we may not be able to overcome such rejections. In addition, in the United States Patent and Trademark Office and in comparable agencies in many foreign jurisdictions, third parties may oppose pending trademark registration applications or seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademark registrations may not survive such proceedings.

106

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[Table of Contents](#)

In addition, any proprietary name we use, such as DANYELZA, or propose to use with any of our products or product candidates in the United States must be approved by the FDA, regardless of whether we have registered, or applied to register, the proposed proprietary name as a trademark. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA objects to any of our proposed proprietary product names, we may be required to expend significant additional resources in an effort to identify a suitable proprietary product name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA.

***If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest, which may have a material adverse effect on our business.***

We rely on our trademarks, trade names, service marks, domain names and logos, as appropriate, to market our brands and to build and maintain brand recognition. We rely on trademark protections to protect our business and our products and services. We generally seek to register and continue to register and renew, or secure by contract where appropriate, trademarks, trade names and service marks as they are developed and used, and reserve, register and renew domain names as appropriate. Our registered trademarks or unregistered trademarks, trade names or service marks may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. Effective trademark protection may not be available or may not be sought in every country in which our products are made available and contractual disputes may affect the use of marks governed by private contract. Similarly, not every variation of a domain name may be available or be registered, even if available. We may not be able to protect our rights to these trademarks, trade names, service marks and domain names, which we need to build brand name recognition in our markets of interest. And while we seek to protect the trademarks we use in the United States and in other countries, we may be unsuccessful in obtaining registrations and/or otherwise protecting these trademarks. If that were to happen, we may be prevented from using our names, brands and trademarks unless we enter into appropriate royalty, license or coexistence agreements. Over the long-term, if we are unable to establish name recognition based on our trademarks, trade names, service marks and domain names, then we may not be able to compete effectively, resulting in a material adverse effect on our business.

#### Risks related to employee matters and managing growth

***We depend heavily on our executive officers. Our future success depends on our ability to retain our senior management and other key executives and to attract, retain and motivate qualified personnel. The loss of their services could materially harm our business.***

We are highly dependent on the members of our executive management as well as the other principal members of our management and scientific teams. Our agreements with any of them do not prevent them from terminating their employment with us at any time.

107

---

#### [Table of Contents](#)

On April 27, 2022, in April 2022 we announced certain management changes, including that the departure of our then Chief Executive Officer had stepped down, effective immediately, and that our current Chairman, in October 2023, we announced additional management transitions, including the appointment of a new President and Head Chief Executive Officer and transition of Business Development & Strategy had stepped down as Chairman our President and had assumed the role of Interim Chief Executive Officer to Chief Business Officer. We cannot assure you that we will be able to identify, attract and hire a suitable replacement for our Chief Executive Officer in a timely fashion or that the loss of our Chief Executive Officer and certain additional any management changes change will not have an adverse impact on our business operations. The loss of the services of our Chief Executive Officer or other members of our executive management team and the failure to find appropriate replacements in a timely fashion could impede the achievement of our research, development and commercialization objectives.

Furthermore, Our President and Chief Executive Officer, Michael Rossi, joined us in November 2023. It is important to our success that Mr. Rossi, as well as any other key employees that join us in the reduction future, quickly adapt to and excel in workforce that we announced in January 2023 may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, employee attrition beyond our intended reduction in force, a reduction in morale among our remaining employees, greater-than-anticipated costs incurred in connection with implementing the restructuring, and the risk that we may not achieve the benefits from the restructuring their new roles. If they are unable to the extent or as quickly as we anticipate, all of which may have a material adverse effect on do so, our business and financial results of operations or financial condition. These restructuring initiatives could place substantial demands on our management and employees, which could lead to the diversion of our management's and employees' attention from other business priorities. In addition, we may discover that the workforce reduction and other restructuring efforts will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses, be materially adversely affected.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel remains critical to our success. We currently conduct a significant portion of our operations in the New York City metropolitan area, in a region that is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel is intense and the turnover rate can be high, which may limit our ability to

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[Table of Contents](#)

hire and retain highly qualified personnel on acceptable terms or at all. We expect that we will need to recruit talent from outside of our region, and doing so may be costly and difficult.

To induce valuable employees to join and remain at our company, in addition to salary and cash incentives, we have provided, and intend to continue to provide, stock option and/or restricted stock grants that vest over time. The value to employees of these equity grants that vest over time may be significantly affected by movements in the fair market value of our capital stock that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Although we have employment agreements with our key employees, these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. We do not maintain "key person" insurance for any of our executives or other employees.

In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

***We may need to increase the size of our organization in the future, and we may experience difficulties managing growth. If we are unable to manage the anticipated growth of our business, our future revenue and operating results may be adversely affected.***

We may need to expand the size of our organization in the future. The growth we may experience in the future may provide challenges to our organization, requiring us to also rapidly expand other aspects of our business, including our manufacturing operations. Rapid expansion in personnel may result in less experienced people producing and selling our products, which could result in unanticipated costs and disruptions to our operations. If we cannot scale and manage our business appropriately, our potential growth may be impaired and our financial results will suffer.

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[Table of Contents](#)

#### Risks related to our common stock

***Our executive officers, directors and principal stockholders have ownership of a significant percentage of our stock and will be able to exercise significant influence over matters subject to stockholder approval.***

As of **December 31, 2022** **February 22, 2024**, our executive officers, directors and our stockholders, **which who** own more than 5% of our outstanding common stock **in the aggregate** beneficially, own shares representing approximately **21.20%** **22.6%** of our common stock. As a result, if these stockholders were to choose to act together, they would be able to exert significant influence over all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they **choose chose** to act together, would have significant influence over the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire.

***Provisions in our corporate charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management or members of our board of directors.***

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which a stockholder might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay

in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that not all members of the board are elected at one time;

108

---

[Table of Contents](#)

- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from the board;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of the holders of at least 75% of the votes that all our stockholders would be entitled to cast to amend or repeal certain provisions of our charter or bylaws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, or DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

109

---

[Table of Contents](#)

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.***

Our ability to utilize our net operating loss **carry forwards** **carry-forwards** and certain other tax attributes depends on many factors, including our future income, which cannot be assured, and the impact of any tax reform legislation or proposals. Under current law, U.S. federal net operating loss carryforwards generated in tax years beginning before January 1, 2018 may be carried forward for 20 tax years. U.S. federal net operating loss carryforwards generated in tax years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to U.S. federal income tax law.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage point cumulative change (by value) in the equity ownership of certain stockholders over a rolling three-year period), an annual limitation is imposed on the corporation's use of its **pre change** net operating loss **carryforwards** **carry-forwards** and certain other **pre change** **pre-change** tax attributes to offset its **post change** **post-change** taxable income or

taxes. Based on our analysis of our Section 382 ownership changes through December 31, 2022, we believe that it is more likely than not that none of our net operating loss carryforwards will expire because of existing limitations under Section 382 of the Code, due to the large size of such limitations. We may experience Section 382 ownership changes in the future as a result of subsequent shifts in our equity ownership, many of which are outside our control. State net operating loss carryforwards may be similarly limited, and there may be periods during which the use of such net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase our state taxes owed.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition, or results of operations.

New income, sales and use, or other tax laws or regulations could be enacted at any time, and existing tax laws and regulations could be interpreted, modified, or applied adversely to us. These events could require us to pay additional taxes on a prospective or retroactive basis, as well as penalties, interest, and other costs for past amounts

109

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[Table of Contents](#)

deemed to be due. New laws, or laws that are changed, modified, or interpreted or applied differently also could increase our compliance, operating, and other costs, as well as the costs of our products. Recent legislation in the United States, commonly referred to as the Inflation Reduction Act, enacts a 15% minimum tax on the adjusted financial statement income of certain large U.S. corporations for tax years beginning after December 31, 2022, as well as a 1% excise tax on stock repurchases made by public corporations after December 31, 2022. Further, the Tax Cuts and Jobs Act of 2017, or the Tax Act, enacted many significant changes to U.S. tax laws, some of which were further modified by the Coronavirus Aid, Relief, and Economic Security Act, and may be modified in the future by the current or a future presidential administration. Among other changes, the Tax Act amended the Code to require that certain research and experimental expenditures be capitalized and amortized over five years if incurred in the United States or fifteen years if incurred in foreign jurisdictions for tax years beginning after December 31, 2021. Although the U.S. Congress has considered legislation that would defer, modify, or repeal the capitalization and amortization requirement, there is no assurance that such changes will be made. If the requirement is not deferred, repealed, or otherwise modified, it may increase our cash taxes and effective tax rate. In addition, it is uncertain if and to what extent various states will conform to current federal law, or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses and other deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses could have a material impact on the value of our deferred tax assets and could increase our future tax expense.

***Because we do not anticipate paying any cash dividends on our capital stock for the foreseeable future, capital appreciation, if any, of our common stock will be the source of gain associated with investment in our common stock.***

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be the sole source of gain associated with investment in our common stock for the foreseeable future.

110

---

[Table of Contents](#)

***Future sales of common stock by us or our stockholders may cause substantial dilution to our existing stockholders and have an adverse effect on the then prevailing market price of our common stock.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

Sales of our common stock may be made by holders of our public float or by holders of restricted securities in compliance with the provisions of Rule 144 of the Securities Act of 1933, or the Securities Act. There were 43,677,767 43,777,105 shares of common stock outstanding as of March 23, 2023 February 22, 2024. Of In addition, we have issued stock options and other equity awards under our equity compensation plans. The shares underlying these awards are registered on a registration statement on Form S-8. As a result, upon vesting, these shares of our common stock, 6,900,000 shares sold in our initial public offering in 2018, 5,134,750 shares sold in our public offering in 2019 and 2,804,878 shares sold in our public offering in February 2021 are freely tradable, without restriction, in the public market. As of March 23, 2023 holders of approximately 2,005,347 shares of our common stock have rights, subject to certain conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. Once we register these shares, they can be freely exercised, as applicable, and sold in the public market upon issuance, subject to volume limitations applicable to affiliates.

We have also registered 6,200,000 14,278,887 shares of our common stock that we may issue under our equity compensation plans as of February 22, 2024, and we plan to increase that number further.

Also, in general under Rule 144, a non-affiliated person who has satisfied a six-month holding period in a company registered under the Exchange Act, as amended, may, sell their restricted common stock without volume limitation, so long as the issuer is current with all reports under the Exchange Act in order for there to be adequate common public information.

Affiliated persons may also sell their common shares held for at least six months, but affiliated persons will be required to meet certain other requirements, including manner of sale, notice requirements and volume limitations. Non-affiliated persons who hold their common shares for at least one year will be able to sell their common stock without the need for there to be current public information in the hands of the public. Future sales of shares of our public float or by restricted common stock made in compliance with Rule 144 may have an adverse effect on the then prevailing market price, if any, of our common stock.

110

---

## [Table of Contents](#)

We may issue additional shares of our common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

We currently have on file with the SEC a shelf registration statement, which allows us to offer and sell certain registered securities, such as common stock, preferred stock, debt securities, warrants and units, from time to time pursuant to one or more offerings at prices and terms to be determined at the time of sale. We may sell common stock, convertible securities or other equity or debt securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity or debt securities in more than one transaction, investors may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders.

***Our amended and restated certificate of incorporation designates the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against us and our directors, officers and employees.***

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to our company or our stockholders, any action asserting a claim against us arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against us governed by the internal affairs doctrine. This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors,



officers or employees, which may discourage such lawsuits against us and our sales of our common stock by us, our insiders or other stockholders.

111

---

[Table of Contents](#)

***The price of our common stock has been and is likely to be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock. Also, the volatility of our stock price may adversely affect our ability to attract equity funding in the future on reasonable terms or at all.***

Our stock price has been and is likely to be volatile. The stock market in general and the market for pharmaceutical and biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Since our common stock began trading on The Nasdaq Global Select Market on September 22, 2018, our stock has traded at prices as low as \$2.77 \$2.70 per share and as high as \$55.22 per share through March 23, 2023 February 22, 2024. In the last 12 months, our stock has traded at prices as low as \$2.83 per share and as high as \$17.01 per share through February 22, 2024. As a result of this volatility, investors in our common stock may not be able to sell their shares at or above the prices they paid. Further, as a result of this volatility it may be difficult for us to attract new equity investments, including additional public offerings of our common stock, on terms we consider reasonable, or at all.

The market price for our common stock may be influenced by many factors, including:

- our ability to successfully launch and commercialize DANYELZA and any other product candidates, if approved;
- the timing and results of clinical trials of any of our product candidates;
- regulatory actions with respect to our products or product candidates or our competitors' products and product candidates;
- the success of existing or new competitive products or technologies;

111

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[Table of Contents](#)

- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- establishment or termination of collaborations for our products and product candidates or development programs;
- failure or discontinuation of any of our development programs;
- results of clinical trials of product candidates of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of revenues and expenses related to any of our products, product candidates or development programs;
- the results of our efforts to discover, develop, acquire or in-license additional product candidates or products;

- our ability to accurately forecast demand for our products, actual or anticipated changes in forecasts of financial performance, or changes in development timelines;
- announcement or expectation of additional financing efforts;

112

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[Table of Contents](#)

- sales of our common stock by us, our insiders or other stockholders;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in estimates or recommendations by securities analysts, if any, that cover our stock;
- changes in the structure of healthcare payment systems;
- market conditions and investor sentiment in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions, such as an increased rate of inflation, increased cost of goods, supply chain supply-chain disruptions and uncertain global financial markets, and geopolitical events, such as the conflict between Ukraine and Russia and related sanctions; and
- the other factors described in this "Risk Factors" section.

In the past, securities class action class-action litigation has often been instituted against companies following periods of volatility in the price of their common stock. For example, following volatility in the price of our common stock following the ODAC meeting in October the CRL in November 2022, and our January 2023 announcement of our restructuring plan, one of our stockholders filed a putative class action lawsuit in the Delaware Chancery Court federal district court for alleged breaches violations of fiduciary duties, unjust enrichment, and waste the Securities Exchange Act of corporate assets, 1934, as amended. Litigation could result in substantial costs and divert our management's attention and resources, which could have a material and adverse effect on our financial condition, business, and the per share trading price of our common stock.

112

---

[Table of Contents](#)

***We, our interim Chief Executive Business Officer and board member Vice Chairman Mr. Thomas Gad, and our former Chief Executive Officer, Dr. Claus Juan Møller San Pedro, and our Chief Medical Officer Dr. Vignesh Rajah, have been named as defendants in a lawsuit that could result in substantial costs and divert management's attention, and we have also been named in other lawsuits. Any of these lawsuits could result in substantial costs and divert management's attention.***

As described elsewhere in this report in "Part II, Item 1—Legal Proceedings," we and our interim Chief Executive Business Officer and board member Vice Chairman Mr. Thomas Gad, and our former Chief Executive Officer Dr. Claus Juan Møller San Pedro, and our Chief Medical officer Dr. Vignesh Rajah, have been named as defendants in a class action class-action lawsuit that alleges that we and the individuals named in the lawsuit violated Sections 10(b) and/or 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. Further, as also described elsewhere in this report in "Part II, Item 1—Legal Proceedings," on February 8, 2023, Jeffrey Hazelton, a purported Y-mAbs stockholder, filed a putative stockholder derivative action against us, action. These complaints seek, among other things, unspecified damages, and reasonable costs and expenses, including attorneys' fees.

As of the date of this report, we are unable to predict the outcome of these matters. Although we have insurance, it provides for a substantial retention of liability and is subject to limitations and may not cover a significant portion, or any, of the expenses or liabilities we may

incur or be subject to in connection with **class action the class-action** lawsuit or other litigation to which we are party. Moreover, any conclusion of these matters in a manner adverse to us and for which we incur substantial costs or damages not covered by our directors' and officers' liability insurance would have a material adverse effect on our financial condition and business. In addition, the litigation has caused and will continue to cause our management and board of directors to divert time and attention to the litigation and could adversely impact our reputation and further divert management and our board of directors' attention and resources from other priorities, including the execution of our business plan and strategies that are important to our ability to grow our business and advance our product candidates, any of which could have a material adverse effect on our business. In addition, additional lawsuits may be filed, the conclusion of which in a manner adverse to us and for which we incur substantial costs or damages not covered by our directors' and officers' liability insurance would have a material adverse effect on our financial condition and business.

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[Table of Contents](#)

**General risk factors**

***Our business, financial condition and results of operations have been and may in the future be adversely affected by the COVID-19 pandemic pandemics or similar health crises, macroeconomic conditions and by geopolitical events, including the recent global conflict resulting from the invasion of Ukraine by Russia, and sanctions related thereto, which resulted in the suspension of our clinical trial and regulatory activities in Russia. Russia, and the state of war between Israel and Hamas.***

Our financial condition, results of operations, business and cash flow may be negatively affected by general conditions in the global economy and in the global financial markets and uncertainty about economic stability. The global economy has experienced extreme volatility and disruptions, including as a result of the COVID-19 pandemic, as well as from international conflicts, terrorism or other geopolitical events, such as the Russian invasion of Ukraine, and related sanctions and other economic disruptions or concerns.

For example, the global spread of COVID-19 has created, and continues to create, significant volatility, uncertainty and economic disruption, including significant volatility in the capital markets. The extent to which the COVID-19 pandemic affects our business, operations, financial results and the trading price of our common stock will depend on numerous evolving factors that we may not be able to accurately predict, including: the duration and scope of the pandemic or possible resurgence of the pandemic or continued emergence of new strains of COVID-19; the availability of an effective vaccine and the speed with which it is administered to the public; governmental and business actions that have been and continue to be taken in response to the pandemic (including mitigation efforts such as stay at home and other social distancing orders) and the impact of the pandemic on economic activity and actions taken in response (including stimulus efforts such as the Families First Coronavirus Act and the Coronavirus Aid, Relief, and Economic Security Act and recent increases to the federal prime interest rate). The ultimate impact of the COVID-19 pandemic on our results of operations and financial condition is dependent on future developments, including the duration of the pandemic and the related extent of its severity, as well as its impact on macroeconomic conditions such as the rate of inflation in the U.S. economy, which are uncertain and cannot be predicted at this time. If the global response to contain the COVID-19 pandemic escalates further or is unsuccessful, or if governmental decisions to ease pandemic related restrictions are ineffective, premature or counterproductive, we could experience a material adverse effect on our business, financial condition, results of operations and cash flows.

Additionally, the global economy and financial markets may also be adversely affected by the current or anticipated impact of military conflict, terrorism or other geopolitical events. Sanctions imposed by the United States and other countries in response to such conflicts, may also adversely impact the financial markets and the global economy, and the economic countermeasures by the affected countries or others could exacerbate market and economic instability. On February 24, 2022, Russia initiated significant military action against Ukraine. In response, the United States and certain other countries imposed significant sanctions and trade actions against Russia and could impose further sanctions, trade restrictions, and other retaliatory actions if the conflict continues or worsens. It is not possible to predict the broader consequences of the conflict, including related geo-political tensions, and the measures and retaliatory actions that will be taken by the United States and other countries in respect thereof, as well as any countermeasures or retaliatory actions Russia may take in response, are likely to cause regional instability and geo-political shifts and could materially adversely affect global trade, currency exchange rates, regional economies, and the global economy. While it is difficult to anticipate the ultimate impact of any of the foregoing on our company in particular, the conflict and actions taken in response to the conflict has caused us to terminate our clinical trials and suspend our regulatory activities to obtain marketing authorization for DANYELZA in Russia although we may still provide drug to be used on a compassionate use basis.

Additional actions that we or others may take in response to the conflict could increase our costs, disrupt our supply chain, impair our ability to raise or access additional

113

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[Table of Contents](#)

capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition, and results of operations. For additional detail regarding this conflict, see the risk factor above “—Russia’s invasion of Ukraine and ancillary developments may have an adverse effect on our business.”

In addition, on October 7, 2023, Hamas militants infiltrated Israel’s southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel’s security cabinet declared war against Hamas. It is currently not possible to predict the duration or severity of the ongoing conflict, whether it will develop into a wider conflict or its effects on our business, operations and financial conditions. The ongoing conflict is rapidly evolving and developing and may have a material adverse impact on Takeda Israel’s ability to sell our products and/or collect receivables from customers in the State of Israel pursuant to the Takeda Licensing Agreement as well as on Takeda Israel’s ability to pursue the development, marketing and/or commercialization of DANYELZA in the State of Israel, West Bank and Gaza Strip, which may ultimately have an adverse impact on the amount of royalties we receive pursuant to the Takeda Licensing Agreement.

There can be no assurance that further deterioration in credit and financial markets, global banking stability, and confidence in economic conditions will not occur. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for any product candidates we may develop and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in

114

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[Table of Contents](#)

supply disruption. If the equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could impair our ability to achieve our growth strategy, could harm our financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that our current or future service providers, manufacturers or other collaborators may not survive such difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget. We cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

***If we engage in future acquisitions, partnerships, or other strategic transactions, this may increase our capital requirements, dilute our stockholders if we issue equity securities, cause us to incur debt or assume contingent liabilities, and subject us to other risks.***

We may evaluate various acquisitions, partnerships or other strategic transaction, transactions, including licensing or acquiring complementary products, intellectual property rights, technologies, or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integration;

- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and regulatory approvals; and

114

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[Table of Contents](#)

- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities, which could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

***We expect our operating results to fluctuate in future periods, which may adversely affect our stock price.***

Our operating results have fluctuated in the past, and we believe they will continue to do so in the future. Our operating results may fluctuate due to the level of success of our commercial efforts, as well as the variable nature of our operating expenses as a result of the timing and magnitude of expenditures. In one or more future periods, our results of operations may fall below the expectations of securities analysts and investors. In that event, the market price of our common stock could decline.

115

---

[Table of Contents](#)

***A variety of risks associated with operating our business internationally, including through collaboration partners, could materially adversely affect our business.***

We have obtained and plan to continue to seek regulatory approval of our product candidates outside of the United States. We also have existing commercialization collaborations in certain territories outside the United States such as with SciClone, Takeda Israel, Swixx Biopharma AG, Adium, and WEP Clinical Ltd. Takeda Israel obtained regulatory approval for DANYELZA in Israel in August 2022 and we obtained regulatory approval for DANYELZA in China in December 2022. In May 2023, we obtained regulatory approval for DANYELZA in Brazil and in September 2023, we obtained regulatory approval for DANYELZA in Mexico. Accordingly, we and our existing and potential collaborators in jurisdictions outside the US, are subject to additional risks related to operating in foreign countries, including:

- We have obtained and plan to continue to seek regulatory approval of our product candidates outside of the United States. We also have existing commercialization collaborations in certain territories outside the United States such as with SciClone, Takeda Israel, Swixx Biopharma AG, Adium, and WEP Clinical Ltd. Takeda Israel obtained regulatory approval for DANYELZA in Israel in August 2022 and we obtained regulatory approval for DANYELZA in China in December 2022. Accordingly, we and our existing and potential collaborators in jurisdictions outside the US, are subject to additional risks related to operating in foreign countries, including:
  - differing regulatory requirements in foreign countries;
  - unexpected changes in tariffs, trade barriers, price and exchange controls, and other regulatory requirements;
  - economic weakness, including inflation, or political instability in particular foreign economies and markets;

- compliance with tax, employment, immigration, and labor laws for employees living or traveling abroad;
- foreign taxes, including local transfer pricing regulations and withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the FCPA, or OFAC, Anti-Money Laundering Program as required by the Bank Secrecy Act and its implementing regulations, or comparable foreign laws;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;

115

---

[Table of Contents](#)

- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with our current and planned international operations may materially adversely affect our ability to attain or maintain profitable operations.

***Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.***

Our operations, and those of our third-party research institution collaborators, CROs, CMOs, suppliers, other contractors and consultants, could be subject to earthquakes, power shortages, telecommunications failures, water shortages, droughts, floods, hurricanes, typhoons, fires, extreme weather conditions, climate change events, medical epidemics, terrorist activities, wars or other armed conflicts, geopolitical tensions, such as the ongoing conflict between Russia and Ukraine and related sanctions **and the state of war between Hamas and Israel and a potential larger conflict**, cyber security attacks and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured, and other severe hazards or global health crises, such as an

116

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[Table of Contents](#)

outbreak of Ebola or **the ongoing global COVID-19 pandemic**, or other actual or threatened epidemic, pandemic, outbreak and spread of a communicable disease or virus, in the countries where we operate or plan to sell our products, if approved, could adversely affect our operations and financial performance. In addition, we rely on our third-party research institution collaborators for conducting research and development of our product candidates, and they may be affected by government shutdowns or withdrawn funding. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. We rely on third-party manufacturers to produce and process DANYELZA, and our other product candidates. Our ability to obtain clinical supplies of our product candidates could be disrupted if the operations of these suppliers are affected by a **man made man-made** or natural disaster or other business interruption. Damage or extended periods of interruption to our third-party collaborators', including MSK's, corporate, development or research facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development of some or all of our product candidates. Although we intend to maintain property damage and business interruption insurance coverage on these facilities, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by

such delays and interruption. The ultimate extent of the impact of any epidemic, pandemic or other global health crisis, such as COVID-19, on our business, financial condition and results of operations will depend on future developments which are highly uncertain and cannot be predicted, including new information that may emerge concerning the duration and severity of such epidemic, pandemic or other global health crisis, actions taken to contain or prevent their further spread and the pace of global economic recovery following containment of the spread.

***If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.***

We face an inherent risk of product liability as a result of the sale of DANYELZA and clinical testing of our product candidates and will face an even greater risk if we commercialize more products. For example, we may be sued if our product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during use, clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our product candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our products;
- injury to our reputation;

116

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[Table of Contents](#)

- withdrawal of clinical trial participants and inability to continue clinical trials;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any product candidate;

117

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[Table of Contents](#)

- loss of any potential future revenue; and
- a decline in our share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of DANYELZA or any product candidates we develop, alone or with collaborators. The amount of clinical trial and product liability insurance coverage that we may obtain, may not be adequate, we may be unable to maintain such insurance, or we may not be able to obtain additional or replacement insurance at a reasonable cost, if at all. Our insurance policies may also have

various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

***Our employees, independent contractors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.***

We are exposed to the risk of fraud, misconduct or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional, reckless and negligent conduct that fails to: comply with the regulations of the FDA, the EMA EU and other similar foreign regulatory bodies; provide true, complete and accurate information to the FDA, the EMA, the European Commission, and other similar foreign regulatory bodies; comply with manufacturing standards we have established; comply with healthcare fraud and abuse laws in the United States and similar foreign fraudulent misconduct laws; or report financial information or data accurately or to disclose unauthorized activities to us. As we have obtained FDA approval of DANYELZA and have begun commercializing DANYELZA in the United States, our exposure under such laws has increased significantly, and our costs associated with compliance with such laws have increased significantly and are likely to continue to increase. These laws impact, among other things, our current activities with principal investigators and research patients, as well as proposed and future sales, marketing and education programs. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in

117

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[Table of Contents](#)

protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

***We may be subject to claims that our licensors, employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their former employers or their clients.***

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and, if securities analysts or investors perceive these results to be negative, it could have a

118

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[Table of Contents](#)



substantial adverse effect on the price of our common stock. This type of litigation or proceeding could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other intellectual property related proceedings could adversely affect our ability to compete in the marketplace.

***The increasing use of social media platforms presents new risks and challenges.***

Social media is increasingly being used to communicate about our drug, clinical development programs, and the diseases our drug and drug candidates are being developed to treat, and we are utilizing what we believe is appropriate social media in connection with our commercialization efforts for DANYELZA and we intend to do the same for our future products, if approved. Social media practices in the biopharmaceutical industry continue to evolve and regulations relating to such use are not always clear. This evolution creates uncertainty and risk of noncompliance with regulations applicable to our business, resulting in potential regulatory actions against us. For example, patients may use social media channels to comment on their experience in an ongoing blinded clinical study or to report an alleged adverse event, or AE. When such disclosures occur, there is a risk that we fail to monitor and comply with applicable AE reporting obligations or we may not be able to defend our business or the public's legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about our investigational products. There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any social networking website. If any of these events were to occur or we otherwise fail to comply with applicable regulations, we could incur liability, face regulatory actions, or incur other harm to our business.

***If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.***

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. If one or more of the analysts covering our business **downgrade downgrades** their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

118

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[Table of Contents](#)

***If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely consolidated financial statements could be impaired, which could harm our operating results, investors' views of us and, as a result, the value of our common stock.***

We qualified as a smaller reporting company and as a non-accelerated filer for the years ended December 31, 2023 and 2022. As a public company and large accelerated filer for the year ended December 31, 2021, we were required to provide management's attestation on internal controls pursuant to Section 404 of the Sarbanes-Oxley Act, and our independent registered public accounting firm was required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. However, as of the last business day of our second fiscal quarter of 2022, we determined that we requalify as a smaller reporting company and as a non-accelerated filer, for the year ended December 31, 2022. We are therefore no longer required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm in this Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023.

Our inability to operate controls effectively could cause material weaknesses in our internal control over financial reporting in the future, could have a material adverse impact on our company and consolidated financial statements and we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock. In addition, we may be in the future be required to provide Section 404 of the Sarbanes-Oxley Act, or Section 404, reports by our independent registered public accounting attesting to the effectiveness of our internal control over financial reporting. An adverse report could have a material adverse impact on our company and consolidated financial statements, investor confidence in us and, as a result, the value of our common stock.

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[Table of Contents](#)

The rules governing the standards that must be met for management and, when applicable, our independent registered public accounting firm to assess our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation. In connection with our and our independent registered public accounting firm's evaluations of our internal control over financial reporting, we may need to upgrade systems, including information technology, implement additional financial and management controls, reporting systems, and procedures, and hire additional accounting and finance staff.

Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. In addition, any testing conducted by us or our independent registered public accounting firm may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. Internal control deficiencies could also result in a restatement of our financial results in the future. We could become subject to stockholder or other third-party litigation, as well as investigations by the SEC, the Nasdaq Global Select Market, or other regulatory authorities, which could require additional financial and management resources and could result in fines, trading suspensions, payment of damages or other remedies. Further, any delay in compliance with the auditor attestation provisions of Section 404, if and when applicable, could subject us to a variety of administrative sanctions, including ineligibility for short-form resale registration, action by the SEC and the suspension or delisting of our common stock, which could reduce the trading price of our common stock and could harm our business.

***We will continue to incur costs associated with satisfying our obligations as public company, and our management is required to devote substantial time to new compliance initiatives.***

As a public company, we will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. expenses. In addition, the Sarbanes-Oxley Act and rules subsequently implemented by the SEC and Nasdaq have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance.

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[Table of Contents](#)

***We may be adversely affected by global climate change or by legal, regulatory or market responses to such change.***

Increasing stakeholder environmental, social and governance, or ESG, expectations, physical and transition risks associated with climate change, and emerging ESG regulation and policy requirements may pose risk to our market outlook, and reputation, financial outlook, cost of capital, supply chain supply-chain and production continuity, which may impact our ability to achieve our business objectives. Changes in environmental and climate change laws or regulations could lead to additional operational restrictions and compliance requirements upon us or our third-party providers or otherwise could negatively impact our business.

Changes in market dynamics, stakeholder expectations, local, national and international climate change policies, and the frequency and intensity of extreme weather events on critical infrastructure in the United States and abroad, all have the potential to disrupt our business and operations. Such events could result in a significant increase in our costs and expenses and harm our future revenue, cash flows and financial performance. Global climate change is resulting in, and may continue to result, in certain natural disasters and adverse weather events, such as droughts, wildfires, storms, sea-level rise and flooding, occurring more frequently or with greater intensity, which could cause

business disruptions and impact employees' abilities to commute or to work from home effectively. Government failure to address climate change in line with the Paris Agreement could result in greater exposure to economic and other risks from climate change and impact our ability to achieve our goals.

120

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[Table of Contents](#)

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

None.

**ITEM 1C. CYBERSECURITY.**

**Risk management and strategy**

We have implemented and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic or competitive in nature, and information related to our clinical trials and product, product candidates, and technology ("Information Systems and Data").

We have a multi-stakeholder team to help identify, assess, and manage the Company's cybersecurity threats and risks, comprised of representatives from our third-party IT administrator, Legal and Compliance Administration, and Finance departments. This team, along with our third-party IT service providers, identifies and assesses risks from cybersecurity threats by monitoring and evaluating our threat environment using various methods including, for example, by using automated monitoring tools, subscribing to analysis and services that identify cybersecurity threats, conducting scans of the threat environment, conducting internal and external review of certain data and systems, and having third parties conduct periodic assessments of our threat environment.

Depending on the environment, we implement and maintain various technical, physical, and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including, for example maintaining an incident response policy and incident detection and response procedures, disaster recovery and business continuity plans and an IT contingency policy, encrypting certain data, conducting risk assessments for certain data and systems, implementing certain network security, physical and access controls, monitoring our systems, providing periodic training to employees and using tools such as penetration testing tools.

Our assessment and management of material risks from cybersecurity threats are integrated into the Company's overall risk management processes. For example, our IT and Legal and Compliance departments work with management to prioritize our risk management processes and mitigate cybersecurity threats that are more likely to lead to a material impact to our business.

120

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[Table of Contents](#)

We use third-party service providers to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including for example, our third-party IT service provider, cybersecurity consultants, outside legal counsel, software providers, and penetration testing firms.

We use third-party service providers to perform a variety of functions throughout our business, including hosting providers, CROs, and CMOs. We have a vendor management program to manage cybersecurity risks associated with our use of these providers. The program

includes, as appropriate, risk assessments of vendors, reviewing our vendors' information security program, reports, audits, and imposing relevant contractual obligations on our vendors. Depending on the nature of the services provided, the sensitivity of the Information Systems and Data at issue, and the identity of the provider, our vendor management process may involve different levels of assessment designed to help identify cybersecurity risks associated with a provider and impose contractual obligations related to cybersecurity on the provider.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, see our risk factors under Part 1. Item 1A. Risk Factors in this Annual Report on Form 10-K, including under the heading "If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences"

#### **Governance**

Our board of directors addresses the Company's cybersecurity risk management as part of its general oversight function. The board of directors' audit committee is responsible for overseeing Company's cybersecurity risk management processes, including oversight and mitigation of risks from cybersecurity threats.

Our cybersecurity risk assessment and management processes are implemented and maintained by certain individuals in Company management, including our Director of IT, HR & Administration, and our Chief Financial Officer, Treasurer and Secretary (CFO).

Our Director of IT, HR & Administration has been responsible for IT and cybersecurity for approximately 15 years across several organizations, and is currently responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company's overall risk management strategy, and communicating key priorities to relevant personnel. Our CFO has had the overall IT and cybersecurity responsibility since inception of the Company in 2015 and is currently responsible for approving IT and cybersecurity related policies, processes, and procedures, approving related activities and budgets, helping prepare for cybersecurity incidents, and reviewing security assessments and other security-related reports.

Our cybersecurity incident response policy is designed to escalate certain cybersecurity incidents to members of management depending on the circumstances, including our CFO and CEO, as appropriate and provides for our management team to work with the Company's incident response team to help the Company mitigate and remediate cybersecurity incidents of which they are notified. In addition, the Company's incident response policy includes reporting to the audit committee of the board of directors for certain cybersecurity incidents.

As part of its oversight of the Company's overall risk management, the audit committee is periodically updated by our CFO concerning cybersecurity threats and risks and the processes the Company has implemented to address them.

#### **ITEM 2. PROPERTIES.**

Our corporate headquarters are located in New York, New York, where we currently lease 4,312 square feet pursuant to a lease agreement dated as of January 10, 2018. The term of the lease ~~is~~ ~~was~~ six years from the date the Company began to occupy the premises and the lease ~~expires~~ ~~was to expire~~ in April 2024. ~~In August 2023, we entered into a~~

121

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#### [Table of Contents](#)

~~lease amendment to extend the term to April 2025.~~ In addition, we lease 4,783 square feet of combined office and laboratory space located in Nutley, New Jersey pursuant to a lease agreement dated as of February 11, 2019, as amended, which expires on ~~January 31, 2024~~ ~~February 14, 2025~~.

Our wholly owned Danish subsidiary, Y-mAbs Therapeutics A/S, leases approximately ~~29,288~~ ~~21,955~~ square feet of office space in Hørsholm, Denmark pursuant to a lease agreement dated September 26, 2021, which commenced on November 1, 2021. The lease is expected to last for 48 months, and ~~after June 1, 2022~~, we have the option, at our discretion, to terminate a portion of the lease.

In January 2023, the Company notified the landlord of the Company's intention to reduce the leased premises as a result of the Company's January 2023 strategic restructuring.

We believe that suitable additional or alternative space for both our U.S. and Danish locations would be available as required in the future on commercially reasonable terms.

### ITEM 3. LEGAL PROCEEDINGS.

#### ***Donoghue vs. Y-mabs Therapeutics, Inc., and Gad***

The Company has been named a nominal defendant in a lawsuit filed in the U.S. District Court, Southern District of New York, on August 25, 2021, by one of the Company's stockholders, Deborah Donoghue (Case No. 1:21-cv-07182). The suit names the Company's President, Interim Chief Executive Business Officer, and Head of Business Development and Strategy, and member Vice Chairman of the Company's board of directors, Mr. Thomas Gad as an additional defendant, and it seeks to compel Mr. Gad to disgorge alleged short swing profits stemming from a certain transaction involving the Company's common stock undertaken by Mr. Gad on March 10, 2021 together with appropriate interest and costs of the lawsuit. On December 17, 2021, Mr. Gad filed a Motion to Dismiss the lawsuit. On August 8, 2022, the Court denied Mr. Gad's Motion to Dismiss the lawsuit. The parties have completed documentary discovery and depositions. On February 1, 2024, both the lawsuit has entered the discovery phase. Plaintiff and Mr. Gad filed their respective motions for summary judgement. The Company is of the opinion that the claim is without merit and intends to maintain this position in the proceedings. In addition, the Company has been informed by Mr. Gad that he also believes the claim is without merit, that he has strong defenses against such claim and that he intends to vigorously defend the action. The Company has assessed the proceedings and ~~do~~ does not believe that it is probable that a gain or a liability will be realized by the Company. As a result, the Company did not record any loss or gain contingencies for this matter.

#### ***Corwin v. Y-mabs In re Y-mAbs Therapeutics, Inc., et al.***

On January 18, 2023, Robert Corwin, a purported Y-mAbs stockholder, filed a putative class action class-action lawsuit was filed against the Company and certain of the Company's current and former officers for alleged violations of the U.S. federal securities laws in the United States District Court, Southern District of New York (Case No.: 1:23-cv-00431). The amended complaint filed on May 23, 2023, asserts claims under Section Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, on behalf of a proposed class consisting of those who acquired the Company's common stock between October 6, 2020 and October 28, 2022. The amended complaint alleges that there were material misrepresentations and/or omissions regarding the FDA's consideration of the Company's BLA for omburtamab for the treatment of pediatric patients with CNS/leptomeningeal metastasis from neuroblastoma firstly submitted in 2020 and resubmitted in 2022. The amended complaint seeks an unspecified amount of damages, interest thereon, and the proposed class's costs and expenses, including attorneys' fees. On March 20, 2023 September 29, 2023, the defendants' motion to dismiss the amended complaint was fully briefed. On February 5, 2024, the Court granted in part and denied in part the defendants' motion to dismiss. The Court dismissed the plaintiff's claims relating to three of four motions for appointment as lead plaintiff categories of challenged statements and dismissed in part plaintiff's claims relating to the fourth category of challenged statements. The Court also dismissed one of the proposed class were filed. Oppositions to these motions are due on April 3, 2023. individual defendants from the case. The Company is in believes that the early stages of evaluating the complaint, but based on current knowledge believes the remaining claims are without merit. merit and intends to vigorously defend against these claims. The Company has not established a liability for this claim as of December 31, 2023 as the Company does not consider a loss on the claim to be probable.

#### ***Hazelton vs. Y-mAbs Therapeutics Inc., and Gad, et al.***

The Company has been named a nominal defendant in a lawsuit filed in the Court of Chancery of the State of Delaware, on February 8, 2023, by a purported stockholder, Jeffrey Hazelton (Case No. 2023-0147-LWW). The

121 122

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[Table of Contents](#)

## ***Hazelton vs. Y-mAbs Therapeutics Inc., et al.***

On February 8, 2023, Jeffrey Hazelton, a purported Y-mAbs stockholder, amended complaint filed a putative stockholder derivative action in the Court of Chancery of the State of Delaware (*Hazelton vs. Y-mAbs Therapeutics Inc. on May 12, 2023, et al*, Case No.: 2023-0147). The complaint purports to assert bring claims on behalf of the Company against certain current and former officers and members of the Company's board of directors for alleged breaches of fiduciary duties, unjust enrichment, allegedly awarding themselves excessive compensation for fiscal years 2020 and waste of corporate assets in connection with certain compensation awards to named executive officers and non-employee directors, 2021. The amended complaint seeks, among other things, recovery of alleged excessive compensation, an unspecified amount of damages, changes order directing the Company to undertake certain corporate governance reforms, and internal procedures, disgorgement an award of the individual defendants' compensation, and the plaintiff's costs and expenses, including attorneys' fees. The Court has not yet issued its ruling on the defendants' motion to dismiss the amended complaint, which was fully briefed as of September 8, 2023. The Company is in of the early stages of evaluating the complaint, but based on current knowledge believes opinion that the claims are without merit. merit and intends to maintain this position in the proceedings. The Company has not established a liability for this claim as of December 31, 2023 as the Company does not consider a loss on the claim to be probable.

### **ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

## **PART II**

### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

#### **Certain Information Regarding the Trading of Our Common Stock**

Our common stock trades under the symbol "YMAB" on The Nasdaq Global Select Market and has been publicly traded since September 21, 2018. Prior to this time, there was no public market for our common stock.

On March 23, 2023, the last reported sale price for our common stock on The Nasdaq Global Select Market was \$2.85 per share.

#### **Holders of Our Common Stock**

As of March 23, 2023 February 22, 2024 there were 76 holders of record of shares of our common stock. This number does not include stockholders for whom shares are held in "nominee" or "street" name.

#### **Dividends**

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

#### **Securities authorized for issuance under equity compensation plans**

Information about our equity compensation plans will be included in our definitive proxy statement to be filed with the SEC with respect to our 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

#### **Unregistered Sales of Equity Securities and Use of Proceeds**

#### ***Recent Sales of Unregistered Equity Securities***

During the period covered by this Annual Report on Form 10-K, we have issued the following securities that were not registered under the Securities Act:

122

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## [Table of Contents](#)

In April 2022, 42,800 shares of our common stock vested pursuant to a stock grant agreement entered into in connection with the entry into the SADA License Agreement in April 2020. The issuance did not result in proceeds to the Company.

We deemed the issuance in the paragraph above to be exempt from registration under the Securities Act either in reliance on Rule 701 of the Securities Act as sales and offers under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701, or in reliance on Section 4(a)(2) of the Securities Act, as transactions by an issuer not involving a public offering. Each of the recipients of securities either received adequate information about our company or had access, through employment or other relationships, to such information. No underwriters were involved in the foregoing issuances of securities.

## **Use of Proceeds**

On February 22, 2021, we completed a secondary public offering of our common stock pursuant to which we issued and sold 2,804,878 shares of our common stock at a price to the public of \$41.00 per share which included the exercise in full of the underwriters' option to purchase additional shares. We received aggregate gross proceeds from our secondary public offering of \$115.0 million, or aggregate net proceeds of approximately \$107.7 million after deducting underwriting discounts and commissions and offering expenses J.P. Morgan, Morgan Stanley and BofA Securities acted as joint book-running managers for the secondary public offering. Kempen & Co. U.S.A. and H.C. Wainwright & Co. acted as co-managers for the secondary public offering.

None of the underwriting discounts and commissions or offering expenses were incurred or paid, directly or indirectly, to directors or officers of ours or their associates or to persons owning ten percent (10%) or more of our common stock or to any of our affiliates, and we have not used any of the net proceeds from the public offerings to make payments, directly or indirectly, to any such persons.

We have invested the net proceeds from the public offerings in cash and cash equivalents. There has been no material change in our planned use of proceeds as described in our final prospectus filed pursuant to Rule 424(b)(5) under the Securities Act with the SEC on February 18, 2021.

As of December 31, 2022, we had cash and cash equivalents of \$105.8 million.

## **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

We did not purchase any of our registered equity securities during the period covered by this Annual Report on Form 10-K.

**ITEM 6. Reserved**

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

*You should read the following discussion and analysis of our financial condition and results of operations together with our accompanying consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. For a detailed discussion of these risks and uncertainties, see Item 1A "Risk Factors" in this Annual Report on Form 10-K. See also "Cautionary Note Regarding Forward-Looking "Forward-Looking Statements." We caution the reader not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this Annual Report on Form 10-K. We undertake no obligation to update forward-looking statements, which to reflect events or circumstances occurring after the date of this Annual Report, except as required by law. For convenience of presentation some of the numbers have been rounded in the text below.*

123

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## [Table of Contents](#)

### Overview

We are a commercial-stage biopharmaceutical company focused on the development and commercialization of novel, antibody-based therapeutic products for the treatment of cancer. We are leveraging our proprietary antibody platforms and deep expertise in the field of antibodies to develop a broad portfolio of innovative medicines.

Our only approved drug DANYELZA® (naxitamab-ggqk) received accelerated approval by the United States Food and Drug Administration, or the FDA, in November 2020 for the treatment, in combination with Granulocyte-Macrophage Colony-Stimulating Factor, or GM-CSF, of pediatric patients one year of age and older and adult patients with relapsed or refractory, or R/R, high-risk neuroblastoma, or NB, in the bone or bone marrow who have demonstrated a partial response, minor response, or stable disease to prior therapy. We are commercializing DANYELZA in the United States and began shipping it in February 2021. In December 2022, we announced a distribution agreement with WEP Clinical Ltd., or WEP, in connection with an early access program for DANYELZA in Europe.

DANYELZA has been evaluated in a Phase 2 clinical study in front-line NB, a pilot study of chemoimmunotherapy for high-risk NB, and is currently being evaluated in a pivotal-stage multicenter trial (Study 201) which is designed to satisfy the accelerated approval confirmatory study and post-marketing requirements of the FDA, as well as a Phase 2 clinical study in second-line relapsed osteosarcoma patients.

We submitted a Biologics License Application, or BLA, to the FDA for radiolabeled <sup>131</sup>I-omburtamab for central nervous system, or CNS, leptomeningeal metastases, or LM, from NB in August 2020, and received a Refusal to File letter from the FDA in October 2020. The reason for the FDA's decision to issue the Refusal to File letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC Module and the Clinical Module of the BLA required further detail. Among other things, the FDA requested that detailed validation data be included in the CMC Module, that clinical study data and external control data be reanalyzed using a propensity score adjusted analysis for important baseline characteristics, such as prior receipt of irradiation, and that further supportive evidence in the form of direct anti-tumor effect be included in the Clinical Module. We held a number of Type B meetings with the agency, including a pre-BLA meeting in January 2022, before we resubmitted the BLA for omburtamab in March 2022. In October 2022, we met with the FDA's Oncologic Drugs Advisory Committee, or ODAC, who reviewed <sup>131</sup>I-omburtamab and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival. In December 2022, we received a complete response letter, or CRL, for the BLA. In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of adequate and well-controlled trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. We are currently considering the future for our omburtamab development program and we can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

We are using our proprietary SADA BiDE (2-step (two-step Self-Assembly and DisAssembly Bispecific DOTA Engaging antibody system) Pre-targeted Radioimmunotherapy Platform, or the SADA PRIT Technology, a concept we also refer to as Liquid Radiation™, to advance a series of antibody constructs, where using a two-step pre-targeting approach. The bispecific antibody fragments bind to the tumor before a radioactive payload is injected subsequently injected. The aim is specifically to deliver the radioactive payload to the tumor while minimizing exposure to normal tissue as indicated in a two-step approach. We have designated non-clinical studies.

GD2-SADA for potential use in GD2 positive GD2-positive solid tumors as is our first SADA constructs construct, and filed an IND we had our first clinical patients dosed in April 2023 in our Phase 1, dose-escalation, single-arm, open-label, non-randomized, multicenter trial, for the treatment of certain solid tumor cancers, including small cell lung cancer, sarcoma, and malignant melanoma. We currently have six active treatment sites as of December 2023. We are pleased with our observations so far and in particular that patients dosed with the GD2-SADA protein have not experienced treatment related pain, dose limiting toxicities, related severe adverse events or serious adverse events. Based on the SPECT/CT scans performed, we believe that we have demonstrated proof of concept for GD2-SADA by demonstrating that the GD2-SADA molecules can find and bind to tumors and that the radionuclide targets the SADA molecules. At this point, we have completed cohorts 1, 2 and 3, using a radioactive payload of 200 mCi and a two to five days interval between the SADA protein and the payload. The initial blood PK profile of the construct in December 2021. these patients dosed with the 0.3 mg/kg and 1 mg/kg protein dose appears to match our pre-clinical models in terms of clearance data, and the blood PK profiles from patients are comparable and supportive of the current dose interval of two to five days. We obtained clearance are currently treating patients at 3.0 mg/kg in cohort 4.



The IND for the IND in July 2022 and clinical sites have been activated. We obtained clearance for the IND in July 2022. We have secured clinical supplies for a medical radioisotope no-carrier-added, or n.c.a., lutetium-177 from ITM Isotope Technologies Munich SE, or ITM, who will provide its n.c.a. <sup>177</sup>Lu for phase 1-3 clinical development of GD2-SADA. We announced our first hematological target, the CD38-SADA construct for the treatment of patients with Relapsed or Refractory Non-Hodgkin Lymphoma was cleared in December 2022, October 2023, and we expect to submit an IND for this construct dose the first patient in 2023, 2024. We believe the SADA technology PRIT Technology could potentially improve the efficacy of radiolabeled immunological therapeutics, e.g., naked monoclonal antibodies, in tumors that have not historically demonstrated meaningful responses to radiolabeled immunological agents.

In January 2023 following receipt of a complete response letter in November 2022 from the FDA for our Biologics License Application for radiolabeled <sup>131</sup>I-omburtamab for central nervous system leptomeningeal metastases, we announced a strategic restructuring plan designed to extend our cash resources and prioritize resources on the commercialization and potential label extension of DANYELZA and development of the SADA technology PRIT Technology platform. In addition to deprioritizing the omburtamab program for all indications and product candidates, we have deprioritized other pipeline programs, including activities relating to our the GD2-GD3 Vaccine and CD33 bispecific antibody constructs by delaying trial initiation and overall timelines as part of the restructuring plan. We have also deprioritized activities relating completed the restructuring in May 2023, which resulted in an approximately 35% reduction to nivatrotamab and <sup>177</sup>Lu-omburtamab, our workforce. As a result of the estimated decrease in

124

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## [Table of Contents](#)

decrease in operating expenses in 2023 following the restructuring, we estimate that our cash and cash equivalents, when combined with anticipated DANYELZA revenues, will should support our operations into the first quarter of 2026, 2027.

This estimate reflects our current business plan, including our development plans and business strategy following the restructuring, that is supported by assumptions that may prove to be inaccurate, such that we could use our available capital resources sooner than we currently expect. This estimate assumes no income from potential new partnerships or other new business development activities, and no further development of the omburtamab program. We cannot provide any assurance that we will be able to obtain additional capital from additional equity or debt financings, collaborations, licensing arrangements, or other sources.

Our mission is to become the global leader in developing better and safer antibody-based pediatric oncology products addressing clear unmet medical needs and, as such, have a transformational impact on the lives of patients. We intend to advance and expand our product pipeline into certain adult cancer indications either independently or in collaboration with potential partners.

Since our inception on April 30, 2015, we have devoted substantially all of our resources to organizing and staffing our company, business planning, identifying potential product candidates, conducting pre-clinical studies of our product candidates and clinical trials of our lead product candidates, commercializing our approved product, raising capital, and acquiring and developing our technology platform. platform among other matters. We developed DANYELZA and our product candidates based on intellectual property subject to several license agreements with MSK, and one agreement with the Massachusetts Institute of Technology. These agreements are important to our business; for a more detailed discussion of their terms and conditions, see NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS in the notes to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data.

To date, we have financed our operations primarily through private placements of our securities, proceeds from our IPO and proceeds from our two subsequent public offerings, product and license revenues generated from DANYELZA, license revenues, and the proceeds from the our sale of our the Priority Review Voucher, or PRV, granted obtained upon FDA approval of DANYELZA.

On February 22, 2021, we completed our most recent public offering of our common stock pursuant to which we issued and sold 2,804,878 shares of our common stock at a price to the public of \$41.00 per share, which included the exercise in full of the underwriters' option to purchase additional shares. We received aggregate gross proceeds from this offering of \$115.0 million, with aggregate net proceeds of approximately \$107.7 million after deducting underwriting discounts and commissions and offering expenses.

In conjunction with the approval by the FDA of DANYELZA in November 2020 we received a PRV which we subsequently sold to United Therapeutics Corporation for a purchase price of \$105 million. We paid 40% of the net proceeds from the sale of the PRV to MSK as

required under the terms of the MSK License. The transaction closed in January 2021 upon the resolution of the substantive closing conditions, and the gain was recognized within "Other Income, Net" on the Consolidated Statements of Net Loss and Comprehensive Loss for the year ended December 31, 2021.

As of December 31, 2022, December 31, 2023 and December 31, 2021, December 31, 2022, we had an accumulated deficit of \$436.0 million, \$457.5 million and \$340.5 million, \$436.0 million, respectively. For the years ended December 31, 2022, December 31, 2023 and 2021, 2022, our net loss was \$95.6 million, \$21.4 million and \$55.3 million, \$95.6 million, respectively. We have incurred significant net operating losses in every year since our inception and inception. We expect to continue to incur our net operating losses to decrease in the future as our DANYELZA product revenue grows to help fund our significant research and development expenses for the foreseeable future. Our net losses may fluctuate significantly from quarter to quarter and year to year as we:

- continue to advance our lead product candidates through the regulatory approval process both in the U.S. and internationally;
- continue to advance our other product candidates through pre-clinical and clinical development;
- continue to identify additional research programs and additional product candidates, as well as additional indications for existing product candidates;
- initiate pre-clinical studies and clinical trials for any additional product candidates we identify;

125

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#### [Table of Contents](#)

- develop, maintain, expand and protect our intellectual property portfolio; and
- hire additional research, sales force, commercialization, clinical and scientific personnel.

In August 2015, we entered into a license agreement with MSK, or the MSK License, pursuant to which we have obtained exclusive rights to MSK's rights in our current antibody product candidates including DANYELZA and omburtamab. Under the MSK License, we committed to funding scientific research at MSK as well as conducting certain clinical trial activities at MSK. As these product candidates progress through clinical development, regulatory approval and commercialization, certain milestone payments will come due to MSK either as a result of the milestones having been met or the passage of time even if the milestones have not been met. Also, we owe MSK mid-to-high single digit royalties on commercial sales of our approved products. In addition, we have committed to obtain certain personnel and laboratory services at MSK under our Master Data Services Agreement, or MDSA, and two separate Core Facility Service Agreements, or CFSAs. Under our Investigator-Sponsored Master Clinical Trial Agreement, or MCTA, with MSK, we will provide drug product and funding for certain clinical trials at MSK.

On April 15, 2020, we entered into the SADA Technology License Agreement, or the SADA License Agreement, with MSK and Massachusetts Institute of Technology, or MIT, that grants us an exclusive, worldwide, sublicensable license to certain patent and intellectual property rights developed by MSK and MIT to develop, manufacture, and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics and cancer treatments using the SADA Technology, a concept we also refer to as Liquid Radiation™. The patents and patent applications covered by the SADA License Agreement are directed, in part, to the SADA Technology, as well as a number of SADA constructs developed by MSK. Upon entering into the SADA License Agreement in April 2020 and in exchange for the licenses, we paid MSK and MIT a cash upfront payment and issued an aggregate of 42,900 shares of our common stock to them. During the year ended December 31, 2021, we made a cash payment in the amount of \$1.0 million to MSK and MIT under the agreement. During the year ended December 31, 2022 we made another cash payment in the amount of \$1.0 million to MSK and MIT under the agreement.

As required under the SADA License Agreement, in October 2020, we entered into a Sponsored Research Agreement with MSK to fund at least \$1,500,000 in scientific research at MSK over the following three years.

Further, the SADA License Agreement requires us to pay to MSK and MIT mid to high single-digit royalties based on annual net sales of licensed products or the performance of licensed services by us and our affiliates and sublicensees. We are obligated to pay minimum

annual royalties of \$40,000, which shall increase to \$60,000 once a patent has been issued, over the royalty term, commencing on the tenth anniversary of the license agreement. These amounts are non-refundable but are creditable against royalty payments otherwise due under the SADA License Agreement. As of December 31, 2022, we have determined that payment of the minimum royalties is not probable, and accordingly have not accrued for such royalties at December 31, 2022.

Under the SADA License Agreement, we are also obligated to pay MSK and MIT certain clinical, regulatory and sales-based milestone payments. Certain of the clinical and regulatory milestone payments become due at the earlier of either the completion of the related milestone activity or the date indicated in the SADA License Agreement. Total clinical and regulatory milestones potentially due under the SADA License Agreement are approximately \$4.7 million and \$18.1 million, respectively. Sales based milestone payments, totaling approximately \$23.8 million, become due should the Company achieve certain amounts of sales. In addition, for each of the SADA constructs generated by MSK and sold on behalf of the Company by a sublicensee, the Company is obligated to make sales-based milestone payments in the total amount up to \$60.0 million based on the achievement of various cumulative net sales made by the sub-licensee. Finally, under the terms of the SADA License, MSK is entitled to receive 25% of any income generated from the sale of any PRV or the sale of other comparable incentives provided by any non-U.S. jurisdiction. As of December 31, 2022, we have accrued \$0.6 million of the clinical based milestones under the SADA License Agreement which we considered to be estimable and probable and we expect to pay this amount within one year.

These MSK agreements are important to our business. For a more detailed discussion of the terms and conditions of certain of these agreements, see *NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS*.

126

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[Table of Contents](#)

- continue to advance our lead product candidates through the regulatory process both in the U.S. and internationally;
- continue to advance our other product candidates through pre-clinical and clinical development;
- continue to identify additional research programs and additional product candidates, as well as additional indications for existing product candidates;
- initiate pre-clinical studies and clinical trials for any additional product candidates we identify;
- develop, maintain, expand and protect our intellectual property portfolio; and
- hire additional research, sales force, commercialization, clinical and scientific personnel.

For DANYELZA, and for any other product candidates for which we obtain regulatory approval, if any, we expect to incur significant milestone costs, as well as commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, we may continue to fund our operations through public or private securities equity or debt financings or other sources, including strategic collaborations. We may, however, be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements as and when needed would have a negative impact on our financial condition and our business and our ability to develop our current product candidates, or any additional product candidates. Because of the numerous risks and uncertainties associated with the development of our existing product candidates and any future product candidates, our platform and technology and because the extent to which we may enter into collaborations with third parties for

125

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[Table of Contents](#)

development of any of our product candidates is uncertain, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the research and development of our product candidates. If we raise additional funds through collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, product candidates or grant licenses on terms that may not be favorable to us and could have a negative impact on our financial condition.

#### **Recent Developments and Other Developments**

##### **New Chief Executive Officer and Executive Officer Transition**

On November 6, 2023, our new President and Chief Executive Officer started at the Company. As part of the transition, our President, Interim Chief Executive Officer and Head of Business Development and Strategy transitioned to the position of Chief Business Officer.

##### **Omburtamab BLA and Advisory Committee Meeting**

In August 2016, the FDA granted Orphan Drug Designation, or ODD, to omburtamab for NB, and in June 2017, the compound received breakthrough designation for the treatment of pediatric patients with R/R NB who have central nervous system, or CNS, leptomeningeal metastases, or LM, from NB. We submitted a BLA to the FDA for omburtamab for CNS /LM from NB in August 2020, and received a Refusal-to-File letter from the FDA in October 2020. The reason for the FDA's decision to issue the **Refusal to File Refusal-to-File** letter was that upon preliminary review, the FDA determined that certain parts of the Chemistry, Manufacturing and Control, or CMC Module and the Clinical Module of the BLA required further detail. We completed the resubmission of the BLA for omburtamab in March 2022 following a series of meetings with the FDA, and in May 2022, the agency accepted our BLA for priority review. In October 2022, we met with the FDA's Oncologic Drugs Advisory Committee, or ODAC, who reviewed 1311-omburtamab and voted 16 to 0 that we had not provided sufficient evidence to conclude that omburtamab improves overall survival. In December 2022, we received a complete response letter, or CRL, for the BLA. In the CRL, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. We are currently considering the future for our omburtamab development program and **we have received an 18-month extension of the BLA, which expires on May 30, 2025. We** can provide no assurance that the development of omburtamab will continue or that omburtamab will ultimately receive FDA approval.

##### **DANYELZA Regulatory Developments**

On August 30, 2022, we announced that the Israeli Ministry of Health approved DANYELZA for marketing in Israel. We expect that our partner Takeda Israel, a wholly owned subsidiary of Takeda Pharmaceutical Company Limited (TSE:4502/NSY:TAK), will commercialize DANYELZA in Israel, under the 2020 exclusive license and distribution agreement with Takeda Israel.

On September 26, 2022, we announced that our partner Adium Pharma S.A. ("Adium") submitted a regulatory filing for DANYELZA for the treatment of patients with R/R high-risk NB to the Brazilian Health Regulatory Agency. On May 23, 2023, the Brazilian Health Regulatory Agency granted marketing authorization for DANYELZA. Our distribution agreement with Adium contains no regulatory license revenue milestones related to the Brazilian Health Regulatory Agency marketing authorization. In September 2023, DANYELZA received marketing authorization in Mexico. We recognized \$0.5 million of regulatory-based license revenue from Adium pursuant to our distribution agreement with Adium in the year ended December 31, 2023 in connection with the achievement of the marketing authorization in Mexico. In January 2024, we accepted the price for DANYELZA in Brazil from the Brazilian Medicines Market Regulation Chamber, or CMED. We received a \$0.5 million regulatory-based milestone payment in connection with the price approval from CMED in the first quarter of 2024.

The Company **We** entered into a license agreement for DANYELZA and omburtamab with SciClone Pharmaceuticals International Ltd., or SciClone, for Greater China, including Mainland China, Taiwan, Hong Kong and Macau in December 2022, 2020. In December 2022, the Company received a regulatory-based milestone payment of \$15.0 million in connection with the DANYELZA was granted conditional marketing approval of DANYELZA by National Medical Products Administrative in China. In July 2023, SciClone announced that DANYELZA was officially launched in China. For the year ended December 31, 2023, we recorded \$3.5 million of product revenue and related royalties from the commercial launch inventory stocking order from SciClone.

127 126

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[Table of Contents](#)

#### Known Trends, Geopolitical Events and Uncertainties

We are subject to additional risks and uncertainties as a result of the continued spread of COVID-19, adverse geopolitical and macroeconomic events, such as the ongoing conflict between Ukraine and Russia and related sanctions, and uncertain market conditions, including higher inflation and supply chain disruptions, which could continue to have a material impact on our business and financial results.

We continue to closely monitor the ongoing COVID-19 pandemic. The extent to which the COVID-19 pandemic impacts our operations or those of our third-party partners, including our pre-clinical studies, clinical trials, manufacturing operations and commercialization efforts, will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that will emerge concerning the severity of the COVID-19 pandemic, the emergence of new variants of the virus and the actions to contain the coronavirus or treat its impact, among others. The COVID-19 pandemic was limiting certain commercialization efforts for DANYELZA and also led to slower initiation of new clinical trials and a fluctuating rate of recruitment for ongoing clinical trials, which has delayed our clinical development activities and thereby postponed certain accompanying costs.

Given the continued evolution of the COVID-19 pandemic and the related complexities and uncertainties associated with the additional variants, the future effects of COVID-19 are unknown and our financial results may be negatively affected in the future. The COVID-19 pandemic may also have long-term effects on the nature of the office environment and remote working, which may present strategy, operational, talent recruiting and retention and workplace culture challenges that may adversely affect our business.

On February 24, 2022, Russia launched a wide-ranging attack on Ukraine. The resulting conflict and retaliatory measures by the global community have created global security concerns, including the possibility of expanded regional or global conflict, which have had and are likely to continue to have, short-term and longer-term adverse impacts on Russia, Ukraine and Europe and around the globe. Sanctions issued by the U.S. and other countries against Russia and related counter-sanctions issued by Russia have made it very difficult for us to operate in Russia, and we terminated our clinical trials of DANYELZA in Russia and put on hold our regulatory activities to obtain marketing authorization for DANYELZA in Russia. This has negatively impacted our plans to commercialize and sell DANYELZA in Russia and may therefore adversely affect our business. In addition, the war between Russia and Ukraine has had significant ramifications on global financial and energy markets, including volatility in the U.S. and global financial markets, which has led to disruptions to trade, commerce, pricing stability, credit availability, supply chain supply-chain continuity and reduced access to liquidity globally, and has caused and may continue to cause volatility in the price of our common stock, which may adversely impact our ability to raise capital on favorable terms or at all.

The full economic and social impact of the sanctions imposed on Russia and possible future punitive measures that may be implemented, as well as the counter measures imposed by Russia, in addition to the ongoing military conflict between Ukraine and Russia remains uncertain; however, both the conflict and related sanctions have resulted and could continue to result in disruptions to trade, commerce, pricing stability, credit availability supply chain and supply-chain continuity and reduced access to liquidity on acceptable terms, in both Europe and globally, and has introduced significant uncertainty into global markets.

In addition, on October 7, 2023, Hamas militants infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas. It is currently not possible to predict the duration or severity of the ongoing conflict, whether it will develop into a wider conflict or its effects on our business, operations and financial condition. The ongoing conflict is rapidly evolving and developing and may have a material adverse impact on our business and/or our partners. For example, it may have an adverse impact on Takeda Israel's ability to sell our products and/or collect receivables from customers in the State of Israel pursuant to the exclusive licensing and distribution agreement we entered into with Takeda Israel in November 2022, or the Takeda Licensing agreement, as well as on Takeda Israel's ability to pursue the development, marketing and/or commercialization of DANYELZA in the State of Israel, West Bank and Gaza Strip, which may ultimately have an adverse impact on the amount of royalties we receive pursuant to the Takeda Licensing Agreement.

The recent trends towards rising inflation may also materially affect our business and corresponding financial position and cash flows. Inflationary factors, such as increases in the cost of our clinical trial materials and supplies, interest rates and overhead costs have and may continue to adversely affect our operating results. Rising interest rates also present a recent challenge impacting the U.S. economy and could make it more difficult for us to obtain traditional financing on acceptable terms, if at all, in the future. Additionally, the general consensus among economists suggests that we should expect a higher recession risk to continue over the next year, which, together with the foregoing, could result in further economic uncertainty and volatility in the capital markets in the near term, and could negatively affect demand for our product and our operations. Furthermore, such economic conditions have produced downward pressure on share prices. We may experience increases on in our operating costs, including our labor costs and research and development costs, due to supply chain supply-chain constraints, consequences associated with COVID-19 and the ongoing conflict between Russia and

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[Table of Contents](#)

Ukraine, war between Israel and Hamas, and employee availability and wage increases, which may result in additional stress on the Company's working capital resources (especially if inflation rates continue to rise).

In addition, the closures of Silicon Valley Bank and Signature Bank in 2023 have resulted in broader financial institution liquidity risk and concerns, and future adverse developments with respect to the failure of specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages. The failure of any bank in which we deposit our funds could reduce the amount of cash we have available for our operations or corporate development, or delay our ability to access such funds. Any such future bank failure may increase the possibility of a sustained deterioration of financial market liquidity, or illiquidity at clearing, cash management and/or custodial financial institutions. To help guard against that risk, our cash and cash equivalents are held at a large major federal, national

127

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[Table of Contents](#)

bank. In the event we have a commercial relationship with a bank that has failed or is otherwise distressed, we may experience delays or other issues in meeting our financial obligations. If other banks and financial institutions fail or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our cash and cash equivalents may be threatened and our ability to borrow or raise additional capital when needed to operate our business could be substantially impaired.

## Components of Our Results of Operations

### Product Revenue, Net

Product revenue consists of sales of DANYELZA, and royalty revenue generated from the sales of DANYELZA.

### License Revenue

License revenue consists of payments received for the licensing rights to DANYELZA. Refer to NOTE 3—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES in the notes to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for additional details.

### Operating Costs and Expenses

#### Cost of goods sold

Cost of goods sold includes direct and indirect costs related to the manufacturing and distribution of DANYELZA, including materials, third-party manufacturing costs, packaging services, freight, labor costs for personnel involved in the manufacturing process, indirect overhead costs, third-party royalties payable on our net product revenues and charges for excess and obsolete inventory reserves and inventory write-offs.

#### Licensing License royalties

The Company has incurred certain License royalties include third-party royalty expenses related to third-party licensing license revenues which are included in Licensing royalties, that have been recognized by the Company.

#### Research and Development Expenses development

Research and development expenses consist of expenses incurred in connection with the discovery and development of our product candidates. We expense research and development costs as incurred. These expenses include, but are not limited to:

- sponsored research, laboratory facility services, clinical trial and data service at MSK under the Sponsored Research Agreements, or the SRAs, the two CFSAs, the MCTA, and the MDSA, with MSK;
- expenses incurred under agreements with CROs, as well as investigative sites and consultants that conduct our non-clinical and pre-clinical studies and clinical trials;
- expenses incurred under agreements with CMOs, including manufacturing scale-up expenses and the cost of acquiring and manufacturing pre-clinical study and clinical trial materials, including manufacturing of validation batches;
- upfront, milestone and other non-revenue related payments due under our third-party licensing agreements;
- employee-related expenses, which include salaries, benefits, travel and stock-based compensation;

128

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[Table of Contents](#)

- expenses related to regulatory activities, including filing fees paid to regulatory agencies;
- outsourced professional scientific development services; and

129

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[Table of Contents](#)

- allocated expenses for utilities and other facility-related costs, including rent, insurance, supplies and maintenance expenses, and other operating costs.

The successful development and regulatory approval of our product candidates is highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the remainder of the development of DANYELZA or any other product candidates we may develop. This uncertainty is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of many factors, including, but not limited to:

- the number of clinical sites included in the trials;
- the availability and length of time required to enroll a sufficient number of suitable patients in our clinical trials;
- the actual probability of success for our product candidates, including the safety and efficacy, early clinical data, competition, manufacturing capability and commercial viability;
- significant and changing government regulation and regulatory guidance;

- the performance of our existing and any future collaborators;
- the number of doses patients receive;
- the duration of patient follow-up;
- the results of our clinical trials and pre-clinical studies;
- the establishment of commercial manufacturing capabilities;
- adequate ongoing availability of raw materials and drug substance for clinical development and any commercial sales;
- the terms and timing of potential regulatory approvals, including the timing of any BLA and Marketing Authorization Application, or MAA, submissions and their acceptance;
- the potential receipt of marketing approvals, including a safety, tolerability and efficacy profile that is satisfactory to the FDA, the EMA, and the European Commission or any other non-U.S. regulatory authority;
- any requirement by the FDA, the EMA and the European Commission or any other non-US regulatory authority to conduct post market surveillance or safety studies;
- the expense of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights; and
- the success of commercialization of approved products.

129

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[Table of Contents](#)

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, in its CRL for omburtamab, and in our Type A meeting held subsequent to receipt of the CRL, the FDA made recommendations for us to consider in terms of a potential trial design to demonstrate substantial evidence of effectiveness and a favorable benefit-risk profile. If we are required and we determine to conduct additional clinical trials of a product candidate, including if we determine to resume development of omburtamab, we will need substantial additional funds and there is no assurance that the results of any such additional clinical trials will be sufficient for approval.

130

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[Table of Contents](#)



Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Our research and development expenses include personnel costs, including stock-based compensation, **conduct and the costs of conducting** clinical trials and potentially **prepare preparing** regulatory submissions for our pipeline candidates, including supplementary regulatory submissions for DANYELZA. **In January 2023 we announced a strategic restructuring plan designed to extend our cash resources and prioritize resources on the commercialization and potential label extension of DANYELZA and development of the SADA PRIT Technology platform. In addition to deprioritizing the omburtamab program for all indications and product candidates, we have deprioritized other pipeline programs, including activities relating to the GD2-GD3 Vaccine and CD33 bispecific antibody constructs by delaying trial initiation and overall timelines as part of the restructuring plan. Our research and development expenses have decreased as a result of our January 2023 restructuring.**

*Selling, **General, general,** and **Administrative Expenses administrative***

Selling, general, and administrative expenses consist primarily of employee related expenses, including salaries, bonus, benefits, and stock-based compensation expenses for personnel in executive, commercial, finance and administrative functions. Other significant costs include facility costs not otherwise included in research and development expenses or cost of goods sold, legal fees relating to corporate matters, and fees for patent, accounting, tax, and consulting services.

**We anticipate that our **Our** selling, general, and administrative, or **SG&A,** expenses will decrease based our January 2023 restructuring.** SG&A, expenses include administrative costs to support continued research and development activities, potential commercialization of additional product candidates and additional indications and costs associated with operating as a public company, including expenses related to services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs and investor and public relations costs.

*Other **Loss, Net income/(loss), net***

**On December 28, 2020 **Other income / (loss),** we announced that we entered into a definitive agreement to sell **net primarily consists of interest income earned on our DANYELZA PRV to United Therapeutics Corporation for \$105.0 million. The PRV was granted in conjunction with the approval by the FDA of DANYELZA@ money market fund and foreign currency transaction gains and losses. Other income / (loss), for the treatment of refractory/relapsed high-risk NB. Under the terms of the MSK License Agreement, we retained 60% of the net proceeds received from the sale, can vary quarter-to-quarter based on interest rates and the remaining 40% was paid to MSK. As a result, we received net proceeds from this sale of \$62.0 million. The transaction closed on January 21, 2021 when the substantive closing conditions included within the agreement were resolved.****

**foreign currency fluctuations.**

#### **Critical Accounting Policies and Significant Judgments and Estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our **consolidated** financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles, or GAAP. We believe that several accounting policies are significant to understanding our historical and future performance. We refer to these policies as critical because these specific areas generally require us to make judgments and estimates about matters that are uncertain at the time we make the estimate, and different estimates—which also would have been reasonable—could have been used. On an ongoing basis, we evaluate our estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and other **market-specific market specific** or other relevant assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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#### [Table of Contents](#)

While our significant accounting policies are described in more detail in the notes to our **consolidated** financial statements appearing elsewhere in this Annual Report on Form 10-K, we believe the following accounting policies to be most critical to the judgments and estimates used in the preparation of our **consolidated** financial statements.

## Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, net product revenues, the accrual for research and development expenses, the accrual of milestone and royalty payments, the valuation of stock options and asset impairments. Estimates are periodically reviewed in light of changes in

131

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## Table of Contents

circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

The full extent to which the COVID-19 pandemic and macroeconomic conditions will directly or indirectly impact our business, results of operations and financial condition, including revenues, expenses, manufacturing, clinical trials, research and development costs and employee-related amounts, will depend on future developments that are highly uncertain, including as a result of the economic impact on local, regional, national and international markets.

### Product revenue Revenue Recognition

We recognize revenue from sales of DANYELZA at a point in time when our customer is deemed to have obtained control of the product, which generally occurs upon receipt at the end-user hospital.

The vast majority of our product sales were in the United States with additional sales outside the United States in China and Israel through sublicenses and distribution agreements. We had product sales to certain customers that accounted for more than 10% of total gross product revenue for the years ended December 31, 2022 and 2021. McKesson, AmerisourceBergen, and Cardinal Health accounted for 70.8%, 17.4%, and 10.1%, respectively, of our gross product revenue for the year ended December 31, 2022. McKesson and AmerisourceBergen accounted for 73.2% and 17.6%, respectively, of our gross product revenue for the year ended December 31, 2021.

The amount of revenue we recognize from sales of DANYELZA varies due to rebates, chargebacks and discounts provided under governmental and other programs, distribution related fees and other sales-related deductions. In order to determine those deductions, we estimate, utilizing the expected value method, the amount of revenue that we will ultimately be entitled to. This estimate is based upon contracts with customers and government agencies, statutorily-defined discounts applicable to government-funded programs, estimated payor mix, and other relevant factors. Calculating these amounts involves estimates and judgments.

### License Revenue

To determine revenue recognition for product revenue and license revenue arrangements that we determine are within the scope of Topic ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies we satisfy a performance obligation. We only apply the five-step model to arrangements that meet the definition of a contract with a customer under ASC 606, including when it is probable that the entity we will collect the consideration it is we are entitled to in exchange for the goods or services it transfers we transfer to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract, determine those that are performance obligations, and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

We recognize revenue from sales of DANYELZA at a point in time when our customer is deemed to have obtained control of the product, which generally occurs upon receipt at the end-user hospital for sales in the United States, and upon delivery to the distributors for sales in the international territories.

The amount of revenue we recognize from sales of DANYELZA varies due to rebates, chargebacks, returns and discounts provided under governmental and other programs, distribution-related fees and other sales-related deductions. In order to determine those deductions, we estimate, utilizing the expected value method, the amount of revenue that we will ultimately be entitled to. This estimate is based upon contracts with customers and government agencies, statutorily-defined discounts applicable to government-funded programs, estimated payor mix, and other relevant factors. Calculating these amounts involves estimates and judgments, and we review these estimates quarterly. If there are multiple distinct actual results, rebates, chargeback, returns and discounts vary from our original estimates, we will adjust these estimates quarterly, which would affect net product revenue and earnings in the period such variances occur.

When evaluating arrangements with intellectual property licensing, in determining performance obligations, we allocate evaluate whether the transaction price license is distinct from the other performance obligations with the collaborative partner based on the relevant facts and circumstances for each arrangement. If the license to each our intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, we recognize revenues from non-refundable, up-front fees allocated to the license when the license is transferred to the distributor and the distributor is able to use and benefit from the license. For licenses that are bundled with other promises, we evaluate the nature of the combined performance obligation based on our relative standalone selling price to determine whether the combined performance obligation is satisfied over time or at

131

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## [Table of Contents](#)

a point in time and, if over time, we determine the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, up-front fees. In assessing whether a promised good or service is distinct in the evaluation of a license licensing arrangement, subject to ASC 606, we consider factors such as the research, manufacturing and commercialization capabilities of the licensing partner and the availability of the associated expertise in the general marketplace. We also consider the intended benefit of the contract in assessing whether a promised good or service is separately identifiable from other promises in the contract. When evaluating arrangements that include regulatory and commercial milestone payments, we evaluate whether the milestones are considered probable of being reached and estimate the amount to be included in the transaction price using the most likely amount method. If it is probable that a promised good significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within our control or service the control of the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The sales-based milestones and royalty payments are recognized when the milestone is not distinct, we combine that good achieved or service with other promised goods or services until it identifies a bundle of goods or services that is distinct.

the related sales occur.

## **Research and Development Expenses**

Research and development costs are charged to operations when incurred and are included in operating expenses. Research and development costs consist principally of compensation cost for our employees and consultants that perform our research activities, the costs to obtain and maintain our licenses, the payments to third parties for third-party CMOs

132

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## [Table of Contents](#)

and CROs and for additional product manufacturing and development, and consumables and other materials used in research and development. We record accruals for estimated ongoing research costs. When evaluating the adequacy of accrued liabilities, we analyze progress of the studies or clinical trials, including the phase or completion of events, invoices received and contracted costs. Actual results could differ from our estimates. We are obligated to make certain milestone and royalty payments in accordance with the contractual terms of

the MSK License, CD33 License, **MabVax MabVax/Y-mAbs** Sublicense, and SADA License Agreement based upon the resolution of certain contingencies. Certain of these milestone payments are due and payable with the passage of time whether or not the milestones have actually been met. We record the milestone and royalty payment when the achievement of the milestone (including the passage of time) or payment of the milestone or royalty is probable, and the amount of the payment is reasonably estimable.

#### **Fair Value Measurements**

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The accounting guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 — Unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 — Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 — Unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

Our cash equivalents are carried at fair value, determined according to the fair value hierarchy described above.

#### **Income Taxes**

We account for income taxes under the asset and liability approach for the financial accounting and reporting of income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to net operating loss carry forwards and temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. These assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. A valuation allowance is established when management determines that it is more likely than not that some portion or all of the deferred tax assets will not be realized.

We prepare and file tax returns based on our interpretation of tax laws and regulations. In the normal course of business, our tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities. In determining our tax provision for financial reporting purposes, we establish a reserve for uncertain tax positions unless such positions are determined to be more likely than not of being sustained upon examination based on their technical merits. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes. Accordingly, we will report a liability for unrecognized tax benefits resulting from any uncertain tax positions taken or expected to be taken on a tax return.

Our policy is to recognize, when applicable, interest and penalties on uncertain tax positions as part of income tax expense.

#### **Stock-Based Compensation**

We measure stock options granted to employees, directors, and consultants based on the fair value on the date of the grant and recognize compensation expense of those awards, over the requisite service period, which is the vesting

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#### [Table of Contents](#)

period of the respective award for employees and directors. Forfeitures are accounted for as they occur. We issue stock options to employees and directors with only service-based vesting conditions and record the expense for these awards using the straight-line method over the requisite service period.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. Historically, we have been a private company and lack company-specific historical and implied volatility information for our shares. Therefore, we estimate our

expected share price volatility based on a combination of the historical volatility of a group of publicly-traded peer companies and the historical volatility of the Y-mAbs share price, and we expect to continue to do so until such time as we have adequate historical data regarding the volatility of our own traded share price. The expected term of our stock options has been determined utilizing the "simplified" method for awards as we have limited historical data to support the expected term assumption. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield is based on the fact that we have never paid cash dividends on shares of our common stock and do not expect to pay any cash dividends in the foreseeable future.

#### **Fair Value of Stock Options**

We measure stock options granted to employees and directors based on the fair value on the date of the grant and recognize compensation expense of those awards, over the requisite service period, which is the vesting period of the respective award for employees and directors. Forfeitures are accounted for as they occur. We issue stock options to employees and directors with only service-based vesting conditions and record the expense for these awards using the straight-line method over the requisite service period.

132

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#### [Table of Contents](#)

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The assumptions used to determine the fair value Historically, we have been a private company and lack company-specific historical and implied volatility information for our shares. Therefore, we estimate our expected share price volatility based on a combination of the granted historical volatility of a group of publicly-traded peer companies and the historical volatility of the Y-mAbs share price, and we expect to continue to do so until such time as we have adequate historical data regarding the volatility of our own traded share price. The expected term of our stock options were has been determined utilizing the "simplified" method for awards as follows: we have limited historical data to support the expected term assumption. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield is based on the fact that we have never paid cash dividends on shares of our common stock and do not expect to pay any cash dividends in the foreseeable future.

- Risk-free interest rate: The risk-free interest rate assumption is based on the U.S. Treasury instruments whose terms were consistent with the expected option term of our stock options.
- Expected Dividend Yield: The expected dividend yield assumption is based on the fact that we have never paid cash dividends and have no present intention to pay cash dividends. Consequently, we used an expected dividend of zero.
- Expected Volatility: The expected stock price volatility is estimated by taking the average historic price volatility of the share price of our common stock and industry peers, and adjusting for differences in life cycle and financing leverage. Our industry peers consist of several public companies in the biopharmaceutical industry.
- Expected Term: We determine the average expected life of stock options based on the simplified method in accordance with SEC Staff Accounting Bulletin Nos. 107 and 110. We expect to continue to use the simplified method until we have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term.

#### **Income Taxes**

We account for income taxes under the asset and liability approach for the financial accounting and reporting of income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to net operating loss carry forwards and temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. These assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. A valuation allowance is established when management determines that it is more likely than not that some portion or all of the deferred tax assets will not be realized.

We prepare and file tax returns based on our interpretation of tax laws and regulations. In the normal course of business, our tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities. In determining our tax provision for financial reporting purposes, we establish a reserve for uncertain tax positions unless such positions are determined to be more likely than not of being sustained upon examination based on their technical merits. We consider

many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately

134 133

## Table of Contents

anticipate actual outcomes. Accordingly, we will report a liability for unrecognized tax benefits resulting from any uncertain tax positions taken or expected to be taken on a tax return.

Our policy is to recognize, when applicable, interest and penalties on uncertain tax positions as part of income tax expense.

## Results of Operations

### Comparison of the Years Ended December 31, 2022 December 31, 2023 and 2021 2022

The following table summarizes our results of operations for the years ended December 31, 2022 December 31, 2023 and 2021 2022:

	Years Ended				Year Ended			
	December 31,		Amount Change	Percentage Change	December 31,		Change	
	2022	2021			2023	2022	Amount	Percent
	(in thousands)		(in thousands)					
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
(in thousands)								
REVENUES								
Product revenue, net	\$ 49,267	\$ 32,897	\$ 16,370	% 50	\$ 84,319	\$ 49,267	\$ 35,052	71 %
License revenue	16,000	2,000	14,000	700	500	16,000	(15,500)	(97)
Total revenues	65,267	34,897	30,370	87	84,819	65,267	19,552	30
OPERATING COSTS AND EXPENSES								
Cost of goods sold	7,467	2,304	5,163	224	11,366	7,467	3,899	52
License royalties	100	210	(110)	(52)	50	100	(50)	(50)
Research and development	91,572	93,245	(1,673)	(2)	54,219	91,572	(37,353)	(41)
Selling, general, and administrative	60,939	54,571	6,368	12	44,856	60,939	(16,083)	(26)
Total operating costs and expenses	160,078	150,330	9,748	6	110,491	160,078	(49,587)	(31)
Loss from operations	(94,811)	(115,433)	20,622	(18)	(25,672)	(94,811)	69,139	(73)
OTHER INCOME / (LOSS), NET								
Gain from sale of priority review voucher, net	—	62,010	(62,010)	(100)				
Interest and other loss, net	(757)	(1,852)	1,095	(59)				

Interest and other income/(loss)					4,806	(757)	5,563	(735)
LOSS BEFORE INCOME TAXES					(20,866)	(95,568)	74,702	(78)
Provision for income taxes					561	—	561	N/A
NET LOSS	\$ (95,568)	\$ (55,275)	\$ (40,293)	% 73	\$ (21,427)	\$ (95,568)	\$ 74,141	(78)%

## Revenues

We recorded \$65.3 million and \$34.9 million in net revenues for the years ended December 31, 2022 and 2021, respectively. Our total revenues consist of product revenue, net was \$84.3 million and license revenue.

We recorded product revenue, net of \$49.3 million and \$32.9 million in the years ended December 31, 2022 and 2021, respectively. The increase was primarily driven by an increase in new US patients in and an incremental benefit from expanding into international markets. The Company's product revenue, net was generated from sales of DANYELZA and consists of the second half of 2022 and also included a \$1.8 million benefit related to a change in estimate as discussed further in NOTE 4—PRODUCT REVENUE in the consolidated financial statements included within this annual report on Form 10-K. The geographic breakout following (in thousands):

	Year ended December 31,		Change	
	2023	2022	Amount	Percent
(in thousands)				
United States	\$ 67,814	\$ 46,259	\$ 21,555	47 %
Other countries	16,505	3,008	13,497	449
Total product revenue, net	\$ 84,319	\$ 49,267	\$ 35,052	71 %

Our product revenue from other countries for the \$49.3 million year ended December 31, 2023 increased by \$13.5 million, mainly driven by an increase of \$8.6 million of product revenue, net between from our distribution partner, WEP and an increase of \$3.5 million of product revenue and related royalties for the 2023 commercial launch initial inventory stocking order from our distribution partner, SciClone, which launched commercial sales in China in June 2023. We recognized royalty

## Table of Contents

revenue from our distribution partners of \$4.5 million and \$2.1 million in the United States years ended December 31, 2023 and other countries were \$46.3 million and \$3.0 million, 2022, respectively.

In addition, we recorded \$16.0 million and \$2.0 million recognized \$0.5 million in license revenue for the years year ended December 31, 2022 and 2021, respectively, December 31, 2023 upon the September 2023 achievement of marketing authorization for DANYELZA in Mexico under the terms of the non-refundable license milestone within our sublicense agreement with Adium. During the year ended December 31, 2022, we recognized license revenue for a regulatory-based milestone payment received of \$15.0 million from SciClone, Pharmaceuticals International Ltd., or SciClone, which we received in connection with the conditional marketing approval of DANYELZA in China and we recognized \$1.0 million of license revenue upon the delivery of the updated FDA BLA Dossier under our sublicense with Adium. The license revenue of \$2.0 million for the year ended December 31, 2021 was attributable to the revenues earned from the entering into of the sublicense agreement with Adium to out-license DANYELZA and omburtamab in Latin America. As part of this agreement, we received a non-refundable up-front fee of \$2.0 million for the transfer of the license and know-how related to the constructs that we concluded was distinct from other promises within the arrangement. Please refer to NOTE 3—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES in the consolidated financial statements included within this annual report on Form 10-K for further information related to our license revenue.

[Table of Contents](#)

### Cost Of Goods Sold

We began capitalizing inventory costs once DANYELZA received accelerated approval by the FDA in November 2020. Cost of goods sold was \$7.5 million and \$2.3 million for the years ended December 31, 2022 and 2021, respectively. The increase in cost of goods sold was primarily driven by our increased net product revenue and also included a \$1.2 million charge in 2022 related to a DANYELZA production batch that did not meet our quality specifications and the below noted impact associated with minimum royalties which began to impact cost of goods sold in 2022. Our cost of goods sold includes amounts related to materials, third-party contract manufacturing, third-party packaging services, freight, indirect labor costs, for personnel involved in the manufacturing process, third-party royalties for approved products, and indirect overhead costs. In periods prior to receiving FDA approval Cost of goods sold was \$11.4 million and \$7.5 million for DANYELZA, we recognized the years ended December 31, 2023 and 2022, respectively. The cost of goods sold increase was primarily driven by increased product revenue, net, and \$0.8 million inventory and related manufacturing costs of DANYELZA as research and development expenses.

In addition, in 2016, we expensed \$1.2 million of minimum royalties related to DANYELZA prior to commercial launch which were fully creditable against earned royalties in future periods. As a result, there was no royalty expense recorded write-off for the year ended December 31, 2021. If we had December 31, 2023, while there was a \$1.2 million charge related to a DANYELZA production batch that did not sold previously expensed meet our quality specifications during the year ended December 31, 2022.

Our gross margin, excluding the 2023 and 2022 inventory and if we had not utilized charges, remained at 87% for the minimum royalty credit, our year ended December 31, 2023, compared to 2022, which was a net impact of the gross margin increase from higher revenues in the United States, offset by increased revenues from geographic areas outside of the United States, which were at a lower gross margin. We define gross margin as net product revenues less cost of goods sold would divided by net product revenues.

### License Royalties

License royalties include third-party royalty expenses related to license revenues that have been approximately \$3.9 million for the year ended December 31, 2021.

### Licensing Royalties

recognized. During 2023 and 2022, license royalties related to MSK's share of licensing revenues. We incurred license royalty expenses expense of \$50,000 during the year ended December 31, 2023 upon the September 2023 achievement of marketing authorization for DANYELZA in Mexico under our sublicense agreement with Adium, noted above. We incurred license royalty expense of \$0.1 million and \$0.2 million during the years year ended December 31, 2022 and 2021, respectively related to licensing revenues which is included in Licensing Revenue on upon the Consolidated Statements of Net Loss and Comprehensive Loss.

We recognized an intangible asset of \$1.5 million for the royalty payable to MSK for their share delivery of the regulatory-based milestone payment of \$15.0 million by SciClone updated FDA BLA Dossier for the conditional approval of DANYELZA in China, as discussed further in NOTE 7—INTANGIBLE ASSETS in the consolidated financial statements included within this annual report on Form 10-K, accordance with our sublicense with Adium, noted above.

### Research and Development Expenses

We do not record our research and development expenses on a program-by-program or on a product-by-product basis as they primarily relate to personnel, research, manufacturing, license fees and consumable costs, which are simultaneously deployed across multiple projects under development. These costs are included in the table below.

	Years Ended			Year Ended		
	December 31,		Change	December 31,		Change
	2022	2021	2022 vs. 2021	2023	2022	Amount      Percent
	(in thousands)		(in thousands)			
(in thousands)						



(in thousands)							
(in thousands)							
(in thousands)							
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(in thousands)							
(in thousands)							
(in thousands)							
(in thousands)							
(in thousands)							
(in thousands)							
(in thousands)							
Outsourced manufacturing	\$ 34,750	\$ 35,599	\$ (849)	\$13,731	\$34,750	\$(21,019)	(60)%
Clinical trials	8,904	10,096	(1,192)	6,934	8,904	(1,970)	(22)
Outsourced research and supplies	9,945	12,248	(2,303)	949	9,945	(8,996)	(90)
Milestones and license acquisition costs	300	10	290	4,125	300	3,825	1,275
Personnel costs	18,532	17,599	933	14,043	18,532	(4,489)	(24)
Professional and consulting fees	3,077	2,663	414	1,685	3,077	(1,392)	(45)
Stock-based compensation	7,830	7,402	428	6,252	7,830	(1,578)	(20)
Information technology expenses				2,442	2,238	204	9
Other	8,234	7,628	606	4,058	5,996	(1,938)	(32)
Total research and development expense	\$ 91,572	\$ 93,245	\$ (1,673)				
				\$54,219	\$91,572	\$(37,353)	(41)%

Research and development expenses were \$91.6 million for the year ended December 31, 2022, as compared to \$93.2 million for the year ended December 31, 2021. The \$1.6 million decrease mainly reflects decreased clinical trial activities in 2022.

136 135

## Table of Contents

Research and development expenses were \$54.2 million for the year ended December 31, 2023, as compared to \$91.6 million for the year ended December 31, 2022. The \$37.4 million decrease was mainly due to a \$21.0 million decrease in outsourced manufacturing, a \$9.0 million decrease in outsourced research and supplies, a \$6.1 million decrease in personnel related costs, inclusive of stock-based compensation, and a \$2.0 million decrease in clinical trials. These decreases were partially offset by a \$3.8 million increase in milestones and license acquisition costs primarily related to \$4.1 million increase in our SADA License Agreement, as we determined certain time-based clinical milestones within the agreement are probable based on the availability of necessary data and the assessment of clinical progress during 2023. Please refer to NOTE 9— LICENSE AGREEMENTS AND COMMITMENTS in the consolidated financial statements in this Annual Report on Form 10-K for further discussion on our SADA License Agreement.

Outsourced manufacturing decreased by \$21.0 million, compared to 2022, primarily due to decreased production of SADA clinical trial materials as the majority of the materials for current trials were produced in prior years, a decrease in omburtamab production due to our deprioritization of that program as a result of the CRL, and a decrease in naxitamab materials designated for clinical use.

Decreased spending on deprioritized programs resulted in decreases in outsourced manufacturing related to omburtamab production, as described above, outsourced research and supplies, personnel related costs and clinical trial costs. Outsourced research and supplies decreased by \$9.0 million mainly due to a decrease in spending in clinical studies and regulatory affairs as we were preparing for the potential launch of omburtamab during 2022.

Personnel related costs, inclusive of stock-based compensation, decreased to \$20.3 million in the year ended December 31, 2023, a \$6.1 million decrease compared to the year ended December 31, 2022, due to the impact of the strategic restructuring plan we announced in

January 2023. Please refer to **NOTE 14—RESTRUCTURING CHARGE** in the consolidated financial statements in this Annual Report on Form 10-K for further discussion.

### **Selling, General, and Administrative**

#### **Selling, general and Administrative Expenses**

SG&A administrative expenses were \$44.9 million for the year ended December 31, 2023, as compared to \$60.9 million for the year ended December 31, 2022, as compared to \$54.6 million for the year ended December 31, 2021. The \$6.3 million increase \$16.0 million decrease in SG&A selling, general and administrative expenses was primarily attributable to a \$7.8 million increase in \$10.9 million charge for severance and share-based compensation expense in the year ended December 31, 2022 related to our former Chief Executive Officer as discussed further in **NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS** in the consolidated financial statements included within this annual report on Form 10-K.

#### **Other Loss, Net**

On December 28, 2020, we announced that we had entered into 10-K, and, to a definitive agreement to sell our DANYELZA PRV to United Therapeutics Corporation for \$105.0 million. The PRV was granted lesser extent, a \$3.4 million decrease in conjunction with the approval by the FDA commercial expense, inclusive of DANYELZA costs incurred in 2022 for the treatment preparation of refractory/relapsed high-risk NB. Under the terms of the MSK License, we retained 60% of the net proceeds received from the sale of the PRV, a potential omburtamab launch.

**Interest and the remaining 40% was paid to MSK. The transaction closed on January 21, 2021 and we recognized a net gain of \$62.0 million during the year ended December 31, 2021 related to the sale of the PRV. There were no PRV sales during the year ended December 31, 2022. Other Income/(Loss)**

Interest and other loss, net income for the years year ended December 31, 2023 was \$4.8 million and interest and other loss for the year ended December 31, 2022 and December 31, 2021 were \$0.7 million and \$1.9 million, respectively, was \$0.8 million. The \$1.2 million \$5.6 million favorable change in our interest and other loss, net income/(loss), reflects increased interest income for the year ended December 31, 2022 December 31, 2023, and was driven by increased interest rates, partially offset by money market fund investment income. We recorded impairment charges totaling \$1.4 million related to the write down of the book value to fair value for two Secured Promissory Notes. Notes during the year ended December 31, 2022.

#### **Provision for Income Taxes**

Provision for income taxes was \$0.6 million for the year ended December 31, 2023. We did not record any provision for income taxes for the year ended December 31, 2022. The increase in provision for income taxes was primarily driven by certain U.S. state jurisdictions, and, to a lesser extent, limitation on utilization of U.S. federal net operating losses.

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### [Table of Contents](#)

## **Liquidity and Capital Resources**

### **Overview**

Each year we have experienced a significant use of cash to fund our net operating losses since inception and expect to continue to have to fund net operating losses. inception. We expect our use of cash to fund our net operating losses to decrease in the future as a result of our restructuring plan announced in January 2023. DANYELZA product revenues grow and contribute to funding our significant research expenses. Our net losses may fluctuate significantly from quarter to quarter and year to year. We currently have one approved product, DANYELZA, which launched in the first quarter of 2021. We have financed our operations through December 31, 2022 primarily through gross proceeds from the sales of shares of our common stock, of \$493.8 million including our initial public offering in the years 2015 through September 2018 and our subsequent public offerings in November 2019 and February 2021, as well as additional funding from the

proceeds from the sales of DANYELZA and from proceeds from the sale of the DANYELZA PRV. our PRV obtained upon FDA approval of DANYELZA.

As of December 31, 2022 December 31, 2023 and 2021, 2022, we had cash and cash equivalents of \$105.8 million \$78.6 million and \$181.6 million \$105.8 million, respectively. As a result of the estimated decrease in forecasted operating expenses following the restructuring we announced in January 2023, we estimate that our cash and cash equivalents, when combined with anticipated DANYELZA revenues, will should support our operations into the first quarter of 2026, 2027. This estimate is based on our current business plan, including our restructuring, and on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. This estimate assumes no income from new partnerships or other new business development activities, and no further development of the omburtamab program. We cannot provide any assurance that we will be able to obtain additional capital from additional equity or debt financings, collaborations, licensing arrangements, or other sources.

In conjunction with the approval by the FDA of DANYELZA in November 2020 we received a PRV, which we subsequently sold to United Therapeutics Corporation in a transaction that closed in January 2021 based on an agreed valuation of \$105.0 million. We were obligated to pay 40% of the net proceeds to MSK. We have used the remaining proceeds to fund further research and development and other operational programs.

For an analysis of the type of contractual obligations and the relevant time periods for the related cash requirements of such obligations which may have a material impact on our liquidity and capital resources refer to NOTE 9 —LICENSE AGREEMENTS AND COMMITMENTS. COMMITMENTS.

137

## Table of Contents

### Cash Flows

The following table provides information regarding our cash flows for the years ended December 31, 2022 December 31, 2023 and 2021: 2022:

	Years Ended December 31,		Amount Change		Percentage Change		Year Ended December 31,		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021	2023	2022	2023	2022	Amount	Percent
	(in thousands)		(in thousands)							
(in thousands)										
(in thousands)										
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(in thousands)										
Net cash used in operating activities	\$ (75,921)	\$ (102,556)	\$ 26,635	(26)%	\$ (27,232)	\$ (75,921)	\$ 48,689	(64)%		
Cash provided by investing activities	—	61,043	(61,043)	(100)						

Net cash provided by investing activities					—	—	—	NA
Net cash provided by financing activities	84	108,314	(108,230)	(100)	100	84	16	19
Effect of exchange rates on cash and cash equivalents	35	129	(94)	(73)	7	35	(28)	(80)
Net increase / (decrease) in cash and cash equivalents	\$ (75,802)	\$ 66,930	\$ (142,732)	(213)%				
Net decrease in cash and cash equivalents					<u>\$ (27,125)</u>	<u>\$ (75,802)</u>	<u>\$ 48,677</u>	<u>(64)%</u>

#### Net Cash Used in Operating Activities

The use of cash in all periods resulted primarily from our net losses adjusted for non-cash charges and changes in components of working capital.

Net cash used in operating activities was \$75.9 million \$27.2 million for the year ended December 31, 2022 December 31, 2023, as compared to net cash used in operating activities of \$102.6 million \$75.9 million for the year ended December 31, 2021 December 31, 2022. The \$26.6 million \$48.7 million decrease in cash used in operating activities during the year ended December 31, 2022 December 31, 2023, compared to 2021, 2022, was primarily due to a \$29.7 million decreased use of cash to fund the \$58.1 million improvement in our net loss, net of non-cash adjustments, adjustments, which was partially offset by an increase in cash used for working capital of \$9.4 million during the year ended December 31, 2023, compared to the corresponding period in 2022. The \$9.4 million increase in cash used for working capital for the year ended December 31, 2023, as compared to the year ended December 31, 2022, was driven by higher accounts receivable from increased sales activity of \$5.1 million, lower accounts payable of \$5.9 million due to the impact of deprioritized programs, partially offset by decreased cash used for inventories, inclusive of current and non-current inventories, of \$1.4 million.

137

[Table of Contents](#)

#### Net Cash Used in Investing Activities

We did not generate or use cash for investing activities during the year years ended December 31, 2022. Net cash provided by investing activities was \$61.0 million for the year ended December 31, 2021. The net change of \$61.0 million was primarily the result of the \$62.0 million payment related to our share of the gross proceeds received from the sale of our PRV to United Therapeutics Corporation in the year ended December 31, 2021. For additional information on the PRV sale, please refer to the section entitled "Other Loss, Net". December 31, 2023 and 2022.

#### Net Cash Provided by Financing Activities

Net cash provided by financing activities was \$0.1 million for the year years ended December 31, 2022, as compared to \$108.3 million for the year ended December 31, 2021. The decrease December 31, 2023 and 2022, and consisted of \$108.2 million was primarily due to the net proceeds of \$107.7 million received from the public offering exercise of stock options in February 2021. both years.

#### Future Funding Requirements

We plan to advance the development of other our pipeline programs, initiate new research and pre-clinical development efforts and seek marketing approval for any additional product candidates and indications that we successfully develop. If we obtain approval for any additional product candidates and indications, we expect to incur commercialization expenses, which may be significant, related to establishing sales, marketing, manufacturing capabilities, distribution and other commercial infrastructure to commercialize such products. Accordingly, we may need to obtain substantial additional funding in connection with our continuing operations. However, global economic conditions have been worsening, with disruptions to, and volatility in, the credit and financial markets in the U.S. If these conditions persist and deepen, we could experience an inability to access additional capital or our liquidity could otherwise be impacted. If we are unable to raise capital when

needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs and/or future commercialization efforts.

In conjunction with the approval by the FDA Our cash and cash equivalents were \$78.6 million as of DANYELZA in November 2020 we received a PRV, which we subsequently sold to United Therapeutics Corporation for \$105.0 million December 31, 2023. We were obligated to pay 40% of the net proceeds to MSK. We have used the remaining net proceeds of \$62.0 million to fund further research and development and other operational programs.

138

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## [Table of Contents](#)

On February 22, 2021, we completed a public offering of our common stock pursuant to which we issued and sold 2,804,878 shares of our common stock at a price to the public of \$41.00 per share which included the exercise in full of the underwriters' option to purchase additional shares. We received aggregate gross proceeds from our third public offering of \$115.0 million, with aggregate net proceeds of approximately \$107.7 million after deducting underwriting discounts and commissions and offering expenses.

As a result of the estimated decrease in operating expenses after the restructuring program we announced in January 2023, we estimate that our cash and cash equivalents, of \$105.8 million as of December 31, 2022, when combined with anticipated DANYELZA revenues, will should support operations as currently planned into the first quarter of 2026. 2027. This estimate is based on our current business plan and on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. This estimate assumes no new partnerships or other new business development and no further development of the omburtamab program. We cannot provide any assurance that we will be able to obtain additional capital from additional new equity or debt financings, collaborations, licensing arrangements, or other sources. As a result of the our 2023 reduction in workforce and revised business plan, we expect to incur incurred restructuring expenses of approximately \$4.7 million \$4.5 million, consisting predominantly of cash related to notice and severance payments of approximately \$3.0 million \$2.8 million, which were paid in 2023, and acceleration of stock-based compensation of approximately \$1.7 million. The restructuring expenses were recognized in the first quarter of 2023, and the majority of the payments were made in the first quarter of 2023. The charges that we expect to incur are subject to a number of assumptions, and actual expenses may differ materially from the estimates disclosed above.

Because of the numerous risks and uncertainties associated with the further development and commercialization of DANYELZA, and the research, development and commercialization of other potential product candidates, we are unable to estimate the exact amount of our operating capital requirements. Our future capital requirements will depend on many factors, including:

- the scope, progress, timing, costs and results of clinical trials for developing DANYELZA, and conducting pre-clinical studies and clinical trials for our SADA constructs;
- research and pre-clinical development efforts for any future product candidates that we may develop;
- our ability to enter into and the terms and timing of any collaborations, licensing agreements, distribution agreements or other arrangements;
- the achievement of milestones or occurrence of other developments that trigger payments under any collaboration or other agreements;
- the number of future product candidates that we may pursue and their development requirements;
- the outcome, timing and costs of seeking regulatory approvals;

138

[Table of Contents](#)

- the costs of commercialization activities for any of our product candidates that may receive marketing approval to the extent such costs are not the responsibility of any future collaborators, including the costs and timing of establishing product sales, marketing, distribution and manufacturing capabilities;
- the amount and timing of future revenue, if any, received from commercial sales of our current and future product candidates upon any marketing approvals;
- proceeds received, if any, from monetization of any future PRVs;
- our headcount and associated costs as we focus our research and development efforts on additional indications for DANYELZA and our SADA **technology PRIT Technology** and expand our commercial infrastructure;

139

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[Table of Contents](#)

- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property related claims; and
- the costs of operating as a public company.

Identifying potential product candidates and conducting pre-clinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain **additional** marketing approval and achieve **additional** product sales. In addition, our product candidates, if approved, may not achieve commercial success. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, existing ownership interest in our company may be materially diluted, and the terms of these securities may include liquidation or other preferences that adversely affect common stockholders' rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

#### Contractual Obligations and Commitments

A summary of **our minimum contractual obligations the financial balances** related to our material outstanding contractual commitments **is and the maximum financial impact related to milestones under those contractual obligations are** included in **NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS of our enclosed in the notes to the consolidated financial statements, statements included in Item 8. Financial Statements and Supplementary Data.**

Contractual obligations as of **December 31, 2022 December 31, 2023** are related to payments of operating leases for our office spaces at our corporate headquarters in New York, New York, a laboratory space located in Nutley, New Jersey, and

139

office space in Hørsholm, Denmark. Our obligations and commitments are disclosed in the contractual obligations table below:

	Payments Due By Period (in thousands)			Payments Due By Period (in thousands)		
	Total	Less Than 1 Year	1 to 3 Years	Total	Less Than 1 Year	1 to 3 Years
Operating Lease Commitments	\$ 1,906	\$ 997	\$ 909	\$ 1,522	\$ 996	\$ 526
Total	\$ 1,906	\$ 997	\$ 909	\$ 1,522	\$ 996	\$ 526

We In addition, we enter into contracts in the normal course of business with CROs, CMOs, clinical sites and other third parties for clinical trials, pre-clinical research studies and testing, professional consultants for expert advice and other vendors for clinical supply, manufacturing and other services. These contracts are not considered contractual obligations, as they provide for termination upon prior notice, and, therefore, are cancelable contracts and do not include any minimum purchase commitments. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including non-cancellable obligations of our service providers, up to the date of cancellation.

As further described below, in NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS of our enclosed consolidated financial statements, under various licensing and related agreements with third parties, we have agreed to make milestone and royalty payments to third parties.

We have entered into three license agreements and certain other agreements with MSK. The license agreements are further described below as the MSK License, the CD33 License, and the SADA License. Additionally, through the Settlement and Assumption and Assignment agreement, or SAAA, we have established a direct license with MSK relating to the GD2-GD3 Vaccine, which was originally licensed by the Company from MabVax in 2018.

Under the MSK License and the CD33 License we are obligated to (i) make certain payments to MSK, which become due based upon the achievement of the related milestone activities or the passage of time in the event such milestone activities are not achieved, as well as certain sales-related milestones, (ii) pay mid to high single-digit royalties to MSK, on a product-by-product and country-by-country basis, based on net sales of products licensed under the applicable agreement and (iii) pay to MSK a percentage of any sublicense fees received by us. Under the CD33 License, we are obligated to pay annual minimum royalties of \$40,000 over the royalty term beginning in 2027, increasing to \$60,000 once a patent within the licensed rights is issued. These amounts are non-refundable but are creditable against royalty payments otherwise due under the respective agreements. We are also obligated to pay MSK certain clinical, regulatory and sales-based milestone payments under the MSK License and the CD33 License. Certain of the clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the MSK License. Total clinical, regulatory and sales-based milestones potentially due under the MSK License are \$2.5 million, \$9.0 million and \$20.0 million, respectively. In addition, under the CD33 License, we are obligated to make potential payments of \$0.6 million, \$0.5 million and \$7.5 million for clinical, regulatory and sales-based milestones, respectively. We record milestones in the period in which the contingent liability is probable and the amount is reasonably estimable.

On April 15, 2020, we entered the SADA License Agreement, which requires us to pay to MSK and MIT mid to high single-digit royalties based on annual net sales of licensed products or the performance of licensed services by us and our affiliates and sublicensees. We are obligated to pay annual minimum royalties of \$40,000, increasing to \$60,000 once a patent has been issued, over the royalty term, commencing on the tenth anniversary of the license agreement. These amounts are non-refundable but are creditable against royalty payments otherwise due under the SADA License Agreement. Under the SADA License Agreement, we are also obligated to pay MSK and MIT certain clinical, regulatory and sales-based milestone payments. Certain of the clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the SADA License Agreement. Total clinical and regulatory

milestones potentially due under the SADA License Agreement are \$4.7 million and \$18.1 million, respectively. There are also sales-based milestones, totaling \$23.8 million, that become due should we achieve certain amounts of sales of licensed products. In addition, for each SADA construct generated by MSK and out-licensed by the Company to a sublicensee, we are obligated to pay sales milestones up to \$60.0 million in total, based on the achievement of various levels of cumulative net sales by the sublicensee.

On December 2, 2019, we entered into the SAAA of MSK License and Y-mAbs Sublicense Agreement, or the MabVax/Y-mAbs Sublicense, between us and MabVax dated June 27, 2018, with MabVax Therapeutics Holdings, Inc. and MabVax Therapeutics, Inc., or together, MabVax, and MSK, which became effective on December 13, 2019. Pursuant to the MabVax/Y-mAbs Sublicense, MabVax sublicensed to us certain patent rights and know-how for development and commercialization of products for the prevention or treatment of NB by means of administering a bi-valent ganglioside vaccine granted to MabVax, pursuant to an exclusive license agreement dated June 20, 2008 between MabVax and MSK, as amended, or the MabVax/MSK License Agreement. We remain responsible for any potential downstream payment obligations by MabVax to MSK related to the GD2-GD3 Vaccine that were specified in the MabVax/MSK License Agreement. This includes the obligation to pay development milestones upon achievement totaling \$1,400,000, annual minimum royalties of \$10,000, increasing to \$25,000 from approval of the first NDA/BLA for a licensed product, over the royalty term, commencing on the second anniversary of the MabVax/Y-mAbs Sublicense and mid-single-digit royalty payments to MSK on sales. Minimum royalties are non-refundable but creditable against royalty payments otherwise due from us to MSK pursuant to the MabVax/MSK License Agreement. In addition, if we obtain FDA approval for the GD2-GD3 Vaccine, then we are obligated to file with the FDA for a PRV. The SAAA stipulates that, if we are granted a PRV from the FDA covering a licensed product under the MabVax/Y-mAbs Sublicense and the PRV is subsequently sold, we will pay directly to MabVax and to MSK, respectively, a total of twenty percent of the proceeds from the sale thereof. The MabVax/MSK License Agreement will expire with effect for us, on a country-by-country basis, on the later of the expiration of (i) 10 years from the first commercial sale of the

141

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## [Table of Contents](#)

licensed product in such country or (ii) the last to expire valid claim covering such licensed product rights at the time of and in the country of sale.

Research and development is inherently uncertain and, should such research and development fail, the MSK License, the CD33 License, and SADA License are cancelable at our option. We have also considered the development risk and each party's termination rights under the three license agreements when considering whether any contingent payments, certain of which also contain time-based payment requirements, were probable. In addition, to the extent we enter into sublicense arrangements, we are obligated to pay to MSK a percentage of certain payments that we receive from sublicensees of the rights licensed to us by MSK, for which the percentage varies based upon the nature of the clinical or development milestone. To date, we have not entered into any sublicenses related to the CD33 License, the SADA License or the MabVax License, MabVax/Y-mAbs Sublicense. We have entered into sublicenses and distribution agreements with SciClone and Takeda in 2020, Adium in 2021, and WEP Clinical Ltd. in 2022, as allowed under the MSK License. Our failure to meet certain conditions under such arrangements could cause the related license to such licensed product to be canceled and could result in termination of the entire respective arrangement with MSK. In addition, we may terminate the MSK License, the CD33 License, or the SADA License with prior written notice to MSK.

## Recent Accounting Pronouncements

Refer to NOTE 3—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES in the accompanying notes to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for a discussion of recent accounting pronouncements.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide the information required by this item.



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[Table of Contents](#)
**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**
**Y-MABS THERAPEUTICS, INC.**
**Index to Consolidated Financial Statements**

	Pages
<a href="#">Report of Independent Registered Public Accounting Firm</a> (PCAOB ID 238)	143 142
<a href="#">Consolidated Balance Sheets</a>	145 144
<a href="#">Consolidated Statements of Net Loss and Comprehensive Loss</a>	146 145
<a href="#">Consolidated Statements of Changes in Stockholders' Equity</a>	147 146
<a href="#">Consolidated Statements of Cash Flows</a>	148 147
<a href="#">Notes to Consolidated Financial Statements</a>	149 148

142 141

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[Table of Contents](#)
**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of Y-mAbs Therapeutics, Inc.

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Y-mAbs Therapeutics, Inc. and its subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the related consolidated statements of net loss and comprehensive loss, of changes in stockholders' equity, and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Revenue Recognition – United States (U.S.) Product Revenue*

As described in Notes 3 and 4 to the consolidated financial statements, product revenue is generated from sales of DANYELZA, which are recognized as revenue at the point in time when the customer is deemed to have obtained control of the product, which occurs upon receipt at the end-user hospital. hospital in the U.S. Product sales are primarily recognized through the Company's arrangements with three national U.S. specialty distributors. The Company's consolidated net product revenue was \$49.3 million \$84.3 million for the year ended December 31, 2022 December 31, 2023, of which \$46.3 million \$67.8 million is generated from the U.S.

143 142

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### [Table of Contents](#)

generated from the U.S.

The principal consideration for our determination that performing procedures relating to revenue recognition for U.S. product revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to U.S. revenue recognition. These procedures also included, among others, (i) testing management's reconciliation of gross revenue recognized from product sales to third-party information; (ii) evaluating the gross revenue recognized on a sample basis by obtaining and inspecting source documents, including the customer arrangements, purchase orders, invoices, proof of delivery, and cash receipts from customers; (iii) confirming sales terms with all of the Company's U.S. customers; and (iv) (iii) confirming a sample of outstanding customer invoice balances as of December 31, 2022 December 31, 2023 and, for confirmations not returned, obtaining cash receipts from customers.

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey

March 30, 2023 February 29, 2024

We have served as the Company's auditor since 2017.

144 143

[Table of Contents](#)

# Y-MABS THERAPEUTICS, INC.

## Consolidated Balance Sheets

(in thousands, except share and per share data)

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 105,762	\$ 181,564	\$ 78,637	\$ 105,762
Accounts receivable, net	12,531	7,712	22,454	12,531
Inventories	6,702	5,512	5,065	6,702
Other current assets	5,452	7,473	4,955	5,452
Total current assets	130,447	202,261	111,111	130,447
Property and equipment, net	604	1,847	224	604
Operating lease right-of-use assets	1,739	3,842	1,412	1,739
Intangible assets, net	2,986	1,663	2,631	2,986
Other assets	5,680	3,170	12,491	5,680
<b>TOTAL ASSETS</b>	<b>\$ 141,456</b>	<b>\$ 212,783</b>	<b>\$ 127,869</b>	<b>\$ 141,456</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 14,175	\$ 13,552	\$ 6,060	\$ 14,175
Accrued liabilities	13,241	12,540	13,166	13,241
Operating lease liabilities, current portion	868	1,783	902	868
Total current liabilities	28,284	27,875	20,128	28,284
Accrued milestones	2,250	2,100		
Accrued milestone and royalty payments			5,375	2,250
Operating lease liabilities, long-term portion	899	1,851	517	899
Other liabilities	802	851	864	802
<b>TOTAL LIABILITIES</b>	<b>32,235</b>	<b>32,677</b>	<b>26,884</b>	<b>32,235</b>
Commitments and contingencies (Note 9)				
<b>STOCKHOLDERS' EQUITY</b>				
Preferred stock, \$0.0001 par value, 5,500,000 shares authorized and none issued at December 31, 2022 and December 31, 2021	—	—		
Common stock, \$0.0001 par value, 100,000,000 shares authorized at December 31, 2022 and December 31, 2021; 43,670,109 and 43,694,716 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively	4	4		
Additional paid in capital	543,929	519,206		
Preferred stock, \$0.0001 par value, 5,500,000 shares authorized and none issued at December 31, 2023 and December 31, 2022			—	—

Common stock, \$0.0001 par value, 100,000,000 shares authorized at December 31, 2023 and December 31, 2022; 43,672,112 and 43,670,109 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively				
Additional paid-in capital			4	4
			558,002	543,929
Accumulated other comprehensive income	1,331	1,371	449	1,331
Accumulated deficit	(436,043)	(340,475)	(457,470)	(436,043)
TOTAL STOCKHOLDERS' EQUITY	109,221	180,106	100,985	109,221
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 141,456	\$ 212,783	\$ 127,869	\$ 141,456

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

145 144

[Table of Contents](#)

# Y-MABS THERAPEUTICS, INC.

## Consolidated Statements of Net Loss and Comprehensive Loss

(In thousands, except share and per share data)

	For the years ended December 31,	
	2022	2021
REVENUES		
Product revenue, net	\$ 49,267	\$ 32,897
License revenue	16,000	2,000
Total revenues	65,267	34,897
OPERATING COSTS AND EXPENSES		
Cost of goods sold	7,467	2,304
License royalties	100	210
Research and development	91,572	93,245
Selling, general, and administrative	60,939	54,571
Total operating costs and expenses	160,078	150,330
Loss from operations	(94,811)	(115,433)
OTHER LOSS, NET		
Gain from sale of priority review voucher, net	—	62,010
Interest and other loss, net	(757)	(1,852)
NET LOSS	\$ (95,568)	\$ (55,275)
Other comprehensive income		
Foreign currency translation	(40)	1,897
COMPREHENSIVE LOSS	\$ (95,608)	\$ (53,378)
Net loss per share attributable to common stockholders, basic and diluted	\$ (2.19)	\$ (1.28)
Weighted average common shares outstanding, basic and diluted	43,703,663	43,181,808
	For the year ended December 31,	
	2023	2022
REVENUES		
Product revenue, net	\$ 84,319	\$ 49,267
License revenue	500	16,000

Total revenues	84,819	65,267
OPERATING COSTS AND EXPENSES		
Cost of goods sold	11,366	7,467
License royalties	50	100
Research and development	54,219	91,572
Selling, general, and administrative	44,856	60,939
Total operating costs and expenses	110,491	160,078
Loss from operations	(25,672)	(94,811)
OTHER INCOME/(LOSS), NET		
Interest and other income/(loss)	4,806	(757)
LOSS BEFORE INCOME TAXES	(20,866)	(95,568)
Provision for income taxes	561	—
NET LOSS	\$ (21,427)	\$ (95,568)
Other comprehensive loss		
Foreign currency translation	(882)	(40)
COMPREHENSIVE LOSS	\$ (22,309)	\$ (95,608)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.49)	\$ (2.19)
Weighted average common shares outstanding, basic and diluted	43,645,388	43,703,663

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

146 145

[Table of Contents](#)

## Y-MABS THERAPEUTICS, INC.

### Consolidated Statements of Changes in Stockholders' Equity

(In thousands, except share data)

	Accumulated						Accumulated				
	Common Stock		Additional	Other		Stockholders'	Common Stock		Additional	Other	
	Shares	Amount		Income / (Loss)	Deficit		Shares	Amount		Income / (Loss)	Deficit
Balance											
December 31, 2020	40,688,447	\$ 4	\$ 391,558	\$ (526)	\$ (285,200)	\$ 105,836					
Issuance of common stock to investors, net of issuance costs	2,804,878	—	107,725	—	—	107,725					
Exercise of stock options	190,492	—	589	—	—	589					
Stock-based compensation expense	10,899	—	19,334	—	—	19,334					

Foreign currency translation	—	—	—	1,897	—	1,897						
Net loss	—	—	—	—	(55,275)	(55,275)						
Balance December 31, 2021	43,694,716	\$ 4	\$ 519,206	\$ 1,371	\$ (340,475)	\$ 180,106	43,694,716	\$ 4	\$ 519,206	\$ 1,371	\$ (340,475)	
Exercise of stock options	20,000	—	84	—	—	84	20,000	—	84	—	—	
Retirement of treasury shares – refer to Note 10	(57,887)	—	(963)	—	—	(963)	(57,887)	—	(963)	—	—	
Stock-based compensation expense	13,280	—	25,602	—	—	25,602	13,280	—	25,602	—	—	
Foreign currency translation	—	—	—	(40)	—	(40)	—	—	—	(40)	—	
Net loss	—	—	—	—	(95,568)	(95,568)	—	—	—	—	(95,568)	
Balance December 31, 2022	43,670,109	\$ 4	\$ 543,929	\$ 1,331	\$ (436,043)	\$ 109,221	43,670,109	\$ 4	\$ 543,929	\$ 1,331	\$ (436,043)	
Exercise of stock options							50,000	—	100	—	—	
Retirement of treasury shares – refer to Note 10							(58,763)	—	(480)	—	—	
Stock-based compensation expense							10,766	—	14,453	—	—	
Foreign currency translation							—	—	—	(882)	—	
Net loss							—	—	—	—	(21,427)	
Balance December 31, 2023							43,672,112	\$ 4	\$ 558,002	\$ 449	\$ (457,470)	

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

147 146

[Table of Contents](#)

Y-MABS THERAPEUTICS, INC.

Consolidated Statements of Cash Flows

(In thousands)

	For the years ended December 31,		For the year ended December 31,	
	2022	2021	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	\$ (95,568)	\$ (55,275)	\$ (21,427)	\$ (95,568)
Adjustments to reconcile net loss to net cash used in operating activities:				
Gain from sale of priority review voucher, net	—	(62,010)		
Depreciation and amortization	839	782	735	839
Stock-based compensation	25,602	19,334	14,453	25,602
Foreign currency and other transactions	3,577	1,897		
Foreign currency transactions and other transactions			(1,259)	3,577
Changes in assets and liabilities:				
Accounts receivable, net	(4,819)	(7,712)	(9,923)	(4,819)
Inventories	(1,190)	(5,512)	1,637	(1,190)
Other current assets	(360)	256	17	(360)
Other assets	(2,510)	120	(6,812)	(2,510)
Accounts payable	(919)	4,180	(6,856)	(919)
Accrued liabilities and other	(573)	1,384	2,203	(573)
NET CASH USED IN OPERATING ACTIVITIES	(75,921)	(102,556)	(27,232)	(75,921)
CASH FLOWS FROM INVESTING ACTIVITIES			—	—
Purchase of property and equipment	—	(667)		
Acquisition of intangible assets	—	(300)		
Net proceeds from sale of priority review voucher	—	62,010		
NET CASH PROVIDED BY INVESTING ACTIVITIES	—	61,043		
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common stock, net of issuance costs	—	107,725		
Proceeds from exercised stock options	84	589	100	84
NET CASH PROVIDED BY FINANCING ACTIVITIES	84	108,314	100	84
Effect of exchange rates on cash and cash equivalents	35	129	7	35
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(75,802)	66,930		
NET DECREASE IN CASH AND CASH EQUIVALENTS			(27,125)	(75,802)
Cash and cash equivalents at the beginning of period	181,564	114,634	105,762	181,564
Cash and cash equivalents at the end of period	\$ 105,762	\$ 181,564	\$ 78,637	\$ 105,762
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for income taxes			\$ 367	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES				
Intangible assets acquisition in accrued liabilities	\$ 1,500	\$ 1,500	\$ —	\$ 1,500
Right-of-use assets obtained in exchange for lease obligations	\$ 347	\$ 1,754	\$ 636	\$ 347
Acquisition of treasury shares upon repayment of secured promissory note – refer to Note 10	\$ 963	\$ —	\$ 480	\$ 963

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

148 147

[Table of Contents](#)

## Y-MABS THERAPEUTICS, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1—ORGANIZATION AND DESCRIPTION OF BUSINESS

Y-mAbs Therapeutics, Inc. ("we," "us," "our," the "Company," or "Y-mAbs") is a commercial-stage biopharmaceutical company focused on the development and commercialization of novel, antibody-based therapeutic products for the treatment of cancer. **The Company Y-mAbs** is leveraging **its the Company's** proprietary antibody platforms and deep expertise in the field of antibodies to develop a broad portfolio of innovative **medicines and has several ongoing clinical trials in progress. medicines.**

The Company is headquartered in New York and was incorporated on April 30, 2015 under the laws of the State of Delaware.

#### NOTE 2—BASIS OF PRESENTATION

**Except for the quarter ended March 31, 2021, the** The Company has incurred losses **all years** since inception. Operations of the Company are subject to certain risks and uncertainties, including, among others, uncertainty of drug candidate development; technological uncertainty; uncertainty regarding patents and proprietary rights; uncertainty in obtaining the FDA approval in the United States and regulatory approval in other jurisdictions; marketing or sales capability or experience; uncertainty in getting adequate **payer payor** coverage and reimbursement; dependence on key personnel; compliance with government regulations and the need to obtain additional financing. The Company's drug candidates currently under development will require significant additional research and development efforts, including extensive pre-clinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel infrastructure and extensive compliance reporting capabilities.

The Company's drug candidates are in various stages of development. DANYELZA (**naxitamab-gqgk**) received accelerated approval by the FDA in November 2020, but there can be no assurance that the Company's other research and development efforts will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development and commercialization efforts are successful, it is uncertain when, if ever, the Company will **generate significant revenue from product sales. become profitable.** The Company operates in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies.

The Company's consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities in the ordinary course of business. The Company has experienced negative cash flows from operations since inception, and had an accumulated deficit of **\$457,470,000 as of December 31, 2023 and \$436,043,000 as of December 31, 2022 and \$340,475,000 as of December 31, 2021.** Through **December 31, 2022 December 31, 2023,** the Company has funded **its the** operations primarily through proceeds from sales of shares of **its the Company's** common stock, including **its** initial public offering in September 2018 and **its the Company's** subsequent public offerings in November 2019 and February 2021, as well as additional funding from the sales of DANYELZA and from the sale of the **DANYELZA PRV. Company's Priority Review Voucher ("PRV") obtained upon FDA approval of DANYELZA.**

**On February 22, 2021, the Company announced the closing of its public offering of 2,804,878 shares of its common stock, at a public offering price of \$41.00 per share, which included the exercise in full of the underwriters' option to purchase 365,853 additional shares of common stock. The aggregate gross proceeds to the Company, before deducting underwriting discounts and commissions and offering expenses payable by the Company, were approximately \$115,000,000.**

**As of December 31, 2022, the** Company had cash and cash equivalents of **\$78,637,000 and \$105,762,000 and as of December 31, 2021 the Company had cash December 31, 2023 and cash equivalents of \$181,564,000. 2022, respectively.** As of the issuance date of the **consolidated** financial statements for the year ended **December 31, 2022 December 31, 2023,** the Company expects that **its the** cash and cash equivalents at



December 31, 2022 December 31, 2023 will be sufficient to fund its the Company's operating expenses and capital expenditure requirements as currently planned through at least the next twelve months, irrespective of whether any additional product approvals are obtained. 12 months.

The Company may raise additional capital to fund future operations through the sale of its the Company's equity securities, incurring debt, entering into licensing or collaboration agreements with partners, grants or other sources of financing. These potential financing sources are in addition to successful commercialization of DANYELZA and our product candidates, for which we the Company may obtain regulatory approval and marketing authorization. The

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## [Table of Contents](#)

Company's commercialization strategy may be either directly or include working with a collaborator or distributor. Sufficient funds may not be available to the Company on attractive terms or at all when needed from any such equity, debt or other financing. If the Company is unable to obtain additional financing from these or other sources when needed, it will likely be necessary to take other actions to enhance the Company's liquidity position which may include significantly reducing the current rate of spending through delaying or scaling back current operations, or suspending certain research and development programs and other operational programs. programs in addition to other measures.

The accompanying consolidated financial statements reflect the accounts of the Company and its wholly-owned the Company's wholly owned subsidiary and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany balances and transactions have been eliminated.

### NOTE 3—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Use of Estimates*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, net product revenues, the accrual for research and development expenses, the accrual of milestone and royalty payments, the valuation of stock options and asset impairments. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

***The full extent to which the COVID-19 pandemic and macroeconomic conditions will directly or indirectly impact the Company's business, results of operations and financial condition, including revenues, expenses, manufacturing, clinical trials, research and development costs and employee-related amounts, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19 and the actions taken to contain or treat COVID-19, as well as the economic impact on local, regional, national and international markets.***

#### *Cash and Cash Equivalents*

The Company considers all highly liquid instruments with original maturities of three months or less from date of purchase to be cash equivalents. All cash and cash equivalents are held in highly rated securities including a treasury money market fund, which is unrestricted as to withdrawal or use. Our cash and cash equivalents are primarily held at a large U.S. based global financial institution. To date, the Company has not experienced any losses a loss on its the cash and cash equivalents. The carrying amount of cash and cash equivalents approximates its fair value due to its short-term and liquid nature. The Company's cash and cash equivalents are held at a large major federal, national bank. The Company maintains cash balances in excess of insured limits. The Company monitors the financial performance, credit ratings and liquidity of the money market fund to timely assess and respond to any changes in the asset values of the fund. The Company does not anticipate any losses loss with respect to such cash balances.

#### ***Trade Accounts Receivables Receivable, Net***

The Company's trade accounts receivable, net balance consists of amounts due from sales of its approved product, DANYELZA. Receivables from product sales are recorded net of allowances which generally include chargebacks, doubtful accounts, rebates, returns, and discounts. The allowance is based primarily on assessment of specific identifiable customer accounts considered at risk or uncollectible, as well as an analysis of current receivables aging and

150

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## [Table of Contents](#)

expected future write-offs. The Company has not historically experienced any significant credit losses. All customer accounts are actively managed, and no material losses are currently expected.

The Company has not experienced any write-offs related to our customers' customer accounts receivables and has not recognized any allowance for doubtful accounts nor reversed any allowances during the years ended December 31, 2022, December 31, 2023 and 2021, 2022.

### **Concentration of Credit Risk**

The Company's product sales are made through arrangements primarily with three national U.S. specialty distributors in the United States of America. As of December 31, 2022, December 31, 2023, the receivables accounts receivable balances from such distributors totaled 94% 66% of our the Company's outstanding accounts receivable. See Note 4 – Product Revenues, Net, for details of product sales to certain customers that accounted for more than 10% of total product revenue, net. The remainder of the Company's accounts

149

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## [Table of Contents](#)

receivable as of December 31, 2023 represented balances from international distribution partners. The Company has contractual payment terms with each of its customers' customer and the Company monitors their financial performance, historical payment terms and credit worthiness to timely assess and respond to any changes in their credit profile.

### **Inventory Inventories**

The Company values its the inventories at the lower of cost or net realizable value on a first-in, first-out basis. The Company's inventory cost includes amounts related to materials, third-party contract manufacturing, third-party packaging services, freight, labor costs for personnel involved in the manufacturing process, and indirect overhead costs. Raw and intermediate materials that may be utilized for both commercial and clinical programs are identical and given the alternative future use such amounts are initially classified as inventory. Amounts in inventory associated with clinical development programs are charged to research and development expense when the product enters the research and development process and can no longer be used for commercial purposes and, therefore, does not have an alternative future use.

The Company capitalizes inventory costs related to products to be sold in the ordinary course of business. The Company makes a determination of capitalizing inventory costs for a product based on, among other factors, status of regulatory approval, information regarding safety, efficacy and expectations relating to commercial sales and recoverability of costs. For DANYELZA, the Company commenced capitalization of inventory beginning at the receipt of FDA approval. Prior to FDA approval, the Company expensed such costs as part of research and development expenses.

The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and writes down any excess and obsolete inventories to their estimated realizable value in the period in which the impairment is first identified, occurs. Such impairment charges, should they occur, are recorded within cost of goods sold. The determination of whether inventory costs will be realizable

requires estimates by management. Other than the The Company had inventory write-offs totaling \$831,000 and \$1,200,000 recorded in the year ended December 31, 2022, as discussed further in NOTE 6 —INVENTORIES, there were no other material inventory write-downs and no reserves were reversed in the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively, which were each recorded in cost of goods sold on the Consolidated Statements of Net Loss and Comprehensive Loss.

#### Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The accounting guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 — Unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 — Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and

151

#### [Table of Contents](#)

- Level 3 — Unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

Cash equivalents held in money market funds are valued using other significant observable inputs, which represent a Level 2 measurement within the fair value hierarchy. The Company has no other cash equivalents.

150

#### [Table of Contents](#)

The following tables present the Company's fair value hierarchy for its cash equivalents, which are measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements at December 31, 2022 Using:				Fair Value Measurements at December 31, 2023 Using:			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash equivalents:								
Money market funds	\$ —	\$ 86,965	\$ —	\$ 86,965	\$ —	\$ 75,501	\$ —	\$ 75,501
Total	\$ —	\$ 86,965	\$ —	\$ 86,965	\$ —	\$ 75,501	\$ —	\$ 75,501

	Fair Value Measurements at December 31, 2021 Using:				Fair Value Measurements at December 31, 2022 Using:			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash equivalents:								
Money market funds	\$ —	\$ 166,729	\$ —	\$ 166,729	\$ —	\$ 86,965	\$ —	\$ 86,965
Total	\$ —	\$ 166,729	\$ —	\$ 166,729	\$ —	\$ 86,965	\$ —	\$ 86,965

During the years ended **December 31, 2022**, **December 31, 2023** and **2021, 2022**, there were no transfers between Level 1, Level 2 and Level 3.

#### **Operating Leases** **Lease Right-of-Use Assets and Operating Lease Liabilities**

The Company determines if an arrangement includes a lease at inception. Operating lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent **its the Company's** obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the net present value of lease payments, the Company uses **its an** estimated incremental borrowing rate based on information available at the lease commencement date. Because most of the **Company's Compnay's** leases do not provide an implicit rate of return, an incremental borrowing rate is used based on the information available at the commencement date in determining the present value of lease payments on an individual lease basis. The Company's incremental borrowing rate for a lease is the estimated rate of interest **it the Company** would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms.

The Company's leases may include options to extend or terminate **the a** lease which are included in the lease term when it is reasonably certain that **it the Company** will exercise any such options. None of the Company's leases contain any residual value guarantees. Lease expense is recognized on a straight-line basis over the expected lease term. Related variable lease costs incurred are not material to the Company.

The Company currently elects the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Company will not recognize right-of-use assets or **liabilities, and this includes not recognizing right-of-use assets or liabilities for existing short-term leases of those assets in transition, liabilities.** The Company also elects the practical expedient to not separate lease and non-lease components for all of **its our** leases. The Company has made an accounting policy election to account for each separate lease component of a contract and its associated non-lease components as a single lease component. See the Lease Agreements section in **NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS** for the related disclosures.

152

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#### [Table of Contents](#)

#### **Revenue Recognition**

##### **Product revenue**

To determine revenue recognition for **product revenue and license revenue** arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The **company Company** only applies the five-step model to arrangements that meet the definition of a contract with a customer under ASC 606, including when it is probable that the **entity Company** will collect the consideration **it the Company** is entitled to in exchange for the goods or services it transfers to the customer. At

151

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#### [Table of Contents](#)

contract inception, once the contract is determined to be within the scope of ASC 606, the **company Company** assesses the goods or services promised within each contract, determines those that are performance obligations, and assesses whether each promised good or service is

distinct. The company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Under the practical expedient permitted under Topic 606, the Company expenses incremental costs of obtaining a contract as and when incurred if the expected amortization period of the assets is one year or less. If there are multiple distinct performance obligations, **we allocate the Company allocates** the transaction price to each distinct performance obligation based on its relative standalone selling price. The Company also considers the intended benefit of the contract in assessing whether a promised good or service is separately identifiable from other promises in the contract. If a promised good or service is not distinct, the Company combines that good or service with other promised goods or services until **it the Company** identifies a bundle of goods or services that is distinct. The standalone selling price is generally determined based on the prices charged to customers.

#### Product revenue, net

The Company recognizes revenue from sales of DANYELZA at a point in time when **its** customer is deemed to have obtained control of the product, which generally occurs upon receipt at the end-user **hospital, hospital for sales in the United States, and upon delivery to the distributors for sales in the international territories.**

The amount of revenue the Company recognizes from sales of DANYELZA varies due to rebates, chargebacks and discounts provided under governmental and other programs, **distribution related distribution-related** fees and other sales-related deductions. In order to determine those deductions, the Company estimates, utilizing the expected value method, the amount of revenue that **it the Company** will ultimately be entitled to. This estimate is based upon contracts with customers and government agencies, statutorily-defined discounts applicable to government-funded programs, estimated payor mix, and other relevant factors. Calculating these amounts involves estimates and judgments, and the Company reviews these estimates quarterly. If actual results vary from **its the Company's** original estimates, the Company will adjust these estimates quarterly, which would affect net product revenue and earnings in the period such variances occur.

- Rebates and chargebacks

The Company contracts with United States governmental agencies to **enable ensure that** DANYELZA **to will** be eligible for coverage under the various programs administered by the agencies. The Company estimates the rebates and chargebacks to be provided and deducts these estimated amounts from **its** gross product revenues. These reserves are recorded in the same period the revenue is recognized, resulting in a reduction of product revenue and the establishment of accrued liabilities for the rebates and a reduction of accounts receivable for the chargebacks. The Company develops estimates for rebates and chargebacks based upon (i) the Company's contracts with these agencies, (ii) the government-mandated discounts applicable to government-funded programs, and (iii) information obtained from hospitals and third-party consultants regarding the payor mix. The Company's liability for these rebates and chargebacks mainly consists of claims for which invoices have not yet been received and paid. The Company does not maintain material levels of inventory in the wholesale or retail channel.

153

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#### Table of Contents

- Discounts and distribution-related fees

The Company provides invoice discounts on DANYELZA sales to **its** distributors for prompt payment and fees for distribution services and invoice discounts reduce the original accounts receivable balances. The payment terms for sales to distributors generally include a 2% discount for prompt payment or fees for distribution services which are based on contractual rates agreed with the respective distributors. Based on historical data and experiences with the distributors, the Company expects **its the** distributors to earn these discounts and fees and deduct the full amount of these discounts and fees from the Company's gross product revenue at the time such revenues are recognized.

152

## [Table of Contents](#)

- Returns

The Company offers its customers limited product return rights for damaged, defective, or expiring products. The Company estimates returns on sales of DANYELZA mainly based on information provided to the Company from the hospitals and distributors. The return reserves are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and accounts receivable.

In December 2022, the Company announced a distribution agreement with WEP Clinical Ltd., or WEP, in connection with an establishment early access program for DANYELZA in Europe. There are no regulatory-based or sales-based milestone payments or royalty arrangements under this distribution agreement. The Company recognizes revenue when WEP obtains control of the product upon delivery. The Company invoices WEP based on the terms of the distribution agreement, where a portion is billed upon shipment of product and the unbilled portion is billed at a later date based on terms of the distribution agreement. The Company has an accrued liability unconditional right to the unbilled portion of the receivable and the Company estimates that the receivable will be collected within one year and therefore has recorded the balance at December 31, 2023, within accounts receivable on the Consolidated Balance Sheets.

## [License revenue](#)

The Company's license agreements include regulatory-based milestone payments and sales-based milestone payments, in addition to royalties. The Company determines whether the achievement of each regulatory-based milestone is constrained as they are contingent upon regulatory approvals, which are not within the control of the Company and therefore not deemed probable. The Company expects that the sales-based milestones and royalty payments will be recognized when the milestone is achieved or the related sales occur. The Company re-evaluates the transaction price each quarter and as uncertain events are resolved or other changes in circumstances occur, the Company assesses whether this resolves the constraint and it is appropriate to recognize revenue.

In December 2020, the Company entered into a development and commercialization arrangement with SciClone International Pharmaceuticals Ltd., or SciClone, for certain indications of DANYELZA and omburtamab for Greater China, including Mainland China, Taiwan, Hong Kong and Macau. Based on the terms of the agreement, the Company may receive regulatory-based milestone payments up to \$40,000,000, of which \$15,000,000 has already been recognized and received in December 2022 for the conditional approval of DANYELZA in China, and sales-based milestone payments up to \$60,000,000 and is entitled to royalties based upon the net sales generated by SciClone related to the product indications in the territory. Upon entering into the agreement, we received a nonrefundable up-front payment of \$20,000,000 for the transfer of the license and know-how related to the product indications. We considered the license to be distinct from other promises within the arrangement based on the rights and know-how transferred, late-stage development of the underlying indications and anticipated lack of significant involvement required from the joint steering committee associated with the indications. Accordingly, the full up-front payment of \$20,000,000 was recognized upon transferring of the license and know-how to SciClone. In December 2022, the Company received a regulatory-based milestone payment of \$15,000,000 for the conditional approval of DANYELZA in China. We determined expects that the achievement of the remaining regulatory-based milestones within the agreement are constrained as they are contingent upon regulatory approvals which are not within our control and therefore not deemed probable. We expect that the sales-based milestones and royalty payments will be recognized when the each milestone is achieved or the related sales occur. We reevaluate the transaction price each quarter and as uncertain events are resolved or other changes in circumstances occur, we assess whether this resolves the constraint and it is appropriate to recognize revenue. achieved.

In November 2020, we the Company entered into an exclusive license and distribution agreement for DANYELZA and omburtamab with Takeda Israel, a wholly owned subsidiary of Takeda Pharmaceutical Company Limited covering the State of Israel, West Bank and Gaza Strip. We received a nonrefundable upfront payment of \$0.5 million which has been recognized in revenue in the fourth quarter of 2020. Based on the terms of the arrangement, the Company may receive regulatory-based milestone payments up to \$750,000, of which \$250,000 has already been recognized, and sales-based milestone payments up to \$500,000 and is entitled to royalties based upon the net sales generated by Takeda related to the product in the territory. The Company recognized a regulatory-based milestone of \$250,000 in the fourth quarter of 2020 when a regulatory milestone was achieved. We expect expects that the remaining regulatory-based and sales-based milestones will be recognized when the milestone is achieved, or the related sales occur.

In December 2020, we the Company entered into a distribution agreement for DANYELZA and omburtamab with Swixx BioPharma AG for the Eastern European territories Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia and Slovenia. There are no regulatory-based or sales-based milestone payments or royalty arrangements under this distribution agreement.

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[Table of Contents](#)

In May 2021, the Company entered into an exclusive distribution agreement with Adium Pharma S.A. ("Adium") for Adium to be the exclusive distributor in Latin America of the Company's antibodies omburtamab, if approved, and DANYELZA. As part of this agreement, the Company received and recognized a non-refundable up-front payment of \$2,000,000 for the transfer of the license and know-how related to the product indications during the year ended December 31, 2021. The Company considered the license to be distinct from other promises within the arrangement based on the rights and know-how transferred, late-stage development of the underlying indications and anticipated lack of significant involvement required from the joint steering committee associated with the indications. Under the terms of the agreement, the Company may also receive regulatory-based milestone payments up to an aggregate \$3,000,000, of \$3,000,000. The Company which \$1,000,000 was received the first of these milestone payments totaling \$1,000,000 in April 2022 upon the submission of the updated FDA BLA dossier for DANYELZA. In addition, the Company is entitled to royalties based upon DANYELZA net sales generated by Adium in Latin America. We determined that The agreement with Adium does not contain a regulatory-based milestone related

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[Table of Contents](#)

to the Brazilian Health Regulatory Agency's approval for marketing authorization, which was granted during the three months ended June 30, 2023. During the year ended December 31, 2023, the Company recognized \$500,000 in regulatory-based license revenue from Adium pursuant to the distribution agreement in connection with the September 2023 achievement of marketing authorization for DANYELZA in Mexico. In January 2024, the remaining Company accepted the price approval for the first product in Brazil from the Brazilian Medicines Market Regulation Chamber, or CMED. The Company received \$0.5 million regulatory-based milestones within payment from Adium in connection with the agreement are constrained as they are contingent upon regulatory approvals which are not within price approval from CMED in the Company's control and therefore not deemed probable, first quarter of 2024. The Company expects that the sales-based milestones and royalty payments will be recognized when and if the milestones are achieved or the related sales occur. The Company reevaluates the transaction price each quarter and as uncertain events are resolved or other changes in circumstances occur, the Company assesses whether this resolves the constraint and it is appropriate to recognize revenue.

In December 2022, the Company announced a distribution agreement with WEP Clinical Ltd., or WEP, in connection with an early access program for DANYELZA in Europe. There are no regulatory-based, regulatory, or sales-based milestone payments or royalty arrangements royalties under this distribution agreement.

### Segment Information

The Company is engaged solely in operations related to the discovery, development, distribution and commercialization of novel antibody-based therapeutic products for the treatment of cancer. Accordingly, cancer, which the Company has determined that it operates in defines as one operating segment.

### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

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Estimated Useful Life

Furniture and fixtures	5 years
Machinery and equipment	5 years
Leasehold improvements	Shorter of life of lease or 15 years

Depreciation expense on property and equipment was \$662,000 \$386,000 and \$645,000 \$662,000 for the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance are expensed as incurred.

#### **Impairment of Long-Lived Assets**

ASC 360, Property, Plant and Equipment, addresses the financial accounting and reporting for impairment or disposal of long-lived assets. The Company reviews the recorded values of long-lived assets for impairment whenever events or changes in business circumstance indicate that the carrying amount of an asset or group of assets may not be fully recoverable. During the year ended December 31, 2022, the Company recorded an impairment charge of \$617,000 to write-off the net book value of fixed assets that were related to the production of omburtamab, which did not receive FDA regulatory approval, as the equipment has no alternative use. The impairment charge was recorded within research

155

#### [Table of Contents](#)

and development expense within the Company's Consolidated Statements of Net Loss and Comprehensive Loss and foreign currency and other transactions within the Company's Consolidated Statements of Cash Flows.

The Company did not have impairment of long-lived assets for the year ended December 31, 2023.

#### **Provision for Income Taxes**

The Company accounts for income taxes under the asset and liability approach for the financial accounting and reporting of income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to net operating loss carry forwards and temporary differences between the financial statement carrying

154

#### [Table of Contents](#)

amounts of existing assets and liabilities and their respective tax bases. These assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. We maintain The Company maintains a full valuation allowance on our deferred tax assets based on cumulative historical and expected losses. If we achieve the Company achieves profitability, we the Company will consider the continued need for such a full valuation allowance.

The Company prepares Tax returns are prepared and files tax returns filed based on its the Company's interpretation of tax laws and regulations. In the normal course of business, the Company's tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities. In determining the Company's tax provision for income taxes for financial reporting purposes, the Company establishes a reserve for uncertain tax positions unless such positions are determined to be more likely than not of being sustained upon examination based on their technical merits. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not



accurately anticipate actual outcomes. Accordingly, the Company will report a liability for unrecognized tax benefits resulting from any uncertain tax positions taken or expected to be taken on a tax return.

The Company's policy is to recognize, when applicable, interest and penalties on uncertain tax positions as part of income tax expense.

In accordance with guidance issued by Financial Accounting Standards Board ("FASB"), companies should make and disclose a policy election as to whether they will recognize deferred taxes for basis differences expected to reverse as Global Intangible Low-Taxed Income ("GILTI") or whether they will account for GILTI as period costs if and when incurred. The Company has elected to recognize the resulting tax with respect to the GILTI provision as a period cost. No costs were incurred by the Company through December 31, 2022 December 31, 2023 as a result of GILTI.

#### **Research and Development Costs**

Research and development costs are charged to operations when incurred and are included in operating expenses. Research and development costs consist principally of compensation cost for our the Company's employees and consultants that perform our research activities, the fees paid to maintain our licenses, the payments to third-party CMOs and CROs for manufacturing and services performed by third parties for manufacturing of products in development, services performed by clinical research organizations for products in development, and consumables and other materials used in research and development. The Company records accruals for estimated ongoing research and development costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes we analyze progress of the studies or clinical trials, including the phase or completion of events, invoices received and contracted costs. Actual results could differ from the Company's our estimates. The Company is obligated to make certain milestone and royalty payments in accordance with the contractual terms of its license agreement with MSK based upon the resolution of certain contingencies. The Company records the milestone and royalty payments when the achievement of the milestone or payment of the milestone or royalty is probable and the amount of the payment is reasonably estimable. Research and development costs were \$91,572,000 and \$93,245,000 for the years ended December 31, 2022 and 2021.

Additionally, the Company is obligated to make certain royalty and clinical, regulatory and sales-based milestone payments in accordance with the contractual terms of the MSK License, CD33 License, MabVax Sublicense, and SADA License based upon the resolution of certain contingencies. We record The Company records the clinical and regulatory milestone payments when the achievement of the milestones or payment of the milestones is deemed probable, and the amount of the payment is reasonably estimable. As it relates to clinical and regulatory milestone payments under the licensing arrangements, those may become due and payable with the passage of time whether or not the milestones have actually

156

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#### [Table of Contents](#)

been met. When evaluating whether milestones should be recognized under the licensing arrangements, the Company uses its relies on the collective clinical experience within the organization to determine the likelihood of achievement, as well as the current stage of the compounds under development, estimates of the progress of its the Company's preclinical studies and clinical trials, completion of milestone events per underlying agreements, the time expected to complete certain development activities, each party's termination right under the license agreements, invoices received and contracted costs when evaluating whether the clinical milestones should be recognized in each reporting period. We review our assessment The Company reviews estimates each period and determines whether to make revisions to such estimates as necessary.

#### **Patent Costs Selling, General and Administrative**

The Company expenses the costs of obtaining and maintaining patents as selling, general, and administrative expenses. Advertising costs as incurred. Selling, general and Promotion Costs administrative costs consist primarily of salaries, bonus, benefits, and stock-based compensation expenses for personnel in executive, commercial, finance and administrative functions. Other significant costs include costs of

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[Table of Contents](#)

commercialization of DAYNELZA, costs of legal matters and insurance. Other significant costs for 2022 also included commercial cost related to the potential launch of omburtamab in 2022. Advertising and promotion costs are included in selling, general, and administrative expenses and were immaterial in the years ended December 31, 2022, December 31, 2023 and 2021, 2022. Advertising and product promotion costs are expensed as incurred.

### Stock-Based Compensation

The Company measures stock options granted to employees, directors and consultants, directors based on the fair value on the date of the grant and recognizes compensation expense of those awards, over the requisite service period, which for employees and directors is the vesting period of the respective award. Forfeitures are accounted for as they occur. The Company issues stock options with only service-based or immediate vesting conditions and records the expense for these awards using the straight-line method over the requisite service period.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company's public trading commenced in September 2018, and, as a result, there is only limited available historical volatility experience. Therefore, we estimate our expected share price volatility based on the weighting of our own volatility in the estimation with the historical volatility of a group of publicly traded peer companies, and we expect to continue to do so until such time as we have adequate historical data regarding the volatility of our own traded share price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards as the Company has limited historical data to support the expected term assumption. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield is based on the fact that the Company has never paid cash dividends on common shares and does not expect to pay any cash dividends in the foreseeable future.

Stock-based compensation costs were \$25,602,000 and \$19,334,000 for The fair value of restricted stock units is determined at the years ended December 31, 2022 and 2021, grant-date price of the Company's common stock.

### Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in stockholders' equity that result from transactions and economic events other than those with shareholders. The difference between net loss and comprehensive loss for the period presented in the accompanying consolidated financial statements was due to foreign currency translation.

### Foreign Currency

The consolidated financial statements of our the Company's international subsidiaries subsidiary with a functional currency other than the U.S. dollar are translated into U.S. dollars using period-end exchange rates for assets and liabilities, historical exchange rates for stockholders' equity and weighted average exchange rates during the period for operating results. Translation gains and

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[Table of Contents](#)

losses are included in accumulated other comprehensive income / (loss), net Accumulated Other Comprehensive Income/(Loss) in the Consolidated Statement of tax, in stockholders' equity, Net Loss and Comprehensive Loss. The Company recognized foreign currency translation losses of \$882,000 and \$40,000 for the years ended December 31, 2023 and 2022, respectively. Foreign currency translation transaction gains and losses are included in interest and other income/(loss), net, in the consolidated statements Consolidated Statements of net loss Net Loss and comprehensive loss Comprehensive Loss. The Company recorded a foreign currency transaction gain of

\$524,000 and totaled a foreign currency transaction loss of \$40,000 and a loss of \$1,897,000 \$848,000 for the years ended December 31, 2022 and 2021.

#### Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, ("FASB") December 31, 2023, and are adopted by the Company as of the specific effective date. The Company adopted ASU 2020-10, ASU 2021-04 and ASU 2020-06 effective January 1, 2022, and adopted ASU 2020-04, ASU 2019-12, ASU 2018-13 and ASU 2018-15 effective January 1, 2021. The Company believes these adopted ASUs do not apply or have a material impact on our consolidated financial statements or disclosures. 2022, respectively.

**In December 2019, the FASB issued Accounting Standards Update No. 2019-12 ("ASU 2019-12"), Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The amendments in this Update affect entities within the scope of Topic 740, Income Taxes, and are effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The adoption of this standard on January 1, 2021 did not have a material impact on the Company's consolidated financial statements and related disclosures. Earnings Per Share**

The Company has evaluated accounting pronouncements recently issued but not yet adopted and believes that these pronouncements do not apply to the Company's operations and therefore will not have a material impact on the Company's consolidated financial statements or disclosures.

#### NOTE 4—PRODUCT REVENUE

The Company's reports net product revenues were generated from sales of DANYELZA and totaled \$49,267,000 and \$32,897,000 for the years ended December 31, 2022 and 2021. The geographic breakout for the \$49,267,000 of product revenue, net between the United States and other countries were \$46,259,000 and \$3,008,000, respectively.

Revenue from product sales is recorded net of applicable provisions for rebates, chargebacks, discounts, distribution-related fees and other sales-related deductions. Accruals for chargebacks, discounts and distribution-related fees earnings per share in accordance with contractual right of offset are recorded as a direct reduction to accounts receivable. Accruals for rebates, distribution-related fees without contractual right of offset and other sales-related deductions are recorded within accrued liabilities. As of December 31, 2022, the company had recorded accounts receivable allowances of approximately \$508,000 and accrued liabilities of \$2,474,000 related to product sales.

An analysis of the change in reserves for discounts and allowances is summarized as follows:

	Contractual Allowances and			
	Discounts	Government Rebates	Returns	Total
	(in thousands)			
Balance, December 31, 2021	\$ 13	\$ 3,027	\$ 61	\$ 3,101
Current provisions relating to sales in current year	102	5,660	381	6,143
Payments/credits relating to sales in current year	(82)	(3,996)	(398)	(4,476)
Change in estimate	—	(1,786)	—	(1,786)
Balance, December 31, 2022	\$ 33	\$ 2,905	\$ 44	\$ 2,982

The vast majority of the Company's product sales were in the United States with additional sales outside the United States in China and Israel through sublicenses and distribution agreements. The Company had product sales to certain customers that accounted for more than 10% of total gross product revenue for the years ended December 31, 2022 and 2021. McKesson, AmerisourceBergen, and Cardinal Health accounted for 70.8%, 17.4%, and 10.1%, respectively, of the Company's gross product revenue for the year ended December 31, 2022. McKesson and AmerisourceBergen accounted for 73.2% and 17.6%, respectively, of the Company's gross product revenue for the year ended December 31, 2021.

During the year ended December 31, 2022 the Company recorded a change in estimate resulting in a benefit of \$1,786,000 as the Company assessed claims data and reserves for historical earned periods associated with government program related rebates.

#### NOTE 5—NET LOSS PER SHARE

**ASC 260, Earnings per Share.** Basic net loss per share ("EPS") is calculated by dividing net income or loss attributable to common stockholders by the weighted average common stock outstanding. Diluted EPS is calculated by adjusting weighted average common shares outstanding for the dilutive effect of common stock options and restricted stock units. In periods in which a net loss is recorded, no effect is given to potentially dilutive securities, since the effect would be antidilutive. **Securities** Similarly, securities

156

that could potentially dilute basic EPS in the future **were** **are** not included in the computation of diluted EPS because to do so would have been antidilutive.

#### **Recently Issued Accounting Pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, and are adopted by the Company as of the specific effective date. The Company adopted ASU 2022-04, ASU 2022-02, ASU 2022-01 and ASU 2021-08 effective January 1, 2023, and the adoption of these new standards did not have a material impact on the Company's consolidated financial statements or disclosures.

In December 2023, the FASB issued ASU 2023-09, Improvement to income tax disclosures (Topic 740). ASU 2023-09 addresses annual disclosures related to the income tax rate reconciliation and the income taxes paid within the tax note. ASU 2023-09 requires consistent categories and greater disaggregation of information in the income tax rate reconciliation as well as a disaggregation of taxes paid by jurisdiction for the income taxes paid. ASU 2023-09 is required to be adopted by the Company for annual periods beginning after December 15, 2024. Early adoption is permitted for annual consolidated financial statements that have not yet been issued or made available for issuance. The Company is evaluating the impact of this update on the Company's disclosures.

The Company has evaluated all other accounting pronouncements recently issued but not yet adopted and believes that these pronouncements will not have a material impact on the Company's consolidated financial statements or disclosures.

#### NOTE 4—PRODUCT REVENUE, NET

The Company's product revenue, net was generated from sales of DANYELZA and consists of the following (in thousands):

	Year ended December 31,	
	2023	2022
United States	\$ 67,814	\$ 46,259
Other countries	16,505	3,008
Total product revenue, net	\$ 84,319	\$ 49,267

The majority of the Company's product sales were in the United States with additional sales in China, Europe, Latin America and Israel through sublicenses and distribution agreements. The Company's product revenue, net from other countries for the year ended December 31, 2023, included \$8,621,000 of product revenue, net from the Company's distribution partner, WEP. The Company's product revenue, net from other countries for the year ended December 31, 2023, also included \$3,535,000 of product revenue and related royalties for the commercial

launch initial inventory stocking order from the Company's distribution partner, SciClone, which launched commercial sales in China in June 2023. The Company recognized royalty revenue from the distribution partners of \$4,453,000 and \$2,120,000 in the years ended December 31, 2023 and 2022, respectively.

The Company had product sales to certain customers that accounted for more than 10% of total product revenue, net for the years ended December 31, 2023 and 2022. McKesson, AmerisourceBergen, WEP and Cardinal Health accounted for 46%, 22%, 10% and 13%, respectively, of the Company's product revenue, net for the year ended December 31, 2023. McKesson, AmerisourceBergen, and Cardinal Health accounted for 71%, 17%, and 10%, respectively, of the Company's product revenue, net for the year ended December 31, 2022.

As of December 31, 2023, the Company has recorded on the Consolidated Balance Sheets accounts receivable of approximately \$5,834,000, of which \$3,684,000 represents an unbilled portion to which we have unconditional rights to collect the consideration, and accrued liabilities of \$326,000 related to product sales to WEP during the year ended December 31, 2023.

157

## [Table of Contents](#)

Revenue from product sales is recorded net of applicable provisions for rebates, chargebacks, discounts, distribution-related fees and other sales-related deductions. Accruals for chargebacks and discounts are recorded as a direct reduction to accounts receivable. Accruals for rebates, distribution-related fees without contractual right of offset and other sales-related deductions are recorded within accrued liabilities. As of December 31, 2023, the Company had recorded accounts receivable allowances of approximately \$492,000 and accrued liabilities of \$2,309,000 related to product sales. As of December 31, 2022, the Company had recorded accounts receivable allowances of approximately \$508,000 and accrued liabilities of \$2,474,000 related to product sales.

An analysis of the change in reserves for discounts and allowances is summarized as follows (in thousands):

	Contractual Allowances and			
	Discounts	Government Rebates	Returns	Total
Balance December 31, 2022	\$ 33	\$ 2,905	\$ 44	\$ 2,982
Current provisions relating to sales in current year	238	8,361	519	9,118
Payments/credits relating to sales in current year	(230)	(7,482)	(497)	(8,209)
Change in estimate related to sales in the prior year	—	(1,090)	—	(1,090)
Balance December 31, 2023	\$ 41	\$ 2,694	\$ 66	\$ 2,801

During the year ended December 31, 2023, the Company recorded a change in estimate related to assessed Medicaid claims data experience and reserves for historical earned periods. The change in estimate resulted in a benefit of \$1,090,000 for the year ended December 31, 2023.

## NOTE 5—NET LOSS PER SHARE

The calculations of basic and diluted net loss per share are as follows (in thousands, except per share amounts):

	For the years ended December 31,		Year ended December 31,	
	2022	2021	2023	2022
	(in thousands, except per share amounts)			
Net loss (numerator)	\$ (95,568)	\$ (55,275)	\$ (21,427)	\$ (95,568)

Weighted-average shares (denominator), basic and diluted	43,703,663	43,181,808	43,645	43,704
Basic and diluted net loss per share	\$ (2.19)	\$ (1.28)	\$ (0.49)	\$ (2.19)

Potentially dilutive securities excluded from the computation of diluted earnings per share relate to stock options and unvested restricted share units ("RSUs") outstanding totaled 9,658,737 shares and 7,113,122 shares as of December 31, 2022 December 31, 2023 and 6,716,035 shares as of December 31, 2021, 2022, respectively.

#### NOTE 6—INVENTORIES

Inventories consist of the following (in thousands):

	December 31, 2023	December 31, 2022
Work In Progress	\$ 14,021	\$ 11,317
Finished Goods	2,992	666
Total Inventories	<u>\$ 17,013</u>	<u>\$ 11,983</u>

158

[Table of Contents](#)

#### NOTE 6—INVENTORY

Inventories consist of the following (in thousands):

	December 31, 2022	December 31, 2021
Work In Progress	\$ 11,317	\$ 4,741
Finished Goods	666	771
Total Inventories	<u>\$ 11,983</u>	<u>\$ 5,512</u>

Inventories are classified on the Consolidated Balance Sheets in each respective period (in thousands):

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
<b>CURRENT ASSETS</b>				
Inventories	\$ 6,702	\$ 5,512	\$ 5,065	\$ 6,702
Total recorded in Current Assets	6,702	5,512	5,065	6,702
<b>NONCURRENT ASSETS</b>				
Other assets	5,281	—	11,948	5,281
Total recorded in Noncurrent Assets	5,281	—	11,948	5,281
Total Inventories	<u>\$ 11,983</u>	<u>\$ 5,512</u>	<u>\$ 17,013</u>	<u>\$ 11,983</u>

As of December 31, 2022, December 31, 2023 and 2022, the Company has classified \$11,948,000 and \$5,281,000, respectively, of work in progress inventories as noncurrent assets based on its the Company's current demand schedule and expectation that such inventory will be utilized in excess of after one year from the balance sheet date. Changes in noncurrent assets are reflected on the consolidated statements Consolidated Statements of cash flows Cash Flows within the caption of other assets.

During the year ended December 31, 2022, December 31, 2023 and 2022, the Company recorded a charges to write off inventory of \$831,000 and \$1,200,000, charge in cost of goods sold related to a batch of DANYELZA planned for commercial use that did not meet our quality specifications, respectively.

[Table of Contents](#)
**NOTE 7—INTANGIBLE ASSETS, NET**

The Company's intangible assets, net as of December 31, 2023 totaled \$2,631,000, net of \$669,000 of accumulated amortization. The Company's intangible assets, net as of December 31, 2022 totaled \$2,986,000, net of \$314,000 of accumulated amortization, and related to capitalized milestone payments accrued following FDA approval and commercialization of DANYELZA, amortization. The Company recognized an intangible asset of \$1,500,000 for the royalty payable to MSK in 2022 for their share of the regulatory-based milestone payment of \$15,000,000 by SciClone for the conditional approval of DANYELZA in China. The Company's intangible assets, net as related to capitalized milestone payments made following FDA and other regulatory approvals, and commercialization of December 31, 2021 totaled \$1,663,000, net of \$137,000 of accumulated amortization, DANYELZA.

Intangible assets are amortized on a straight-line basis based on a 10-year useful life of the assets. Annual amortization expense is expected to be \$354,700 \$355,000 each year for the five-year period from 2023 2024 to 2027, 2028, and \$1,212,500 \$856,000 thereafter.

**NOTE 8—ACCRUED LIABILITIES**

Accrued short-term liabilities at as of December 31, 2023 and December 31, 2022 and December 31, 2021 are as follows (in thousands):

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Accrued licensing milestone and royalty payments	\$ 4,002	\$ 3,090		
Accrued licensing, milestone and royalty payments			\$ 3,452	\$ 4,002
Accrued clinical costs	932	915	597	932
Accrued compensation and board fees	2,445	1,877	3,858	2,445
Accrued manufacturing costs	2,977	2,622	2,531	2,977
Accrued sales reserves	2,474	2,615	2,309	2,474
Other	411	1,421	419	411
Total	\$ 13,241	\$ 12,540	\$ 13,166	\$ 13,241

**NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS**

The Company has entered into two three license agreements and certain other agreements with Memorial Sloan Kettering Cancer Center ("MSK"). The license agreements are include the MSK License Agreement, dated August 20, 2015, between the Company and MSK (the "MSK License"), and the CD33 License Agreement, dated November 13, 2017, between the Company and MSK (the "CD33 License"). Through a 2019 the Settlement and Assumption and Assignment

[Table of Contents](#)

of the MSK License and Y-mAbs Sublicense Agreement, or SAAA, with dated December 2, 2019, among MabVax Therapeutics Holdings, Inc. and MabVax Therapeutics, Inc., or together, MabVax, (together "MabVax"), the Company and MSK (the "SAAA"), the Company has established a direct license with MSK relating to the GD2-GD3 Vaccine, which was originally sublicensed by the Company in 2018 from MabVax.

In addition, the Company entered the SADA License Agreement into a license agreement, dated April 15, 2020, with MSK and Massachusetts Institute of Technology ("MIT") in 2020. (the "SADA License Agreement"). These license agreements with MSK and MIT grant the Company certain patent rights and intellectual property rights, and in consideration thereof, the Company agreed to make certain payments and issue shares of the Company's common stock to MSK and MIT. Certain of the payments are contingent milestone and royalty payments, as disclosed in the table below. Amounts disclosed in NOTE 8—ACCRUED LIABILITIES for accrued milestone and royalty payments are inclusive of obligations under the MSK License Agreement, CD33 License Agreement, MabVax License Agreement and SADA License Agreement, collectively.

In the past, the Company had defined MSK as a related-party under the Company's related-party policy. During the year ended December 31, 2023, the Company updated the related-party policy to remove MSK as a related-party as MSK does not participate on the Company's Board of Directors, does not have a significant ownership in the Company, and is not in a position to exert decision making power.

#### MSK License

The MSK License relates to intellectual property for DANYELZA and requires us the Company to pay to MSK mid to high single digit single-digit royalties based on annual net sales of licensed products or the performance of licensed services by the Company and the Company's affiliates and sublicensees. The Company is required to pay annual minimum royalties of \$80,000 over the royalty term, which amounts are non-refundable but are creditable against royalty payments otherwise due thereunder. The Company is also obligated to pay to MSK certain clinical, regulatory and sales based sales-based milestone payments under the MSK License, which payments become due upon achievement of the related clinical, regulatory or sales-based milestones. Certain of these clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the MSK License. Total clinical and regulatory milestones potentially due under the MSK License are \$2,450,000 and \$9,000,000, respectively. There are also sales based milestones that become due should the Company achieve certain amounts of sales of licensed products resulting from the license arrangement with MSK, with total

160

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#### Table of Contents

potential sales based milestones potentially due of \$20,000,000. As product candidates progress through clinical development, regulatory approval and commercialization, certain milestone payments will come due either as a result of the milestones having been met or the passage of time even if the milestones have related milestone activity is not been met. The Company will also owe MSK mid to high single digit royalties on commercial sales of the Company's approved products. achieved.

In addition, to the extent the Company enters into sublicense arrangements, the Company is required to pay to MSK a percentage of certain payments that the Company receives from sublicensees of the rights licensed to the Company by MSK, which percentage will be based upon the date the Company receives such payments or the achievement of certain clinical milestones. The Company has entered into sublicenses and distribution agreements related to DANYELZA and omburtamab under the MSK License with Takeda Israel, Swixx BioPharma AG and SciClone in 2020, with Adium in 2021 and WEP Clinical Ltd. In 2022.

The terms of the MSK License provide that MSK is entitled to receive 40% of the income generated from the sale of first PRV, and 33% of any income generated from the sale of any subsequent PRV or the sale of other comparable incentives provided by any non U.S. jurisdiction. The Company sold the PRV received upon FDA approval of DANYELZA to United Therapeutics for \$105,000,000. Pursuant to the agreement with MSK, the Company was entitled to retain 60% of the net proceeds from monetization of the PRV, and the remaining 40% was due to MSK. The Company received their portion of the net proceeds of from the sale of the first PRV in connection with DANYELZA, and collected the amount of approximately \$62,000,000 when the transaction was consummated proceeds in January 2021.

The MSK License will expire, on a country by country basis, and on a licensed product by licensed product or licensed service by licensed service basis, on the later of (i) the expiration of the last to expire of the patents and patent applications covering such licensed



product or service in such country, (ii) the expiration of any market exclusivity period granted by a regulatory authority for such licensed product or service in such country, or (iii) 15 years from the first commercial sale of such licensed product or service in such country.

MSK may terminate the MSK License upon prior written notice in the event of our uncured material breach, or upon prior written notice if such breach is of a payment obligation. MSK may also terminate the MSK License upon written notice in the event of our bankruptcy or insolvency or our conviction of a felony relating to the licensed products, or if the Company challenges the validity or enforceability of any licensed patent right. In addition, the Company has the right to terminate the MSK License in its entirety at will upon prior written notice to MSK, but if the Company has commenced the commercialization of licensed products and/or licensed services the Company can only terminate at will if the Company ceases all development and commercialization of such licensed products and/or licensed services.

160

---

[Table of Contents](#)

The Company's failure to meet certain conditions under the MSK License could cause the related license to such licensed product to be canceled and could result in termination of the MSK License by MSK.

CD33 License

On November 13, 2017, the Company entered into the MSK The CD33 License with MSK, which grants the Company a worldwide, sub-licensable sub licensable license to MSK's rights in certain patent rights and intellectual property rights related to certain know-how know how to develop, make and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics in connection with certain CD33 antibodies generated in a specific principal investigator's laboratory at MSK and constructs thereof. The CD33 License is exclusive with respect to such patent rights and tangible materials within such know-how, know how, and nonexclusive with respect to MSK's rights in such know-how know how and related intellectual property rights. As product candidates progress through clinical development, regulatory approval and commercialization, certain milestone payments will come due either as a result of the milestones having been met or the passage of time even if the milestones have not been met. Also, the Company will owe MSK customary royalties on commercial sales of the Company's approved products, if any. Total potential milestones due under the CD33 License are \$550,000, \$500,000 and \$7,500,000 for clinical, regulatory and sales based milestones, respectively.

In addition, the CD33 License contains minimum royalty payments that become due beginning in year 10 of \$40,000 per year over the royalty term, increasing to \$60,000 once a patent within the licensed rights is issued, subject to increase and creditable against any royalty payments due based on sales in the future. The Company is required to pay mid to high single-digit single digit royalties on sales of licensed products. Additionally, the terms of the CD33

161

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[Table of Contents](#)

License provide that MSK is entitled to receive 25% of any income generated from the sale of any PRV or the sale of other comparable incentives provided by any non-U.S. non U.S. jurisdiction.

The MSK CD33 License will expire, on a country-by-country country by country basis, and on a licensed-product by licensed-product or licensed product-by-licensed-product or licensed-service-by-licensed-service service by licensed service basis, on the later of (i) (i) the expiration of the last to expire of the patents and patent applications covering such licensed product or service in such country, (ii) the expiration of any market exclusivity period granted by a regulatory authority for such licensed product or service in such country, or (iii) 15 years from the first commercial sale of such licensed product or service in such country.

MSK may terminate the CD33 License upon prior written notice in the event of our uncured material breach, or upon prior written notice if such breach is of a payment obligation. MSK may also terminate the CD33 License upon written notice in the event of the Company's bankruptcy or insolvency or the Company's conviction of a felony relating to the licensed products, or if the Company challenges the validity or enforceability of any licensed patent right. In addition, the Company has the right to terminate the CD33 License in its entirety at will upon prior written notice to MSK, but if the Company has commenced the commercialization of licensed products and/or licensed services the Company can only terminate at will if the Company ceases all development and commercialization of such licensed products and/or licensed services.

#### MabVax/MSK License

On December 2, 2019, the Company entered into the SAAA, of MSK License and Y mAbs Sublicense Agreement, or the MabVax/Y mAbs Sublicense, between the Company and MabVax dated June 27, 2018, with MabVax and MSK, which became effective on December 13, 2019. Pursuant to the MabVax/Y mAbs Sublicense, MabVax sublicensed to SAAA, the Company is granted certain patent rights and know-how for development and commercialization of products for the prevention or treatment of NB by means of administering a bi-valent ganglioside vaccine granted to MabVax, pursuant to an exclusive license agreement dated June 20, 2008 between MabVax and MSK, as amended, or the MabVax/MSK License Agreement. vaccine.

On March 21, 2019, MabVax filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The essence of the transaction created by the SAAA was for the Company, in light of the Chapter 11 bankruptcy proceedings affecting MabVax, to preserve the MabVax/MSK License Agreement and the rights granted to the Company under the MabVax/Y mAbs Sublicense and for the Company to create a direct relationship with MSK with respect to the rights covered under the MabVax/Y mAbs Sublicense. Pursuant to the SAAA, MabVax agreed to assume the MabVax/Y mAbs Sublicense and the MabVax/Y mAbs License Agreement pursuant to Section 365 of the Bankruptcy Code and concurrently to assign both of these agreements to MSK. The Company remains responsible for any potential downstream payment obligations to MSK related to the GD2 GD3 Vaccine that were specified in the MabVax/MSK License Agreement. This includes the obligation is required to pay development milestones totaling \$1,400,000 and mid-single digit royalty payments to MSK. In addition, if the Company obtains FDA approval for the GD2 GD3 GD2-GD3 Vaccine, then the Company is obligated to file with the FDA for a PRV. The SAAA stipulates that, if the Company is granted a PRV from the FDA covering a licensed product under the MabVax/Y mAbs Y-mAbs Sublicense and the PRV is subsequently sold, the Company will pay directly to MabVax and to MSK respectively, a total of twenty percent 20% of the proceeds from the sale thereof. The MabVax/MSK MabVax License Agreement will expire with effect for the Company, on a country by country country-by-country basis, on the later of the expiration of (i) 10 years from the first commercial sale of the licensed product in such country or (ii) the last to expire valid claim covering such licensed product rights at the time of and in the country of sale.

161

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#### [Table of Contents](#)

#### SADA License

On April 15, 2020, we entered into a license agreement (the "SADA Pursuant to the SADA License Agreement") with MSK and Massachusetts Institute of Technology ("MIT") that grants us Agreement, the Company was granted an exclusive worldwide, sublicensable license to MSK's and MIT's rights to certain patent and intellectual property to develop, make, and commercialize licensed products and to perform services for all therapeutic and diagnostic uses in the field of cancer diagnostics and cancer treatments using the Self-Assembly DisAssembly Pretargeted, or SADA BiDE Pre-targeted Radioimmunotherapy Platform ("PRIT, technology platform.

The SADA technology License Agreement requires the Company to pay MSK and MIT mid to high single-digit royalties based on annual net sales of licensed products or the performance of licensed services by the Company and the Company's affiliates and sublicensees. The Company is obligated to pay non-refundable annual minimum royalties of \$40,000, increasing to \$60,000 once a patent has been issued, over the royalty term, commencing on the tenth anniversary of the license agreement.

The Company is also obligated to pay MSK and MIT certain clinical, regulatory and sales-based milestone payments under the SADA License Agreement. Certain clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the SADA License Agreement even if the related milestone activity is not achieved.

In addition, to the extent the Company enters into sublicense arrangements, the Company is obligated to pay to MSK and MIT a percentage of certain payments received from sublicensees of the rights licensed to us by MSK and MIT, which percentage will be based upon

the achievement of certain clinical milestones. The Company has not entered into any sublicenses related to the SADA License Agreement. For each of the constructs previously generated by MSK using the SADA PRIT Technology and sold for the Company by a sublicensee, the Company may pay sales milestones up to \$60,000,000, in total, based on the achievement of various levels of cumulative net sales made by the sublicensee.

The Company recognized an expense of \$4,125,000 related to clinical milestones under the SADA License Agreement during the year ended December 31, 2023, as the Company determined certain time-based clinical milestones within the agreement are probable based on the availability of necessary data and the assessment of clinical progress. The Company did not recognize any expenses related to milestones under the SADA License Agreement during the year ended December 31, 2022. At The Company made a final \$1,000,000 license continuation payment under the time SADA License Agreement in the year ended December 31, 2022. The Company had current liabilities of entering into \$1,000,000 and \$605,000 in accrued liabilities as of December 31, 2023 and 2022, respectively. The Company had non-current liabilities of \$3,125,000 in accrued milestone and royalty payments as of December 31, 2023. The Company made a payment of \$605,000 in the year ended December 31, 2023, related to achievement of the milestone for dosing the first patient in the Phase 1 trial of GD2-SADA in April 2023.

Failure by the Company to meet certain conditions under the arrangement we assessed could cause the licensing related license to such licensed products to be canceled and other rights acquired could result in termination of the entire arrangement with MSK and given MIT. In addition, the lack of outputs upon acquisition and that Company may terminate the SADA License Agreement with prior written notice.

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## [Table of Contents](#)

no employees were acquired, among other factors, we have concluded that the licensing rights represented an asset acquisition.

Further, we concluded that the technology acquired under the licensing arrangement had no alternative future use. This conclusion was based on consideration of the rights conveyed under the agreement, extent of further development necessary and presence of uncertainty prior to obtaining regulatory approval for any product.

The SADA License Agreement requires us to pay to MSK and MIT mid to high single-digit royalties based on annual net sales of licensed products or the performance of licensed services by us and our affiliates and sublicensees. We are obligated to pay annual minimum royalties of \$40,000, increasing to \$60,000 once a patent has been issued, over the royalty term, commencing on the tenth anniversary of the license agreement. These amounts are non-refundable but are creditable against royalty payments otherwise due under the SADA License Agreement.

The Company is also obligated to pay MSK and MIT certain clinical, regulatory and sales-based milestone payments under the SADA License Agreement. Certain of the clinical and regulatory milestone payments become due at the earlier of completion of the related milestone activity or the date indicated in the SADA License Agreement.

In addition, to the extent we enter into sublicense arrangements, we are obligated to pay to MSK and MIT a percentage of certain payments received from sublicensees of the rights licensed to us by MSK and MIT, which percentage will be based upon the achievement of certain clinical milestones. The Company has not entered into any sublicenses related to the SADA License Agreement. For each of the constructs previously generated by MSK using the SADA technology and sold for the Company by a sublicensee, the Company may pay sales milestones up to \$60,000,000, in total, based on the achievement of various levels of cumulative net sales made by the sublicensee.

Failure by the Company to meet certain conditions under the arrangement could cause the related license to such licensed products to be canceled and could result in termination of the entire arrangement with MSK and MIT. In addition, the Company may terminate the SADA License Agreement with prior written notice.

### Summary of Significant License Agreements and Related Commitments

The Company has the following significant license agreements and related commitments which include all obligations that have been paid or accrued as of and for the years ended December 31, 2022 and 2021 (in thousands):

	Accrued	Accrued	Accrued	Accrued
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	Cash paid	Cash paid	Expense	Expense	liabilities	liabilities	liabilities	liabilities
	Twelve months	Twelve months	Twelve months	Twelve months	Current	Non-current	Current	Non-current
	ended	ended	ended	ended	as of	as of	as of	as of
	December 31	December 31	December 31	December 31	December 31	December 31	December 31	December 31
Agreements	2022	2021	2022	2021	2022	2022	2021	2021
MSK	\$ 2,871	\$ 1,480	\$ 3,582	\$ 1,170	\$ 3,397	\$ 1,950	\$ 1,486	\$ 1,650
CD33	150	100	—	—	—	300	—	450
MabVax	10	10	10	10	—	—	—	—
SADA	1,000	1,000	—	—	605	—	1,605	—

Minimum royalties and certain clinical milestones that become due based upon the passage of time under the CD33 License Agreement, the MabVax Agreement, and SADA Agreement are not recorded as a liability as the Company does not consider such obligations to be probable as of December 31, 2022 and December 31, 2021.

163

## [Table of Contents](#)

### [Summary of Significant License Agreements and Related Commitments](#)

The below table represents the maximum clinical, regulatory or sales-based milestones as reflected within the significant license agreements, certain of which have been paid in prior periods or are accrued as presented in the table [above](#) [below](#) (in thousands):

	Maximum	Maximum	Maximum	Maximum	Maximum	Maximum
	Clinical	Regulatory	Sales-based	Clinical	Regulatory	Sales-based
Agreements	Milestones	Milestones	Milestones	Milestones	Milestones	Milestones
MSK	\$ 2,450	\$ 9,000	\$ 20,000	\$ 2,450	\$ 9,000	\$ 20,000
CD33	550	500	7,500	550	500	7,500
MabVax	200	1,200	-	200	1,200	—
SADA	4,730	18,125	23,750	4,730	18,125	23,750

The below table represents all obligations pertaining to the significant license agreements that have been paid, expensed or accrued as of and for the years ended December 31, 2023 and 2022 (in thousands):

	Cash paid	Cash paid	Expense	Expense	Accrued	Accrued	Accrued	Accrued
	Twelve	Twelve	Twelve	Twelve	liabilities	liabilities	liabilities	liabilities
	months	months	months	months	Current	Non-current	Current	Non-current
	ended	ended	ended	ended	as of	as of	as of	as of
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
Agreements	2023	2022	2023	2022	2023	2023	2022	2022
MSK	\$ 6,027	\$ 2,871	\$ 5,158	\$ 3,582	\$ 2,452	\$ 1,950	\$ 3,397	\$ 1,950
CD33	—	150	—	—	—	300	—	300
MabVax	10	10	10	10	—	—	—	—
SADA	605	1,000	4,125	—	1,000	3,125	605	—

Minimum royalties and certain clinical, regulatory and sales milestones that become due based upon the passage of time under the MSK License Agreement, CD33 License Agreement, the MabVax Agreement, and the SADA License Agreement are excluded from the above table as the Company does not consider such obligations to be probable as of December 31, 2023 and December 31, 2022.

Research and development is inherently uncertain and should such research and development fail, the MSK License Agreement, the CD33 License Agreement, the SADA License Agreement and the MabVax License Agreement as well as the MabVax/Y-mAbs Sublicense are cancelable at the Company's option. The Company will also consider the development risk and each party's termination rights under the respective agreement when considering whether any clinical or regulatory based regulatory-based milestone payments, certain of which also contain time-based payment requirements, are probable. The Company records milestones in the period in which the contingent liability is probable and the amount is reasonably estimable. With respect to the SADA License Agreement, all time-based milestones coming due within 36 months of the effective date of the agreement, totaling \$605,000, have been accrued since the year ended December 31, 2020, as this continues to represent the time period the Company expects will be required to gather necessary clinical data to determine which patent rights to further pursue, if any, under the SADA License Agreement. The remaining total clinical milestones of \$4,125,000 were determined to not be probable as of December 31, 2022.

#### Other agreements

The Company has also entered into various other support agreements with MSK including a sponsored research agreement to provide research services related to the intellectual property licensed under the MSK License Agreement; a master data services agreement, for services provided by up to approximately five full-time employees at MSK, who are engaged in transferring clinical data, databases, regulatory files and other know-how included in the MSK License Agreement to the Company; a master clinical trial agreement pursuant to which the Company committed to fund certain clinical trials at MSK; two separate core facility service agreements pursuant to which the Company committed to obtaining certain laboratory services from MSK; and in October 2020 the Company entered into a SADA sponsored research agreement pursuant to which the Company agreed to pay MSK to provide research services over a period of three years related to the intellectual property licensed under the SADA License Agreement. The scientific research took place over a period that commenced in September 2020 and ended in February 2022.

For the years ended December 31, 2022, December 31, 2023 and 2021, 2022, the Company incurred research and development expenses of \$1,746,000, \$190,000 and \$4,086,000, \$1,746,000, respectively, under these agreements.

163

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#### [Table of Contents](#)

#### Lease Agreements

In July 2019, the Company entered a development, manufacturing and supply agreement with SpectronRx in South Bend, Indiana, to secure access to clinical and commercial scale radiolabeling capacity for omburtamab. Under the terms of the agreement, SpectronRx has established a manufacturing unit designated for the Company within its existing facilities, at which both clinical and commercial supply of radiolabeled omburtamab can be produced. Since the Company possesses the right to substantially all the economic benefits and directs the use of the production area, the Company accounts for the payments related to the access to the manufacturing space under ASC 842 as an operating lease. The original term of the lease was two years from the commencement date of August 31, 2020, which was subsequently extended to December 2022. The extension resulted in an immaterial impact to the underlying right of use asset and lease liability. Upon the lease commencement date, the Company recorded \$3,617,000 as right of use asset and \$2,679,000 as lease liability with the difference of \$938,000 resulting from certain prepayments and other costs incurred. The Company paid equal monthly installments of approximately \$117,000 in additional access fees through December

164

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#### [Table of Contents](#)

2022. The Company entered into an additional one-month extension that terminated in January 2023 for a de minimis cost.

In February 2019, the Company entered into a lease agreement in connection with ~~its~~ the Company's 4,548 square feet laboratory in New Jersey. In December 2019, the Company expanded the space with an additional 235 square feet. The original term of the lease was three years from the date the Company occupied the premises, with an option to extend for an additional two years which ~~expires was to expire~~ in January 2024, which the Company exercised and ~~has had~~ included in the determination of the related lease liability. In July 2023, the Company entered into a lease amendment to extend the term to February 2025. Fixed rent payable under the lease is approximately ~~\$144,000~~ \$177,000 per annum and is payable in equal monthly installments of approximately ~~\$12,000~~ \$15,000 per month.

In January 2018, the Company entered into a lease agreement in connection with ~~its~~ the Company's corporate headquarters in New York. The term of the lease ~~is was~~ six years from the date the Company began to occupy the premises and the lease ~~expires was to expire~~ in April 2024. In August 2023, the Company entered into a lease amendment to extend the term to April 2025. Fixed rent payable under the lease is approximately ~~\$384,000~~ \$408,000 per annum and is payable in equal monthly installments of approximately ~~\$32,000~~, which are recognized on a straight-line basis: ~~\$34,000~~.

In February 2018, the Company entered into a lease agreement for certain office space in Denmark, which has been amended several times. The lease was renewed on November 1, 2021 with a four-year term that expires in November 2025. The lease is payable in monthly installments of approximately ~~\$41,000~~, which are recognized on a straight-line basis: ~~\$41,000~~. In January 2023, the Company notified the landlord of ~~their the~~ intention to reduce the leased premise as a result of the Company's strategic restructuring plan, which was approved by restructuring. The lease modification resulted in an immaterial charge in the Company's Board of Directors on January 4, 2023 year ended December 31, 2023.

Total operating lease costs were ~~\$2,646,000~~ \$1,033,000 and ~~\$2,608,000~~ \$2,646,000 for the years ended ~~December 31, 2022~~ December 31, 2023 and ~~2021~~ 2022, respectively.

For the year ended December 31, 2023, the operating lease expenses were recorded as \$780,000 in research and development expense and \$253,000 in selling, general and administrative expense. For the year ended December 31, 2022, the operating lease expenses were recorded as \$2,404,000 in research and development expense and \$242,000 in general and administrative expense. For the year ended December 31, 2021, the expenses were recorded as \$2,367,000 in research and development expense and \$241,000 in selling, general and administrative expense. Cash paid for amounts included in the measurement of lease liabilities was ~~\$2,286,000~~ \$1,057,000 and ~~\$2,216,000~~ \$2,286,000 for the years ended ~~December 31, 2022~~ December 31, 2023 and ~~2021~~ 2022, and ~~was~~ were included in net cash used in operating activities in the Company's Consolidated Statements of Cash Flows.

Maturities of operating lease liabilities at December 31, 2022 as of December 31, 2023 and ~~2021~~ 2022 were as follows (in thousands):

	Operating Leases at December 31, 2022
Years ending December 31,	
2023	\$ 997
2024	490
2025	419
Total lease payments	1,906
Less: Imputed interest	(139)
Total operating lease liabilities as of December 31, 2022	\$ 1,767

165

## Table of Contents

	Operating Leases at December 31, 2021	Operating Leases as of December 31, 2023	Operating Leases as of December 31, 2022
Years ending December 31,			
2022	\$ 1,953		
2023	1,025	\$ —	\$ 997

2024	550	996	490
2025	445	526	419
Total lease payments	3,973	1,522	1,906
Less: Imputed interest	(339)	(103)	(139)
Total operating lease liabilities as of December 31, 2021	\$ 3,634		
Total operating lease liabilities as of period end		\$ 1,419	\$ 1,767

Operating lease liabilities are based on the net present value of the remaining lease payments over the remaining lease term. In determining the present value of lease payments, the Company uses its estimate of its incremental borrowing rate based on the information available at the lease commencement date. As of December 31, 2023, the weighted average remaining lease term is 1.61 years and the weighted average discount rate used to determine the operating lease liability is 8.3%. As of December 31, 2022, the weighted average remaining lease term was 2.36 years and the weighted average discount rate used to determine the operating lease liability was 8.3%. As of December 31, 2021, the weighted average remaining lease term was 2.62 years and the weighted average discount rate used to determine the operating lease liability was 6.5%.

164

## [Table of Contents](#)

### Former Chief Executive Officer Contractual Severance Related Benefits

On April 27, 2022, the Company announced certain executive management changes. Effective April 22, 2022, Dr. Claus Juan Møller San Pedro stepped down from his positions as Chief Executive Officer and as a member of the Company's Board of Directors. There were no disagreements with the Company expressed by Dr. Møller on any matters relating to the Company's operations, policies or practices. Dr. Møller's contractual severance related benefits provided for cash compensation of \$1,589,000, which includes included salary and certain benefits continuation. All of the cash compensation had been paid as of December 31, 2022. Also, under terms of the equity award agreement, Dr. Møller's outstanding stock option awards will continue to vest as scheduled and become exercisable when vested. This resulted in a non-cash share-based compensation expense charge of \$9,286,000 that the Company recognized in the year ended December 31, 2022 as there is was no longer a service condition related to such awards. The total charge of \$10,875,000 related to the executive management change was recorded in selling, general and administrative expenses during the year ended December 31, 2022. The Company entered into a separation agreement with Dr. Møller. There was no financial impact in September 2022, the year ended December 31, 2023.

### Legal Matters

#### **Donoghue vs. Y-mAbs Therapeutics, Inc., and Gad**

The Company has been named a nominal defendant in a lawsuit filed in the U.S. District Court, Southern District of New York, on August 25, 2021, by one of the Company's stockholders, Deborah Donoghue (Case No. 1:21-cv-07182). The suit names the Company's President, Interim Chief Executive Business Officer, and Head of Business Development and Strategy, and member Vice Chairman of the Company's board of directors, Mr. Thomas Gad as an additional defendant, and it seeks to compel Mr. Gad to disgorge alleged short swing profits stemming from a certain transaction involving the Company's common stock undertaken by Mr. Gad on March 10, 2021 together with appropriate interest and costs of the lawsuit. On December 17, 2021, Mr. Gad filed a Motion to Dismiss the lawsuit. On August 8, 2022, the Court denied Mr. Gad's Motion to Dismiss the lawsuit. The parties have completed documentary discovery and depositions. On February 1, 2024, both the lawsuit has entered the discovery phase. Plaintiff and Mr. Gad filed their respective motions for summary judgment. The Company is of the opinion that the claim is without merit and intend intends to maintain this position in the proceedings. In addition, the Company has been informed by Mr. Gad that he also believes the claim is without merit, that he has strong defenses against such claim and that he intends to vigorously defend the action. The Company has assessed the proceedings and does not believe that it is probable that a gain or a liability will be realized by the Company. As a result, the Company did not record any loss or gain contingencies for this matter.

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[Table of Contents](#)
**Corwin v. In re Y-mAbs Therapeutics, Inc., et al. Securities Litigation**

On January 18, 2023, Robert Corwin, a purported Y-mAbs stockholder, filed a putative class action lawsuit against the Company and certain of the Company's current and former officers for alleged violations of the U.S. federal securities laws in the United States District Court, Southern District of New York (Case No.: 1:23-cv-00431). The amended complaint filed on May 23, 2023, asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, on behalf of a proposed class consisting of those who acquired the Company's common stock between October 6, 2020 and October 28, 2022. The complaint alleges that the Company and the individuals named in the lawsuit violated Sections 10(b) and/or 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The amended complaint alleges that there were material misrepresentations and/or omissions regarding the FDA's consideration of the Company's BLA for omburtamab for the treatment of pediatric patients with CNS/leptomeningeal metastasis from neuroblastoma firstly submitted in 2020 and resubmitted in 2022. The amended complaint seeks unspecified damages, and reasonable costs and expenses, including attorneys' fees. On September 29, 2023, the defendants' motion to dismiss the amended complaint was fully briefed. On February 5, 2024, the Court granted in part and denied in part the defendants' motion to dismiss. The Court dismissed the plaintiff's claims relating to three of four categories of challenged statements and dismissed in part plaintiff's claims relating to the fourth category of challenged statements. The Court also dismissed one of the individual defendants from the case. The Company believes that these the remaining claims are without merit and intends to vigorously defend against these claims. The Company has not established a liability for this claim as of December 31, 2022 December 31, 2023 as the Company does not consider the a loss on the claim to be probable.

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[Table of Contents](#)
**Hazelton vs. Y-mAbs Therapeutics Inc., and Gad, et al.**

On February 8, 2023, Jeffrey Hazelton, one of the Company's stockholders, filed The Company has been named a nominal defendant in a lawsuit against the Company and current and former members of the Company's board of directors filed in the Court of Chancery of the State of Delaware, on February 8, 2023, by a purported stockholder, Jeffrey Hazelton (Case No.: 2023-0147-) 2023-0147-LWW). The amended complaint alleges that filed on May 12, 2023, purports to bring claims on behalf of the Company's Company against current and former members of the Company's board of directors have awarded for allegedly awarding themselves excessive compensation since the Company's Initial Public Offering in 2018, for fiscal years 2020 and 2021. The amended complaint seeks, to recover among other things, recovery of alleged excessive and unfair compensation, awarded to the Company's board members in what is alleged to be in breach of their fiduciary duties. Further, the complaint seeks to direct an order directing the Company to take undertake certain actions to reform and improve the Company's corporate governance reforms, and internal procedures, an award of costs and expenses, including attorneys' fees. The Court has not yet issued its ruling on the defendants' motion to dismiss the amended complaint, which was fully briefed as of September 8, 2023. The Company is of the opinion that the claims are without merit and intends to maintain this position in the proceedings. The Company has not established a liability for this claim as of December 31, 2022 December 31, 2023 as the Company does not consider the a loss on the claim to be probable.

**NOTE 10—STOCKHOLDERS' EQUITY****Authorized Stock**



As of ~~December 31, 2022~~ December 31, 2023 and ~~2021~~ 2022, the Company ~~has had~~ authorized a total of 105,500,000 shares, 100,000,000 of which are common stock, par value \$0.0001 per share, and 5,500,000 of which are preferred stock, par value \$0.0001 per share.

#### **Common Stock**

Each share of common stock is entitled to one vote. Common stockholders are entitled to receive dividends, as may be declared by the board of directors, if any, subject to preferential dividend rights of the preferred stock, none of which have been issued. The Company ~~has had~~ issued ~~43,672,112 shares and~~ 43,670,109 shares of ~~its~~ common stock as of ~~December 31, 2022~~ December 31, 2023 and ~~43,694,716 shares of its common stock as of December 31, 2021~~ 2022, respectively.

#### **Preferred Stock**

Preferred stock may be issued from time to time in one or more series with such designations, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions as approved by the Company's Board of Directors. No preferred stock has been issued as of ~~December 31, 2022~~ December 31, 2023 and ~~2021~~ 2022.

#### **Stock grant agreements Grant Agreements with non-employees Non-Employees**

In April 2020, in connection with the SADA License Agreement, the Company entered into ~~certain two~~ stock grant agreements pursuant to which ~~it the Company~~ agreed to issue a total of 213,996 shares to two non-employee researchers who were involved in the development of the ~~SADA-BiDE (2-step Self-Assembly and DisAssembly-Bispecific DOTA-Engaging~~

167

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#### [Table of Contents](#)

~~antibody system) Pre-targeted Radioimmunotherapy Platform (the "SADA Technology") licensed from MSK and MIT SADA PRIT~~ in consideration for their ~~respective~~ prior service. All 213,996 shares were issued in April 2020 into escrow with 40% of the shares immediately vesting at the time of issuance and the remaining 60% of the shares subject to vesting ratably over the next three years on the anniversary date of the agreement. ~~In accordance with the terms of the agreement, during the year ended December 31, 2022, the non-employee researchers vested in an additional~~ The remaining 20% of the awards. Therefore, ~~award vested in April 2023 resulting in all 213,996 shares being vested~~ as of December 31, 2022, the two non-employee researchers have vested in 80% of the total grant with the remaining 20% vesting on the anniversary date of the agreement in April 2023. The unvested shares are subject to forfeiture to the extent the SADA License Agreement is terminated prior to the vesting of the shares. ~~December 31, 2023~~. There is no cash settlement feature, and no future service is required for the non-employee researchers to vest and receive the ~~shares. shares on grant date~~. In April 2020, the Company recognized ~~a research and development expense of \$7,376,000, which reflected the fair value of the issued shares on the grant date. date, within research and development expense~~. There is no future expense related to these awards.

In July 2020, pursuant to the stock grant agreements, the Company also loaned the two researchers a total of \$2,610,000 related to their individual tax payments due in conjunction with the stock grants. Each of the loans are evidenced by a ~~three-year~~ Secured Promissory Note, which ~~matures had respective maturity dates~~ in April 2023 and June 2023. The outstanding principal ~~amounts amount of the loans, each loan,~~ together with all accrued interest thereon at the rate of 1% per annum, ~~is was~~ due and payable on the ~~respective maturity date dates~~ of the loans. The loans ~~are were~~ secured by Pledge and Security Agreements, pursuant to which the researchers ~~have~~ pledged the shares as security for repayment of the ~~loans with interest rates that are at market. loans~~. In July 2022, one of the researchers repaid their ~~Secured Promissory Note loan, which had a maturity date in April 2023,~~ and accrued interest, which resulted in

166

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#### [Table of Contents](#)

a de minimis loss compared to the amortized cost of the loan, in exchange for 57,887 shares that were remained pledged as part of their its security. Upon receipt, the Company recorded treasury shares at an acquisition cost of \$963,000, based on the share price on the settlement date. The Company subsequently cancelled the acquired treasury shares resulting in a reduction of outstanding common stock and a reduction of additional paid-in-capital totaling \$963,000. During the fourth quarter of 2022, the Company concluded that the other loan receivable, with a maturity date of June 2023, was impaired, resulting which resulted in a \$1,051,000 charge for the year-ended year ended December 31, 2022. In June 2023, the other researcher repaid his loan, which resulted in a de minimis gain compared to the book value of the loan, which included the impact of the previous impairment charge. The remaining loan receivable balance is included was repaid in other current assets exchange for 58,763 shares that remained pledged as part of its security. Upon receipt, the Company recorded treasury shares at an acquisition cost of \$480,000, based on the closing price of the Company's Consolidated Balance Sheets as of December 31, 2022 and both loans are included in other assets common stock on the Company's Consolidated Balance Sheets as settlement date. The Company subsequently cancelled the acquired treasury shares, which resulted in a reduction of December 31, 2021. The impairment charges are recorded within interest outstanding common stock and other loss, net within the Company's Consolidated Statements a reduction of Net Loss and Comprehensive Loss, and foreign currency and other transactions within the Company's Consolidated Statements of Cash Flows. additional paid-in-capital totaling \$480,000.

There were no shares issued to non-employee researchers in 2022 2023 and 2021.

#### **Issuance of common stock**

On February 22, 2021, the Company completed a third public offering of its common stock pursuant to which the Company issued and sold 2,804,878 shares of its common stock at a price to the public of \$41.00 per share which included the exercise in full of the underwriters' option to purchase additional shares. The Company received aggregate gross proceeds from the public offering of \$115,000,000, with aggregate net proceeds of approximately \$107,725,000 after deducting underwriting discounts and commissions and offering expenses. 2022.

#### **NOTE 11—SHARE-BASED STOCK-BASED COMPENSATION**

##### **2015 Equity Incentive Plan**

The Company's board of directors and stockholders have approved and adopted the Amended and Restated 2015 Equity Incentive Plan (the "2015 Plan"), which provided for the grant of incentive stock options, within the meaning of Section 422 of the Code (the Internal Revenue Code), to the Company's employees and any parent and subsidiary corporations' employees, and for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock and restricted stock units to the Company's employees, directors and consultants and its parent and the Company's subsidiary corporations' employees and consultants. A total of 4,500,000 shares of the Company's common stock were reserved for issuance pursuant to the 2015 Plan. Options granted under the 2015 Plan vest according to the schedule specified in the grant agreements, which is generally a four-year period and generally become immediately exercisable upon the occurrence of a change in control, as defined.

168

#### **[Table of Contents](#)**

Upon the 2018 Equity Incentive Plan (the "2018 Plan") becoming effective in September 2018, no further grants are allowed under the 2015 Plan.

##### **2018 Equity Incentive Plan**

The Company's board of directors and stockholders approved and adopted the 2018 Plan. Equity Incentive Plan (the "2018 Plan") in connection with the Company's initial public offering in September 2018. However, options outstanding under the 2015 Plan continue to be governed by the 2015 Plan. The 2018 Plan which became effective upon the Company's initial public offering in September 2018 and which provides for the grant of incentive stock options, within the meaning of Section 422 of the Code (the Internal Revenue Code), to the Company's employees and any parent and subsidiary corporations' employees, and for the grant of incentive stock options, nonqualified stock options,

stock appreciation rights, restricted stock and restricted stock units to the Company's employees, directors and consultants and the Company's parent and subsidiary corporations' employees and consultants. A total of 5,500,000 shares of the Company's common stock, inclusive of the awards previously granted under the 2015 Equity Incentive Plan were initially reserved for issuance pursuant to the 2018 Plan. In addition, the number of shares available for issuance under the 2018 Plan will also include an annual increase on the first day of each fiscal year beginning in 2019 through 2029, equal to 4% of the outstanding shares of common stock as of the last day of the Company's immediately preceding fiscal year or by a lesser amount determined by the board of directors. **As of December 31, 2023, the Company had 3,107,673 shares available for grant under the 2018 Equity Incentive Plan.**

The exercise price of options granted under the plans must at least be equal to the fair market value of the Company's common stock on the date of grant. The term of an incentive stock option may not exceed 10 years, except that with respect to any participant who owns more than 10% of the voting power of all classes of the Company's outstanding stock, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. Options granted under the 2018 Plan vest according to the schedule specified in the grant

167

## [Table of Contents](#)

agreements, which is generally between one and four years and generally become immediately exercisable upon the occurrence of a change in control, as **defined, defined in the Plan Agreement.**

### **Stock Options**

**For** During the years ended **December 31, 2022** **December 31, 2023** and **2021**, 2022, stock-based compensation for stock option grants were **\$25,274,000** **\$13,757,000** and **\$19,032,000**, **\$25,274,000**, respectively, for options granted to employees and directors. **The expense for the year ended December 31, 2023, was inclusive of an acceleration of stock-based compensation of \$1,706,000, as described further in NOTE 14— RESTRUCTURING CHARGE.** Stock-based compensation during the year ended December 31, 2022 includes \$9,286,000 related to the departure of the former Chief Executive Officer, which was recorded upon his separation in the second quarter of 2022 based on the terms of his service agreement and is further described in **NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS.** For the year ended **December 31, 2023, the expenses were recorded as \$8,000,000 in research and development expense and \$5,757,000 in selling, general, and administrative expense.** For the year ended December 31, 2022, the expenses were recorded as \$7,540,000 in research and development expense and \$17,734,000 in selling, general, and administrative expense. For the year ended **December 31, 2021, the expenses were recorded as \$7,133,000 in research and development expense and \$11,899,000 in selling, general, and administrative expense.**

The assumptions that the Company used to determine the fair value of the stock options granted to employees **directors** and **consultants** **directors** were as follows, presented on a weighted average basis:

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2023	Year Ended December 31, 2022
Risk-free interest rate	3.12 %	1.31 %	3.92 %	3.12 %
Expected term (in years)	5.9	6.3	6.2	5.9
Expected volatility	73.6 %	72.6 %	82.9 %	73.6 %
Expected dividend yield	— %	— %	— %	— %

**The following table summarizes common stock options issued and outstanding:**

Weighted
----------

	Options	Weighted average exercise price	Aggregate intrinsic value (in thousands)	average remaining contractual life (years)
Outstanding and expected to vest at December 31, 2022	7,079,767	\$ 21.27	\$ 3,112	6.45
Granted	2,586,040	5.25		
Exercised	(50,000)	2.00		
Forfeited	(308,477)	11.10		
Outstanding and expected to vest at December 31, 2023	9,307,330	\$ 17.26	\$ 10,012	6.44
Exercisable at December 31, 2023	5,958,167	21.00	6,195	5.03

The weighted average fair value of stock options granted during the years ended December 31, 2023 and 2022 was \$3.86 and \$7.64, respectively. There were 2,586,040 and 653,000 stock options granted for the years ended December 31, 2023 and 2022, respectively.

Options granted during the years ended December 31, 2023 and 2022 have a maximum contractual term of ten years.

There were 1,105,500 options granted in the year ended December 31, 2023 under the Company's retention program, which were granted to the continuing employees that were not subject to the Company's strategic restructuring plan. During the second quarter of 2023, 83,700 options were granted to non-executive directors, which will vest ratably on a monthly basis over the next 12 months after the grant date, provided that in each case that the recipient remains as a non-executive director through vesting date. The expected term for the options granted to certain non-executive directors was 5.5 years and the risk-free interest rate was approximately 3.9%. The remaining 1,396,840 options granted in the year ended December 31, 2023, of which 690,240 options were granted in connection with the start of the Company's

169 168

## [Table of Contents](#)

The Company recognizes compensation expense for only the portion of awards that vest.

The following table summarizes common stock options issued new President and outstanding:

	Options	Weighted average exercise price	Aggregate intrinsic value (in thousands)	Weighted average remaining contractual life (years)
Outstanding and expected to vest at December 31, 2021	6,687,128	\$ 22.43	\$ 26,412	7.21
Granted	653,000	11.53		
Exercised	(20,000)	4.22		
Forfeited	(240,361)	28.32		
Outstanding and expected to vest at December 31, 2022	7,079,767	\$ 21.27	\$ 3,112	6.45
Exercisable at December 31, 2022	4,948,467	\$ 19.47	\$ 3,112	5.53

The weighted average grant-date fair value of stock options granted during the years ended December 31, 2022 Chief Executive Officer and 2021 was \$7.64 and \$13.03, respectively.

Options granted in the year ended December 31, 2022, have a contractual term of ten years.

During the second quarter of 2022, 255,000 options were granted to senior executives and certain other employees under a retention program for their continued service to the Company over the next two years from the grant date. The options granted under the retention program have a vesting schedule in which 50% vest on the first anniversary transition of the grant date and the remainder vest on the second

anniversary of the grant date, provided in each case that the recipient remains an employee of the Company through each vesting date. The remaining 398,000 options granted during the year end December 31, 2022, Company's interim Chief Executive Officer to Chief Business Officer, have a vesting schedule in which 25% vest on the first anniversary of the grant date and the remainder vest ratably on a monthly basis over the next 36 months, provided in each case that the recipient remain remains an employee of the Company through each vesting date.

The above noted retention program also included a cash bonus payable of \$1,091,000 to the same senior executives and other employees that is payable on the anniversary of the grant date provided that the respective recipient remains an employee of the Company through such date and subject further to the achievement by such date of the Company's product candidate omburtamab having received marketing approval by the FDA. On November 30, 2022, the FDA issued a complete response letter which indicated that FDA was unable to approve the BLA of omburtamab in its current form. As a result, the Company determined that the bonus payment was not probable and therefore the Company did not record compensation expense related to the cash retention program expected term for these options granted in the year ended December 31, 2022 December 31, 2023 was 5.50 to 6.25 years, the volatility ranged 82.4% to 86.7%, and the risk-free interest rate ranged approximately 3.5% to 4.7%.

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company's public trading commenced in September 2018, and, as a result, there is only limited available historical volatility experience. Therefore, the Company estimates its expected share price volatility based on a combination of the historical volatility of a group of publicly traded peer companies and the historical volatility of the Y-mAbs share price, and the Company expects to continue to do so until such time as the Company has adequate historical data regarding the volatility of its the Company's own traded share price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards as the Company has limited historical data to support the expected term assumption. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield is based on the fact that the Company has never paid cash dividends on shares of its common stock and the Company does not expect to pay any cash dividends in the foreseeable future. Except for the risk-free interest rate, there There were no significant changes to the inputs included in the Black-Scholes option pricing model during the year ended December 31, 2022 December 31, 2023.

[Table of Contents](#)

As of December 31, 2022 December 31, 2023, we the Company had \$21,910,000 \$15,937,000 of unrecognized stock-based compensation expense related to employee stock options that are expected to vest over a period of 2.27 2.75 years.

**Restricted Stock Units**

For the years ended December 31, 2022 December 31, 2023 and 2021, 2022, stock-based compensation for restricted stock unit grants was \$696,000 and \$328,000, respectively. For the year ended December 31, 2023, the expenses were recorded as \$410,000 in research and \$303,000, respectively. development expense and \$286,000 in selling, general, and administrative expense. For the year ended December 31, 2022, the expenses were recorded as \$289,000 in research and development expense and \$39,000 in selling, general, and administrative expense. For the year ended December 31, 2021, the expenses were recorded as \$270,000 in research and development expense and \$33,000 in selling, general, and administrative expense.

The following table summarizes restricted stock units issued and outstanding:

		Weighted			Weighted
		average			average
		remaining			remaining

	Restricted Stock Units	grant price	vesting life (years)	Restricted Stock Units	grant price	vesting life (years)
Outstanding and expected to vest at December 31, 2021	28,907	\$ 28.04	1.82			
Outstanding and expected to vest at December 31, 2022				33,355	\$ 17.77	1.77
Granted	19,054	9.92		389,898	4.84	
Vested	(13,280)	26.47		(10,766)	18.90	
Forfeited	(1,326)	27.97		(61,080)	8.12	
Outstanding and expected to vest at December 31, 2022	33,355	\$ 17.77	1.77			
Outstanding and expected to vest at December 31, 2023				351,407	\$ 5.06	1.99

The table above includes 362,400 restricted stock units granted in the year ended December 31, 2023, under the Company's retention program, which were granted to the continuing employees that were not subject to the Company's strategic restructuring plan.

As of December 31, 2022 December 31, 2023, we the Company had \$418,000 \$1,338,000 of unrecognized compensation related to employee restricted stock units that are expected to vest over a period of 1.77 1.99 years.

#### NOTE 12—RELATED PARTY TRANSACTIONS

MSK is a shareholder of the Company. Under the MSK License Agreement, the SADA License Agreement, the CD33 License Agreement, the MabVax Agreement and various other supporting agreements with MSK, the Company has expensed costs in the total amount of \$5,338,000 and capitalized an intangible asset of \$1,500,000 during the year ended December 31, 2022 and expensed costs in the total amount of \$5,266,000 in the year ended December 31, 2021, for milestones, minimum royalties, and research and development costs. Please refer to NOTE 9—LICENSE AGREEMENTS AND COMMITMENTS for additional details on the Company's agreements with MSK. As of December 31, 2022, the Company had a total of \$240,000 recorded as accounts payable and \$6,904,000 as accrued liabilities, thereby totaling \$7,144,000 due to MSK. As of December 31, 2021, the Company had a total of \$748,000 recorded as accounts payable, \$5,443,000 as accrued liabilities, thereby totaling \$6,191,000 due to MSK.

#### NOTE 13—INCOME TAXES

Domestic and foreign loss before income taxes are as follows (thousands):

	For The Years Ended December 31,	
	2022	2021
United States	\$ (87,827)	\$ (47,275)
Foreign	(7,741)	(8,000)
Total	\$ (95,568)	\$ (55,275)

The Company provided no income tax benefits on net losses of \$95,568,000 and \$55,275,000 for years ended December 31, 2022 and 2021, respectively, and maintains a full valuation allowance against its net deferred tax assets.

171 169

[Table of Contents](#)

#### NOTE 12—INCOME TAXES

Domestic and foreign loss before income taxes are as follows (in thousands):

	For The Year Ended December 31,	
	2023	2022
United States	\$ (17,232)	\$ (87,827)
Foreign	(3,634)	(7,741)
Total	\$ (20,866)	\$ (95,568)

The Company's current income tax provision was \$561,000 during the year ended December 31, 2023, and the Company did not have a current income tax provision during the year ended December 31, 2022.

Current and deferred income taxes (tax benefits) are as follows (thousands) (in thousands):

	For The Years Ended December 31,		For The Year Ended December 31,	
	2022	2021	2023	2022
Current income tax				
Domestic	\$ —	\$ —		
Federal			\$ 200	\$ —
State			361	—
Foreign	18	304	—	18
Total current income taxes (tax benefits)	18	304	561	18
Deferred income tax				
Domestic	—	—		
Federal			—	—
State			—	—
Foreign	(18)	(304)	—	(18)
Total deferred income taxes (tax benefits)	(18)	(304)	—	(18)
Total income taxes (tax benefits)	\$ —	\$ —	\$ 561	\$ —

The difference between income taxes expected at the U.S. federal statutory income tax rate of 21% for tax years ended December 31, 2022, December 31, 2023 and 2021, 2022, respectively, and income taxes provided are set forth below (thousands) (in thousands):

	For The Years Ended December 31,		For The Year Ended December 31,	
	2022	2021	2023	2022
Taxes on income at U.S. federal statutory rate	\$ (20,069)	\$ (11,607)	\$ (4,382)	\$ (20,069)
State and local taxes, net of federal tax effects	(5,661)	(5,523)	(411)	(5,661)
Effect of rate change	861	(1,734)	(2,127)	861
Foreign tax rate differential	(95)	(80)	(110)	(95)
Valuation allowance	25,116	20,978	6,407	25,116
Tax credits	(1,749)	(1,904)	(135)	(1,749)
Uncertain tax position	18	304	—	18
Deferred adjustments	969	—	439	969
Shared based compensation			1,011	1,265
Other	610	(434)	(131)	(655)
Total	\$ —	\$ —	\$ 561	\$ —

Significant components of the Company's net deferred tax assets/(liabilities) are as follows (thousands) (in thousands):

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Deferred tax assets/(liabilities):				
Acquired intangibles	\$ 2,657	\$ 4,316	\$ 3,702	\$ 2,657
Accrued bonus	—	—		
Unrealized foreign exchange loss	263	38	(87)	263
Accrued royalty	914	377	671	914
Stock based compensation	13,353	9,222	11,603	13,353
Net operating loss carryforwards	86,072	88,968	83,237	86,072
Tax credit carryforwards	16,799	15,050	16,336	16,799
Right of use asset	(413)	(1,015)	(507)	(413)
Lease liability	435	960	515	435
Capitalized research and experimentation	21,902	—	33,088	21,902
Other	572	(479)	402	572
Total deferred tax assets/(liabilities)	142,554	117,437	148,960	142,554
Valuation allowance	(142,554)	(117,437)	(148,960)	(142,554)
Net deferred tax assets/(liabilities)	\$ —	\$ —	\$ —	\$ —

The Company maintains a full valuation allowance on its U.S. and foreign deferred tax assets. The assessment regarding whether a valuation allowance is required considers both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. In making this assessment, significant weight is given to evidence that can be objectively verified. In its the Company's evaluation, the Company considered its cumulative losses historically and in recent years and its forecasted losses in the near term as significant negative evidence. Based upon

172

## [Table of Contents](#)

review of available positive and negative evidence, the Company determined that the negative evidence outweighed the positive evidence and a full valuation allowance on its the Company's U.S. and foreign deferred tax assets will be maintained. The Company will continue to assess the realizability of its the Company's deferred tax assets and will adjust the valuation allowance as needed.

As of December 31, 2022 December 31, 2023, the Company had U.S. federal and various state net operating loss ("NOL") carryforwards of approximately \$279,038,000 \$245,242,000 and \$203,159,000, \$189,831,000, respectively. The Company also had U.S. federal tax credit carryforwards of \$16,799,000 \$16,336,000 as of December 31, 2022 December 31, 2023. The federal NOL carryforwards of approximately \$18,606,000 will begin to expire from 2036 through 2037. The federal NOL of approximately \$260,433,000 \$245,242,000 can be carried forward indefinitely but is limited to offset 80% of taxable income. The State state and City NOL local jurisdiction NOLs and tax credit carryforwards will begin to expire in 2030. The NOL and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code of 1986 ("IRC"). The Company has performed an analysis of its the Company's Section 382 ownership changes through December 31, 2021 December 31, 2022. Due to the large annual limitation, the Company believes that it is more likely than not that none of the net operating loss carryforwards will expire as a result of the limitation from the ownership change under Section 382. The Company also has Danish NOL carryforwards of \$58,000 \$21,628,000 which have an indefinite carryforward period.

The Company recognizes income tax benefits for tax positions determined more likely than not to be sustained upon examination, based on the technical merits of the positions.

Changes in the Company's unrecognized tax benefits, excluding the related accrual of interest and penalties, from January 1 through December 31 are set forth below (thousands) (in thousands):

Years Ended	Year Ended
December 31,	December 31,



	2022	2021	2023	2022
Beginning balance	\$ 304	\$ —	\$ —	\$ 304
Additions for prior year tax positions	18	304	—	18
Settlements	(322)	—	—	(322)
Ending balance	\$ —	\$ 304	\$ —	\$ —

171

## [Table of Contents](#)

The Company's tax returns for the years 2021, 2020, 2019, 2018, and 2017 to 2022 are all open for tax examination by U.S. federal and state, and the Danish tax authorities. During 2022, the review of the Company's transfer pricing policies by the Danish Tax Authorities for tax years 2016 through 2020 was completed resulting in the release of the corresponding reserve. The release did not have a material impact on the Company's income tax accounts.

The Company classifies interest and penalty expense related to income tax expense as components of the tax provision for income taxes. As of December 31, 2022 December 31, 2023, the Company does not have any interest or penalties accrued related to the total amount of unrecognized tax benefits.

## NOTE 14—13—OTHER BENEFITS

The Company has adopted a defined contribution 401(k) savings plan ("401(k) (the "401(k) plan") covering all U.S. employees of the Company. employees. Participants may elect to defer a percentage of their pretax or after-tax compensation to the 401(k) plan, subject to defined limitations. The plan allows for a discretionary match by the Company. The Company made no matching contributions to the plan for the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

The Company has established a retirement program for employees of the Company's Danish subsidiary pursuant to which all such employees can contribute an amount at their election from their base compensation and may receive contributions from the Company's our Danish subsidiary. No contributions from the The Danish subsidiary were made for no contributions during the years ended December 31, 2022 December 31, 2023 and 2021, 2022. In addition, health insurance benefits for the Company's our Danish employees are fully paid for by such employees. The Company's Danish subsidiary does not incur any costs for these health insurance benefits.

173

## [Table of Contents](#)

## NOTE 15 —GAIN FROM SALE OF PRIORITY REVIEW VOUCHER

On December 28, 2020, the Company announced that it entered into a definitive agreement to sell its DANYELZA Priority Review Voucher, or PRV, to United Therapeutics Corporation for \$105,000,000. The PRV was granted in conjunction with the approval by the FDA of DANYELZA, for the treatment of refractory/relapsed high-risk neuroblastoma. Under the terms of the Company's license agreement with MSK, the Company retained 60% of the net proceeds received from the sale, and the remaining 40% was paid to MSK. The transaction closed on January 21, 2021 and once the substantive closing conditions included within the agreement were resolved the Company recognized a net gain of \$62,010,000 during the year ended December 31, 2021 related to the sale.

The Company did not recognize a corresponding gain during the year ended December 31, 2022.

#### NOTE 16 14 — SUBSEQUENT EVENTS RESTRUCTURING CHARGE

On January 4, 2023, following Board approval, the Company announced a strategic restructuring plan designed to extend its cash resources and prioritize resources on for the commercialization and potential label extension of DANYELZA and the development of the SADA PRIT technology platform. The Company expects a completed the restructuring in May 2023, which resulted in an approximately 35% reduction in its current workforce by approximately 35%, with such reduction anticipated to be completed by the end of May 2023. Company's workforce. Affected employees have been were offered separation benefits, including severance and outplacement services along with temporary healthcare coverage assistance. The Company expects to record charges for these separation benefits in the first quarter of 2023. As a result, of during the reduction in workforce and revised business plan that was approved by the Board of Directors in January 2023, year ended December 31, 2023, the Company expects to incur recognized restructuring expenses of approximately \$4,700,000, consisting predominantly \$4,482,000, based on the currency rate for the period. For the year ended December 31, 2023, the Company recorded \$3,346,000 and \$1,136,000, respectively, within research and development and selling, general, and administrative, on the Consolidated Statements of cash Net Loss and Comprehensive Loss. The restructuring expenses primarily related to notice and severance payments benefits of approximately \$3,000,000 \$2,776,000, which were paid as of December 31, 2023, and acceleration of stock-based compensation of approximately \$1,700,000. The restructuring expenses were \$1,706,000 which was recognized in the first quarter of 2023, and the majority of the payments were made in the first quarter of 2023, year ended December 31, 2023 as there is no longer a service condition related to such awards.

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

#### ITEM 9A. CONTROLS AND PROCEDURES

##### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report, the effectiveness of our disclosure controls and procedures (as

172

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[Table of Contents](#)

defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2022 December 31, 2023.

In designing and evaluating the disclosure controls and procedures, management recognized that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company will be detected.

174

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### **Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). Under the supervision of and with the participation of our Chief Executive Officer and our Chief Financial Officer, our management conducted an assessment of the effectiveness of our internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, using the criteria described in *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that as of **December 31, 2022** **December 31, 2023**, our internal control over financial reporting was effective.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting, (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of the year ended **December 31, 2022** **December 31, 2023** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **ITEM 9B. OTHER INFORMATION.**

None.

### **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not applicable.

## **PART III**

### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by this Item 10 is incorporated by reference to the information set forth in the sections titled "Proposal 1 – Election of Directors," "Executive Officers of the Company," and "Information Regarding the Board and Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our Definitive Proxy Statement to be filed with the SEC with respect to our **2023** **2024** Annual Meeting of Stockholders.

### **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item 11 is incorporated by reference to the information set forth in the section titled "Executive Compensation" in our Definitive Proxy Statement to be filed with the SEC with respect to our **2023** **2024** Annual Meeting of Stockholders.

### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The information required by this Item 12 is incorporated by reference to the information set forth in the sections titled "Security Ownership of Certain Beneficial Owners and Management" and "Executive Compensation" in our Definitive Proxy Statement to be filed with the

SEC with respect to our 2023 2024 Annual Meeting of Stockholders.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

The information required by this Item 13 is incorporated by reference to the information set forth in the sections titled “Transactions with Related Persons” and “Information regarding the Board of Directors and Corporate Governance” in our Definitive Proxy Statement to be filed with the SEC with respect to our 2023 2024 Annual Meeting of Stockholders.

175

[Table of Contents](#)

**ITEM 14. PRINCIPAL ACCOUNTING ACCOUNTANT FEES AND SERVICES.**

The information required by this Item 14 is incorporated by reference to the information set forth in the section titled “Principal Accountant Fees and Services” in our Definitive Proxy Statement to be filed with the SEC with respect to our 2023 2024 Annual Meeting of Stockholders.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

- (a)1. Financial Statements:  
The financial statements listed in the Index to Financial Statements beginning on page 142 141 are filed as part of this Annual Report on Form 10-K.
- (a)2. Financial Statement Schedules:  
There are no Financial Statement Schedules included with this filing for the reason that they are not applicable or are not required or the required information is included in the Financial Statements or Notes listed in the Index to Financial Statements beginning on page 142, 141.
- (a)3. Exhibits

**EXHIBIT INDEX**

<u>Exhibit No.</u>	
3.3	<a href="#">Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.3 to the Form S-1 filed August 24, 2018).</a>
3.4	<a href="#">Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.4 to the Form S-1 filed August 24, 2018).</a>
4.1	<a href="#">Specimen stock certificate evidencing the shares of common stock (incorporated by reference to Exhibit 4.1 to the Form S-1/A filed September 7, 2018).</a>

174

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[Table of Contents](#)

4.2	<a href="#">Registration Rights Agreement, dated as of October 13, 2017, among the Registrant and the other parties thereto (incorporated by reference to Exhibit 4.2 to the Form S-1 filed August 24, 2018).</a>
4.3(a)	<a href="#">Registration Rights Agreement, dated as of November 17, 2017, among the Registrant and the other parties thereto (incorporated by reference to Exhibit 4.3(a) to the Form S-1 filed August 24, 2018).</a>
4.3(b)	<a href="#">Registration Rights Agreement, dated as of November 17, 2017, among the Registrant and the other parties thereto (incorporated by reference to Exhibit 4.3(b) to the Form S-1 filed August 24, 2018).</a>
4.3(c)	<a href="#">Registration Rights Agreement, dated as of November 17, 2017, among the Registrant and the other parties thereto (incorporated by reference to Exhibit 4.3(c) to the Form S-1 filed August 24, 2018).</a>
4.4	<a href="#">Description of the registrant's securities registered pursuant to section 12 of the Securities Exchange Act of 1934 1934.</a>
10.1+	<a href="#">License Agreement, dated as of August 20, 2015, by and between the Registrant and Memorial Sloan Kettering Cancer Center (incorporated by reference to Exhibit 10.1 to the Form S-1 filed August 24, 2018).</a>

[Table of Contents](#)

10.2+	<a href="#">License Agreement, dated as of November 13, 2017, by and between the Registrant and Memorial Sloan Kettering Cancer Center (incorporated by reference to Exhibit 10.2 to the Form S-1 filed August 24, 2018).</a>
10.3+	<a href="#">Sponsored Research Agreement, effective as of November 10, 2015, by and between the Registrant and Memorial Sloan Kettering Cancer Center Registrant (incorporated by reference to Exhibit 10.3 to the Form S-1 filed August 24, 2018).</a>
10.4+	<a href="#">Sponsored Research Agreement, dated November 13, 2017, by and between the Registrant and Memorial Sloan Kettering Cancer Center (incorporated by reference to Exhibit 10.4 to the Form S-1 filed August 24, 2018).</a>
10.5+	<a href="#">Investigator-Sponsored Master Clinical Trial Agreement, dated as of June 21, 2017, as amended on October 11, 2017, by and between the Registrant and Memorial Sloan Kettering Cancer Center (incorporated by reference to Exhibit 10.5 to the Form S-1 filed August 24, 2018).</a>
10.6+	<a href="#">Master Data Services Agreement, dated as of September 23, 2016, as amended on October 11, 2017, by and between the Registrant and Memorial Sloan Kettering Cancer Center (incorporated by reference to Exhibit 10.6 to the Form S-1 filed August 24, 2018).</a>
10.7†	<a href="#">Amended and Restated 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Form S-1 filed August 24, 2018).</a>
10.8†	<a href="#">Form of Notice of Grant and Stock Option Agreement under the Amended and Restated 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to the Form S-1 filed August 24, 2018).</a>

- 10.9† [2018 Equity Incentive Plan \(incorporated by reference to Exhibit 10.9 to the Form S-1 filed August 24, 2018\).](#)
- 10.10† [Form of Stock Option Grant Notice and Stock Option Agreement under the 2018 Equity Incentive Plan \(incorporated by reference to Exhibit 10.10 to the Form S-1 filed August 24, 2018\).](#)
- 10.11† [Form of Officers and Directors Indemnification Agreement \(incorporated by reference to Exhibit 10.11 to the Form S-1 filed August 24, 2018\).](#)
- 10.12† [Service Agreement, effective as of April 1, 2016 between the Registrant and Thomas Gad \(incorporated by reference to Exhibit 10.12 to the Form S-1 filed August 24, 2018\).](#)
- 10.13† [Service Agreement, effective as of October 1, 2016 between Y-mAbs Therapeutics A/S and Bo Kruse \(incorporated by reference to Exhibit 10.14 to the Form S-1 filed August 24, 2018\).](#)
- 10.14 [Lease Agreement dated January 10, 2018, by and between the Registrant and RXR HB Owner LLC \(incorporated by reference to Exhibit 10.15 to the Form S-1 filed August 24, 2018\).](#)

175

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[Table of Contents](#)

- 10.15† [Form of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement under the 2018 Equity Incentive Plan \(incorporated by reference to Exhibit 10.16 to the Form S-1 filed August 24, 2018\).](#)
- 10.16† [Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2018 Equity Incentive Plan \(incorporated by reference to Exhibit 10.17 to the Form S-1 filed August 24, 2018\).](#)
- 10.17† [Non-Employee Director Compensation Policy, adopted on January 17, 2023 \(incorporated by reference to Exhibit 10.18 10.41 to the Registrant's Form S-1 10-K filed August 24, 2018 March 30, 2023\).](#)

177

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[Table of Contents](#)

- 10.18† [Employee Stock Purchase Plan \(incorporated by reference to Exhibit 10.19 to the Form S-1 filed August 24, 2018\).](#)
- 10.19+ [Amended and Restated Sponsored Research Agreement by and between the Registrant and Memorial Sloan Kettering Cancer Center effective September 13, 2019 \(incorporated by reference to Exhibit 10.1 to Form 8-K filed September 19, 2019\).](#)
- 10.20+ [Sublicense Agreement by and between the Registrant and MabVax Therapeutics Holdings, Inc. effective June 28, 2018 \(incorporated by reference to Exhibit 10.1 to Form 8-K filed December 19, 2019\).](#)
- 10.21+ [Settlement and Assumption and Assignment Agreement of MSK License Agreement and Y-mAbs Sublicense Agreement by and among the Registrant, MabVax Therapeutics Holdings, Inc. MabVax Therapeutics, Inc. and Sloan Kettering Institute for Cancer Research effective December 2, 2019 \(incorporated by reference to Exhibit 10.2 to Form 8-K filed December 19, 2019\).](#)

- 10.22++ [License Agreement effective as of April 15, 2020, by and among the Registrant, Memorial Sloan Kettering Cancer Center and Massachusetts Institute of Technology \(incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed April 21, 2020\).](#)
- 10.23++ [Master Sponsored Research Agreement by and between the Registrant and Memorial Sloan Kettering Cancer Center, effective October 7, 2020 \(incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed October 8, 2020\).](#)
- 10.24 [Form of Stock Option Grant Notice and Stock Option Agreement under the 2018 Equity Incentive Plan \(as amended, employees, consultants and service providers other than directors\) \(incorporated by reference to Exhibit 10.8 to Registrant's Form 10-Q filed November 5, 2020\).](#)
- 10.25† [Form of Stock Option Grant Notice and Stock Option Agreement under the 2018 Equity Incentive Plan \(as amended, directors\) \(incorporated by reference to Exhibit 10.9 to Registrant's Form 10-Q filed November 5, 2020\).](#)
- 10.26 ++ [License Agreement dated December 17, 2020 by and between the Registrant and SciClone Pharmaceuticals International Ltd. \(incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed December 22, 2020\).](#)
- 10.27 [Asset Purchase Agreement by and between the Registrant and United Therapeutics Corporation, dated December 24, 2020 \(incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed February 19, 2021\).](#)
- 10.28++ [Amendment No. 1, dated March 18, 2021 to License Agreement, dated as of August 20, 2015 between Registrant and Memorial Sloan Kettering Cancer Center \(incorporated by reference to Exhibit 10.7 to Registrant's Form 10-Q filed May 6, 2021\).](#)

176

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[Table of Contents](#)

- 10.29++ [Amendment No. 2, dated March 18, 2021 to License Agreement, dated as of August 20, 2015 between Registrant and Memorial Sloan Kettering Cancer Center \(incorporated by reference to Exhibit 10.7 to Registrant's Form 10-Q filed, May 6, 2022\).](#)
- 10.30† [Employment Agreement for Dr. Steen Lisby, effective as of August 1, 2017 \(incorporated by reference to Exhibit 10.8 to Registrant's Form 10-Q filed, May 9, 2022\).](#)
- 10.31† [Amendment to Employment Agreement for Dr. Steen Lisby, effective as of June 1, 2020 \(incorporated by reference to Exhibit 10.9 to Registrant's Form 10-Q filed, May 9, 2022\).](#)

178

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[Table of Contents](#)

- 10.32† [Employment Agreement for Dr. Vignesh Rajah, effective as of June 2, 2020 \(incorporated by reference to Exhibit 10.10 to Registrant's Form 10-Q filed, May 9, 2022\).](#)

- 10.33† [Amendment to Employment Agreement for Dr. Vignesh Rajah, effective as of March 1, 2021 \(incorporated by reference to Exhibit 10.11 to Registrant's Form 10-Q filed May 9, 2022\).](#)
- 10.34†\* [Amendment to Employment Agreement for Dr. Vignesh Rajah, effective as of January 1, 2024 \(filed herewith\)](#)
- 10.35† [Form of Stock Option Grant Notice and Stock Option Agreement under the 2018 Equity Incentive Plan \(incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed August 8, 2022\).](#)
- 10.35† 10.36† [Retention Bonus Agreement, dated May 30, 2022 by and between EVP and Chief Financial Officer, Bo Kruse and Y-mAbs Therapeutics A/S \(incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q filed August 8, 2022\).](#)
- 10.36† 10.37† [Form of Retention Bonus Agreement of Y-mAbs Therapeutics A/S \(incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed August 8, 2022\).](#)
- 10.37† 10.38† [Form of Retention Bonus Agreement of Y-mAbs Therapeutics, Inc. \(incorporated by reference to Exhibit 10.4 to Registrant's Form 10-Q filed August 8, 2022\).](#)
- 10.38† 10.39† [Form of Stock Option Grant Notice and Stock Option Agreement under the 2018 Equity Incentive Plan \(incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed November 7, 2022\).](#)
- 10.39† 10.40† [Form of Stock Option Grant Notice and Stock Option Agreement under the 2018 Equity Incentive Plan for directors \(incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q filed November 7, 2022\).](#)
- 10.40† 10.41† [Separation Agreement and General Release, effective as of September 22, 2022, between Y-mAbs Therapeutics, Inc. and Claus Juan Møller San Pedro \(incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed November 7, 2022\).](#)
- 10.42† [Employment Agreement for Ms. Susan Smith, effective as of January 1, 2022 \(incorporated by reference to Exhibit 10.42 to Registrant's Form 10-K filed March 30, 2023\).](#)
- 10.41†\* 10.43† [Non-Employee Director Compensation Policy, adopted Employment Agreement entered into on January 17, 2023 \(filed herewith October 17, 2023, between Michael Rossi and the Company \(incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed October 18, 2023\)\).](#)
- 10.42†\* 10.44† [Employment Employee Confidential Information and Inventions Assignment Agreement, for Ms. Susan Smith, effective as dated October 17, 2023, between Michael Rossi and the Company \(incorporated by reference to Exhibit 10.2 to Registrant's Form 8-K filed October 18, 2023\).](#)

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[Table of Contents](#)

- 10.45 [Amendment, dated August 16, 2023, to Lease Agreement dated January 10, 2018, by and between the Company and RXR HB Owner LLC \(incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed November 13, 2023\).](#)
- 10.46†\* [Form of January 1, 2022 Performance Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2018 Equity Incentive Plan \(filed herewith\).](#)
- 21.1\* [Subsidiaries Subsidiary of the Registrant.](#)
- 23\* [Consent of Pricewaterhouse Coopers LLP, Independent Registered Public Accounting Firm.](#)



31.1*#	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>
31.2*#	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>
32.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
32.2*	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
97.1*	<a href="#">Y-mAbs Therapeutics, Inc. Executive Compensation Recoupment Policy (filed herewith)</a>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.

179

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## [Table of Contents](#)

101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

# The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

† Indicates management contract or compensatory plan.

+ Portions of the exhibit have been omitted pursuant to an order granted by the Securities and Exchange Commission for confidential treatment.

++ Portions of the exhibit have been omitted because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

## ITEM 16. FORM 10-K SUMMARY.

None.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report has been to be signed below on its behalf by the following persons on behalf of the Company and in the capacities indicated on March 30, 2023. undersigned, thereunto duly authorized.

**Y-MABS THERAPEUTICS, INC.**

Dated: March 30, 2023 February 29, 2024

By: /s/ THOMAS GAD Michael Rossi

Thomas Gad Michael Rossi

Founder, Chairman, President, Interim Chief Executive Officer and Head of Business Development and Strategy

(Principal Executive Officer)

**POWER OF ATTORNEY**

Each person whose signature appears below constitutes and appoints Thomas Gad, Michael Rossi, acting individually, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue thereof.

181 179

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company registrant and in the capacities indicated on the 30th of March 2023, February 29, 2024.

/s/ THOMAS GADMICHAEL ROSSI	Founder, Director, President, Interim Chief Executive Officer and Head of Business Development and Strategy
Michael Rossi	(Principal Executive Officer)
Thomas Gad	
/s/ BO KRUSE	Executive Vice President, Chief Financial Officer, Secretary and Treasurer
Bo Kruse	(Principal Financial and Accounting Officer)
/s/ THOMAS GAD	Director
Thomas Gad	
/s/ JOHAN WEDELL-WEDELLSBORG	Director

Johan Wedell-Wedellsborg	
/s/ LAURA J. HAMILL	Director
Laura J. Hamill	
/s/ GÉRARD BER	Director
Gérard Ber	
/s/ ASHUTOSH TYAGI	Director
Ashutosh Tyagi	
/s/ JAMES I. HEALY	Director
James I. Healy	
/s/ DAVID N. GILL	Director
David N. Gill	

182 180

## EXHIBIT 4.4.2

### DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of March 23, 2023 February 22, 2024, Y-mAbs Therapeutics, Inc. ("Y-mAbs," "we," "our" or "us"), had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value \$0.0001 per share.

The following summary describes our common stock and the material provisions of our amended and restated certificate of incorporation, our amended and restated bylaws certain registration rights agreements (the "registration rights agreements") to which we and certain of our stockholders, including some of our directors and 5% stockholders and their affiliates and entities affiliated with our directors, are parties and of the Delaware General Corporation Law (the "DGCL"). Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our certificate of incorporation bylaws and registration rights agreements, bylaws, filed as Exhibits 3.3 3.4, 4.2, 4.3(a), 4.3(b) and 4.3(c), 3.4, respectively, to our Annual Report on Form 10-K filed with the Securities Exchange Commission, of which this Exhibit 4.4.2 is a part. We encourage you to read those documents and the DGCL carefully.

#### Authorized capital stock

Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$0.0001 per share, and 5,500,000 shares of preferred stock, par value \$0.0001 per share.

#### Common Stock

#### Outstanding shares

As of March 23, 2023 February 22, 2024, there were 43,677,767 43,777,105 shares of our common stock outstanding and no shares of preferred stock outstanding. As of March 23, 2023 February 22, 2024, we had 76 record holders of our common stock.

#### Voting Rights

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our amended and restated certificate of incorporation and amended and restated bylaws do not provide for cumulative voting

rights. Because of this, the holders of a plurality of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose. **With respect to matters other than the election of directors, at** any meeting of the stockholders at which a quorum is present, **any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the affirmative meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority of the in voting power of the shares of stock of that class or series present in person or represented by proxy at such the meeting and entitled to voting affirmatively or negatively on such matter), except when a different vote on the subject matter shall be the act of the stockholders, except as otherwise is required by law, law, our certificate of incorporate or our bylaws.** The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

#### ***Dividends***

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

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#### ***Liquidation***

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

#### ***Rights and Preferences***

Holders of common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

#### ***Fully Paid and Nonassessable***

All of our outstanding shares of common stock are fully paid and nonassessable.

#### ***Registration Rights***

We are a party to the registration rights agreements (the "Registration Rights Agreements"), which provide the holders of registrable securities the right to require us to register such registrable securities under the Securities Act of 1933, as amended (the "Securities Act") under specified circumstances as described below. As of March 23, 2023, the shares subject to registration rights represent approximately 4.6% of our outstanding common stock. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act.

Under the Registration Rights Agreements, holders of registrable shares can demand that we file a registration statement or request that their shares be included on a registration statement that we are otherwise filing, in either case, registering the resale of their shares of common stock. These registration rights are subject to conditions and limitations, including the right, in certain circumstances, of the underwriters of an offering to limit the number of shares included in such registration and our right, in certain circumstances, not to effect a requested S-1 or S-3 registration during the period that is 60 days before our estimated date of filing of, and ending on a date that is 90 days (or 180 days in the case of our initial public offering) after the effective date of, a company-initiated registration statement.

The registration rights of any holder terminate upon the earliest to occur of: (i) the date on which such holder holds no registrable shares, (ii) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such holder's registrable shares without the requirement for us to be in compliance with the current publication information required under Rule 144(c)(1), and (iii) September 21, 2023, the fifth anniversary of our initial public offering.

#### ***Demand Registration Rights***

Subject to specified limitations set forth in the Registration Rights Agreements, the holder or holders of not less than a majority of our registrable securities, as defined in the Registration Rights Agreements, acting together, may at any time demand in writing that we register the outstanding registrable securities under the Securities Act so long as the total amount of registrable shares requested to be registered has an anticipated aggregate offering price to the public of least \$10 million. We are not obligated to file a registration statement pursuant to this demand provision on more than two occasions, subject to specified exceptions.

In addition, subject to specified limitations, a holder or holders of a majority of the registrable securities may demand in writing that we register on Form S-3 all or part of the registrable securities held by them so long as the total amount of registrable shares requested to be registered has an anticipated aggregate offering price to the public of least \$10 million.

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### ***Incidental Registration Rights***

If we propose to file a registration statement to register any of our common stock under the Securities Act, either for our own account or for the account of any of our stockholders that are not holders of registrable securities, and on a form that would also permit the registration of registrable securities, the holders of our registrable securities are entitled to notice of registration and, subject to specified exceptions, we will be required to use our best efforts to register the registrable securities then held by them that they request that we register.

### ***Expenses of Registration***

Pursuant to the Registration Rights Agreements, we are required to pay all registration expenses, including registration fees, printing expenses, fees and disbursements of our counsel and accountants and reasonable fees and disbursements not to exceed \$50,000 of one counsel representing the selling stockholders, other than any underwriting discounts and commissions, related to any demand or incidental registration.

The Registration Rights Agreements contain customary cross-indemnification provisions, pursuant to which we are obligated to indemnify the selling stockholders in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions in the registration statement attributable to them.

### ***Preferred Stock***

Our board of directors has the authority, without further action by the stockholders, to issue up to 5,500,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing change in our control or other corporate action. As of **March 23, 2023** **February 22, 2024**, no shares of preferred stock were outstanding.

### ***Anti-Takeover Provisions***

Our amended and restated certificate of incorporation and amended and restated bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors but which may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by our board of directors.

### ***Staggered Board; Removal of Directors***

Our amended and restated certificate of incorporation and amended and restated bylaws divide our board of directors into three classes with staggered three-year terms. In addition, our amended and restated certificate of incorporation and amended and restated bylaws provide that directors may be removed only for cause and only by the affirmative vote of the holders of 66 $\frac{2}{3}$ % of our shares of capital stock present in person or by proxy and entitled to vote. Under our amended and restated certificate of incorporation and bylaws, any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office, although less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. Furthermore, our amended and restated certificate of incorporation provides that the authorized number of directors may be changed only by the resolution of our board of directors. The classification of our board of directors and the limitations on the ability of our stockholders to remove directors, change the authorized number of

directors and fill vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of our company.

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#### ***Stockholder Action; Special Meeting of Stockholders; Advance Notice Requirements for Stockholder Proposals and Director Nominations***

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may not be taken by written action in lieu of a meeting. Our amended and restated certificate of incorporation and amended and restated bylaws also provide that, except as otherwise required by law, special meetings of the stockholders can only be called by the chairman of our board of directors, our chief executive officer or our board of directors. In addition, our amended and restated bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our board of directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors, or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying until the next stockholder meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities. These provisions also could discourage a third party from making a tender offer for our common stock because even if the third party acquired a majority of our outstanding voting stock, it would be able to take action as a stockholder, such as electing new directors or approving a merger, only at a duly called stockholders meeting and not by written consent.

#### ***Super-Majority Voting***

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our amended and restated bylaws may be amended or repealed by a majority vote of our board of directors or the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the votes that all our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the votes that all our stockholders would be entitled to cast in any election of directors is required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our amended and restated certificate of incorporation described above.

#### ***Section 203 of the Delaware General Corporation Law***

We are subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or at or after the time the stockholder became interested, the business combination was approved by our board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

#### ***Exclusive Forum Selection***

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any

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derivative action or proceeding brought on behalf of our company, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or amended and restated bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine. This exclusive forum provision would not apply to suits brought to enforce any liability or duty created by the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Although our amended and restated certificate of incorporation contains the choice of forum provision described above, it is possible that a court could rule that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

#### Authorized but Unissued Shares

The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing requirements of the Nasdaq Global Select Market. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make it more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

#### Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, NY 11219.

#### Nasdaq Global Select Market

Our common stock is listed on the Nasdaq Global Select Market under the symbol "YMAB."

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### EXHIBIT 10.41 Exhibit 10.34

#### Y-MABS THERAPEUTICS, INC.

#### AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

The Board of Directors (the "**Board**") of Y-mAbs Therapeutics, Inc. (the "**Company**") has approved the following Amended and Restated Non-Employee Director Compensation Policy (the "**Policy**"), which establishes compensation to be paid to Non-Employee Directors (as defined below) of the Company, as an inducement to obtain and retain the services of qualified persons to serve as members of the Board. This Policy is effective as of January 1, 2023 (the "**Effective Date**") and replaces and supersedes any and all compensation policies or programs previously established or maintained by the Company with respect to Non-Employee Directors; provided, however, that any equity awards outstanding on the Effective Date shall not be affected by this Policy and shall continue to be governed by the applicable terms set forth in the Company's amended and restated 2015 Equity Incentive Plan or the Company's 2018 Equity Incentive Plan (each a "**Plan**") and in the applicable grant agreements relating to such awards.

#### 1. Applicable Persons

This Policy shall apply to each director of the Company who is not also an employee of the Company or any Affiliate (each, a "**Non-Employee Director**"). "**Affiliate**" shall mean an entity which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

#### 2. Equity Grants

All share amounts set forth herein shall be subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock, par value \$0.0001 per share (the "Common Stock").

(a) **Annual Equity Grants**

Without any further action of the Board or the compensation committee of the Board (the "Compensation Committee"), each year, at the earlier of the close of business of (i) each annual meeting of the Company's stockholders following the Effective Date (an "Annual Meeting"), or (ii) if the Annual Meeting for a given year has not yet occurred by such date, June 30 (or the next trading day immediately thereafter, if such date falls on a non-trading day), each Non-Employee Director shall automatically be granted (1) a non-qualified stock option to purchase 13,950 shares of Common Stock (the "Annual Option Grant"); and (2) restricted stock units ("RSUs") with respect to 2,330 shares of Common Stock (the "Annual RSU Grant"). Subject to the continued service of each Non-Employee Director through each applicable vesting date, each Annual Option Grant shall vest in equal monthly installments until the first anniversary of the date of grant, and each Annual RSU Grant shall vest in full on the earlier of the first anniversary of the date of grant or the date immediately preceding the date of the following Annual Meeting.

(b) **Initial Equity Grants For Newly Appointed or Elected Directors**

At the first regularly scheduled meeting of the Board on or after his or her initial appointment or election to the Board, each new Non-Employee Director after the Effective Date shall be granted (1) a non-qualified stock option to purchase 27,900 shares of Common Stock (the "Initial Option Grant"); and (2) RSUs with respect to 4,660 shares of Common Stock (the "Initial RSU Grant"). Subject to the continued service of each Non-Employee Director through each applicable vesting date, each Initial Option Grant shall vest in equal monthly installments until the third anniversary of the date of grant, and each Initial RSU Grant shall vest in equal quarterly installments (i.e., every three months on the same day of the month as the date of grant) until the third anniversary of the date of grant.

(c) **Terms for All Equity Grants**

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All options granted under this Policy shall (i) have an exercise price equal to the fair market value of the Company's Common Stock as determined in the applicable Plan on the date of grant; (ii) terminate on the tenth anniversary of the date of grant and (iii) contain such other terms and conditions as set forth in the form of option agreement approved by the Board or the Compensation Committee. All RSUs granted under this Policy shall contain such other terms and conditions as set forth in the form of RSU agreement approved by the Board or the Compensation Committee.

**3. Annual Fees**

Each Non-Employee Director serving on the Board and the Company's duly appointed audit committee of the Board (the "Audit Committee"), the Compensation Committee and/or duly appointed nominating and corporate governance committee of the Board (the "Nominating and Corporate Governance Committee"), as applicable, shall be entitled to the following annual amounts (the "Annual Fees"):

	Annual Retainer Amount for Member	Additional Annual Retainer Amount for Chair
<b>Board of Directors and Board Committee</b>		
Board Member	\$ 50,000	\$ 35,000
Audit Committee	\$ 10,000	\$ 20,000
Compensation Committee	\$ 7,500	\$ 15,000
Nominating and Governance Committee	\$ 5,000	\$ 10,000

Except as otherwise set forth in this Policy, all Annual Fees shall be paid for the period from January 1 through December 31 of each year. Such Annual Fees shall be paid in cash. Amounts payable to Non-Employee Directors shall be made quarterly in arrears promptly following the end of each fiscal quarter, provided that (i) the amount of such payment shall be prorated for any portion of such quarter that such director was not serving on the Board or a committee and (ii) no fee shall be payable in respect of any period prior to the date such director was elected to the Board or a committee.

**4. Expenses**



Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Non-Employee Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and committees thereof or in connection with other business related to the Board.

## 5. Amendments

The Compensation Committee shall periodically review this Policy to assess whether any amendments in the type and amount of compensation provided herein should be made and shall make recommendations to the Board for its approval of any amendments to this Policy. Notwithstanding anything herein to the contrary, the equity and cash retainer amounts set forth in this Policy are subject to periodic review and modification by the Compensation Committee.

Adopted January 17, 2023

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Exhibit 10.42

## EMPLOYMENT AGREEMENT

for

Vignesh Rajah

This Employment Agreement (the "**EMPLOYMENT AGREEMENT**") is entered into this [xx] day of December 2021 made between Y-mAbs Therapeutics, Inc. (the "**Effective Date**" "**Company**") and Vignesh Rajah (the "**Executive**") (collectively, the "**Parties**").

**WHEREAS**, between **SUE SMITH**, whose principal residence is located at [\*\*\*](the "**Employee**" Company desires for Executive to provide services to the Company as well as its subsidiaries (together with the Company, the "**Group**"), and **Y-MABS THERAPEUTICS, INC.**, wishes to provide Executive with its principal place of business located at 230 Park Avenue, Suite 3350, New York, New York 10169 (the "**Company**") (the Employee certain compensation and the Company are sometimes referred to herein individually as a "**Party**" benefits in return for such employment services; and collectively as the "**Parties**").

## WITNESSETH:

**WHEREAS** the Employee has experience with respect to the business, Executive wishes to be conducted employed by the Company and is willing to enter into the employ of provide personal services to the Company in accordance with the provisions hereinafter set forth; return for certain compensation and

**WHEREAS**, the Company desires to employ the Employee in accordance with such provisions; benefits;

**NOW, THEREFORE**, in consideration of the mutual promises and agreements covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

### 1. PURPOSE Employment by the Company.

**1.1 Position.** Executive has been employed by the Company's subsidiary Y-mAbs Therapeutics A/S ("**Y-mAbs A/S**") as the Company's Senior Vice President and Chief Medical Officer since June 2, 2020 pursuant to the Employment Contract between Executive and Y-mAbs A/S, dated March 2, 2020 (the "**Prior Agreement**"). The By this Agreement, Executive's employment with Y-mAbs A/S will terminate, and starting on 1st January 2024 (the "**Start Date**"), Executive shall be employed by the Company desires pursuant to avail itself of the services of the Employee as its Senior Vice President-Chief Commercial Officer, and the Employee desires to provide such services in accordance with the terms of this Agreement. The Parties Accordingly, the parties agree that this Agreement

supersedes and replaces in its entirety the **duties** Prior Agreement, and that any obligations **expected** under the Prior Agreement shall terminate. Following the Start Date, Executive shall serve as the Company's Senior Vice President and Chief Medical Officer, during Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention to the **Employee and business** of the Company, except for approved time off permitted by the Company's general employment policies.

**1.2 Duties.** Executive shall perform such duties as are **as set forth in this Agreement.**

**2. required by Company's Chief Executive Officer (the "COMMENCEMENT DATE AND TERM. CEO** The term (the "Term"), to whom Executive will report. Subject to the terms of this Agreement, the Company may modify Executive's job title, duties, and reporting relationship as it deems necessary and appropriate in light of the **Employee's** Company's needs and interests from time to time.

**1.3 Location.** Other than when traveling on business, Executive shall work from the Company's corporate headquarters, which is currently in New York, New York but may be relocated to New Jersey (other than when traveling on business). The Company reserves the right to reasonably require Executive to perform Executive's duties at places other than

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Executive's primary office location from time to time, and to require reasonable business travel.

**1.4 Policies and Procedures.** The employment relationship between the Parties shall be governed by the general employment policies and practices of the Company as they may interpreted, adopted, revised or deleted from time to time in the Company's sole discretion. Notwithstanding the foregoing, in the event the terms of this Agreement differ from or are in conflict with the **Company** Company's general employment policies or practices, this Agreement shall **commence on January 1<sup>st</sup>, 2022 (the "Commencement Date")** control. Executive agrees to abide by such policies and practices.

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## **2. Compensation.**

**2.1 Salary.** For services to be rendered hereunder, Executive shall **continue for one (1)** receive an initial base salary at the rate of \$405,000 per year, **from the Commencement Date (the "Initial Term"), unless terminated sooner as provided** subject to review and adjustment by **this Agreement. The Term shall automatically renew for successive periods of one (1) year each (each, a "Renewal Term"), unless either Party gives to the other written notice of such Party's intent not to renew at least ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, as the case maybe.**

## **3. COMPENSATION.**

**A. Salary.** During the Term, the Company shall pay or cause in its sole discretion from time to time to be paid time (as so adjusted from time to time, the Employee, "Base Salary" a base salary of USD\$400,000 per annum or such greater amount as may from time to time be determined by the Company (the "Base Salary"). The Base Salary shall be paid in monthly installments standard payroll deductions and withholdings and payable in accordance with the Company's standard regular payroll policies. In addition, the Employee shall be eligible to receive an annual bonus of up to 35% of the Base Salary, pending performance and in accordance with the Company's bonus program for similarly situated employees (the "Bonus"). Such Bonus, if any, is customarily paid by the Company near or at the end practices.

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the calendar year or within the first two months of the immediately following calendar year.

**B.** The Employee will be eligible to receive a one-time, sign-on bonus in the sum of USD\$170,000 to be paid with the first payroll following the Commencement Date. The

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4. sign-on bonus paid by the Company shall be subject to all withholdings and deductions as required by law. The sign-on bonus is not part of the Employee's Base Salary and shall not be included for purposes of calculation of Bonus. The sign-on bonus is contingent upon the Employee's continued employment and satisfactory performance through the payment date. Should the Employee, within 12 months of the payment, provide notice of termination (unless for Good Reason) or notice of her intent not to renew the Term, or if she receives notice of termination for cause by the Company within 12 months of the payment, she will be required to repay the sign-on bonus (gross amount) to the Company. In the event of litigation concerning failure to repay the sign-on bonus paid, and if the Company is the prevailing party, it shall be entitled to recover all related costs incurred by it, including reasonable attorneys' Expenses. The Company shall reimburse the Employee, within thirty (30) days of voucher, the amount of all travel, hotel, entertainment, cell phone, parking and other expenses (properly vouched) reasonably incurred by the Employee in furtherance of her duties under this Agreement in accordance with the Company's standard expense policies.

**A. Benefits.**

**(1) Vacation.** During the Term, the Employee shall be entitled to five

(5) weeks of paid vacation. The Employee shall only be entitled to carry five (5) Business Days of vacation over to the next calendar year. In no event will Employee's vacation time exceed thirty Business Days in any one year. For the purposes of this Agreement, the term "Business Day" shall mean any day other than (i) Saturday or Sunday, or (ii) any other day on which banks in the State of New York are permitted or required to be closed.

**(2) Holidays. Equity Compensation.** The Employee shall be entitled to all holidays generally provided to other employees of the Company located in the State of New York.

**(3) Life Insurance.** During the Term, the Company shall, upon proof of insurability, purchase, or cause to be purchased, a policy or policies insuring the life of the Employee payable to the Employee's designated beneficiary(s) at least equal to that life insurance generally provided to other similarly situated employees of the Company, if any; and provided, further, that the premiums payable for any such life insurance are usual and customary. A description of such insurance benefits, if any, will be set forth in a separate letter from the Company to the Employee notifying the Employee of such insurance coverage.

**(4) Medical Insurance.** During the Term, the Company shall acquire and pay for, or reimburse the Employee for hospitalization, dental, major medical, or other health insurance for the benefit of the Employee and the Employee's dependents at least equal to that medical insurance generally provided to other similarly situated employees of the Company, if any; and provided further, that the premiums payable for any such medical insurance are usual and customary. The Employee acknowledges that in accordance with the Company's insurance plans, the Employee shall not be

eligible to be enrolled Executive was previously granted certain equity awards in the Company healthcare plans, and the Employee's medical insurance benefits hereunder will not begin, until thirty (30) days following the Commencement Date. The Company agrees to reimburse you your costs of maintaining the Employee's current medical insurance benefits on unchanged terms, for a period of up to two months following the Commencement Date or until such earlier time when the Employee becomes covered those awards remain governed by the Company's insurance plans provided however, that in no event shall the Company's obligation to reimburse the Employee exceed USD up to \$10,000 in total. A description of such

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insurance benefits, if any, will be set forth in a separate letter from the Company to the Employee notifying the Employee of such insurance coverage.

**(5) Sick Leave.** During any period in which the Employee is unable to work as a result of personal injury or sickness for an aggregate of at least thirty (30) days in any 365-day period, the Company may appoint an acting Senior Vice President - Chief Commercial Officer to serve for the duration of the Employee's absence. The Company shall, while such period continues or for one hundred twenty (120) calendar days, whichever is a shorter period, pay to the Employee the Employee's full Base Salary.

**(6) Other Benefits.** The Employee shall be entitled to participate in any welfare, equity incentive, pension, retirement or other qualified or non-qualified plans adopted by the Company for the benefit of its employees.

**(7) Stock Options.**

**(i)** The Employee shall be entitled to participate in the Company's 2018 Equity Incentive Plan (the "Plan") related to the issuance of Options (as defined in the Plan) to subscribe to newly issued shares of the Company's common stock, par value of

\$0.0001 per share (the "Common Stock"), upon the exercise terms of the Options (the "Shares"). Subject to applicable equity plan document(s) and option agreement(s) Executive may be eligible for grants of equity awards, subject to the approval of by the Company's Board of Directors Employee shall be entitled to receive Options to purchase 64,000 shares of the Company's Common Stock. If granted, the Options shall have an initial exercise price equal to the fair market value of the Shares on the date of the grant. All Options, including their vesting schedule, shall (the "Board") or a committee thereof. Each such award will be governed by the terms of the Plan in force at the time Company's equity incentive plan and form of the grant. The Company and the Employee shall execute appropriate subscription agreements evidencing such grants, if any. In addition, Employee may award agreement pursuant to which it is granted.

**2.3 Annual Cash Bonus.** Executive will be eligible for future grants at an annual discretionary cash bonus of up to 35% of Executive's Base Salary (the "Annual Bonus") for each calendar year. The Annual Bonus target shall be subject to review and adjustment by the Company in its sole discretion from time to time. Whether Executive earns an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined by the Company in its sole discretion based upon Executive's achievement of objectives and milestones to be established and determined on an annual basis. Any Annual Bonus that is awarded will be paid no later than the date that is 2½ months following the end of the Board applicable year. Executive must be employed on the day that Executive's bonus (if any) is paid in order to earn the bonus (except as otherwise provided in Section 5 hereof). Executive will not be eligible for, and will not earn, any Annual Bonus (including a prorated bonus) if Executive's employment terminates for any reason before the payment date (except as otherwise provided in Section 5 hereof).

**2.4 Housing Allowance.** Executive will receive a monthly housing allowance stipend of Directors. \$6,500 subject to review and adjustment by the Company in its sole discretion from time to time, and payable subject to standard payroll deductions and withholdings and payable in accordance with the Company's regular payroll practices. This will be reviewed on an annual basis and the Company reserves the right to amend or terminate this during the annual review.

**3. Standard Company Benefits.** Executive shall be entitled to participate in all employee benefit programs for which Executive is eligible under the terms and conditions of the benefit plans that may be in effect from time to time and provided by the Company to its employees. The Company reserves the right to cancel or change the benefit plans or programs it offers to its employees at any time.

**4. Expenses.** The Company will reimburse Executive for reasonable travel or other expenses incurred by Executive in furtherance or in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

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## **5. Termination of Employment; Severance**

**5.1 At-Will Employment.** Executive's employment relationship is at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without cause or advance notice.

### **5.2 Termination Without Cause; Resignation for Good Reason.**

(i) The Company may require terminate Executive's employment with the Company at any time without Cause (as defined below). Further, Executive may resign at any time for Good Reason (as defined below). Such involuntary termination of Executive's employment by the Company without Cause, or voluntary resignation for Good Reason, shall be referred to herein as an **"Involuntary Termination,"** provided such termination must also constitute a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a **"Separation from Service"**).

(ii) In the event Executive is subject to an Involuntary Termination, and provided that Executive remains in compliance with the terms of this Agreement, the Company shall provide Executive with the following severance benefits (collectively, the **"Severance Benefits"**):

(a) The Company shall pay Executive, as severance, 12 months of Executive's then-current Base Salary (for the avoidance of doubt, prior to any reduction that would give rise to a resignation for Good Reason), subject to standard payroll deductions and withholdings (the **"Severance"**). The Severance will be paid in equal installments on the Company's regular payroll schedule over the 12 month period following Executive's Separation from Service; *provided, however*, that no payments will be made prior to the 60<sup>th</sup> day following Executive's Separation from Service. On the 60<sup>th</sup> day following Executive's Separation from Service, the Company will pay Executive in a lump sum the Severance that Executive would have received on or prior to such date under the standard payroll schedule but for the delay while waiting for the 60<sup>th</sup> day in compliance with Code Section 409A, with the balance of the Severance being paid as originally scheduled.

(b) Provided Executive timely elects continued coverage under COBRA, the Company shall pay Executive's COBRA premiums to continue Executive's coverage (including coverage for eligible dependents, if applicable) ("COBRA Premiums") through the period (the "COBRA Premium Period") starting on Executive's Separation from Service and ending on the earliest to occur of: (i) 12 months following Executive's Separation from Service; (ii) the date Executive becomes eligible for group health insurance coverage through a new employer; or (iii) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Executive becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the COBRA Premium Period, Executive must immediately notify the Company of such event. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without a

substantial risk of violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company instead shall pay to Executive, on the first day of each calendar month, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including premiums for Executive and Executive's eligible dependents who have elected and remain enrolled in such COBRA coverage), subject to applicable tax withholdings (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. Executive may, but is not obligated to, use such Special Cash Payments toward the cost of COBRA premiums.

### 5.3 Termination Without Cause and Resignation for Good Reason In Connection With a Change in Control.

(i) In the event Executive is subject to an Involuntary Termination that occurs upon or within twelve (12) months following a Change in Control (as defined in 2018 Equity Incentive Plan) (each a "Change in Control Termination") and provided that Executive remains in compliance with the terms of this Agreement, in lieu of the Severance Benefits pursuant to Section 5.2 above, the Company shall provide Executive with the following severance benefit (collectively, the "CIC Severance Benefits"):

(a) The Company shall pay Executive, as severance, 6 months of Executive's then-current Base Salary (for the avoidance of doubt, prior to any reduction that would give rise to a resignation for Good Reason), subject to standard payroll deductions and withholdings (the "**CIC Severance**"). The CIC Severance will be paid in equal installments on the Company's regular payroll schedule over the 6 month period following Executive's Separation from Service; *provided, however*, that no payments will be made prior to the 60<sup>th</sup> day following Executive's Separation from Service. On the 60<sup>th</sup> day following Executive's Separation from Service, the Company will pay Executive in a lump sum the Severance that Executive would have received on or prior to such date under the standard payroll schedule but for the delay while waiting for the 60<sup>th</sup> day in compliance with Code Section 409A, with the balance of the Severance being paid as originally scheduled.

(b) The Company shall pay Executive a payment equivalent to the amount of the annual bonus received by the Executive during the preceding year, subject to any standard deductions and withholdings (collectively, the "**CIC Severance Bonus**"). The CIC Severance Bonus will be paid in a lump sum payment within thirty (30) days following the Effective Date.

(c) The Company will fully accelerate, effective as of the Separation from Service date, the vesting of Options following any equity awards which vest solely based on the Executive's continued service with the Company which were granted to the Executive before September 28, 2022 (the "**CIC Accelerated Vesting**"). For the avoidance of doubt, any equity awards that were granted on or after September 28, 2022 or that do not vest solely based on the Executive's continued service will not be subject to the Accelerated Vesting benefit.

### 5.4 Termination for Cause; Resignation Without Good Reason; Death or Disability.

(i) The Company may terminate Executive's employment with the Company at any time for Cause. Further, Executive may resign at any time without Good Reason. Executive's employment with the Company may also be terminated due to Executive's death or disability. Any such termination shall be referred to herein as a termination "**Non-Qualifying Termination.**"



(ii) If Executive is subject to a Non-Qualifying Termination, (a) Executive will cease vesting in all equity awards, (b) all payments of your employment compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and (c) Executive will not be contingent on you entitled to any severance benefits, including (without limitation) the Severance Benefits or CIC Severance Benefits, unless required by law.

**6. Conditions to Receipt of Severance Benefits or CIC Benefits.** The receipt of any Severance Benefits or CIC Severance Benefits in the event of an Involuntary Termination or a Change in Control Termination will be subject to Executive signing general and allowing to become effective a separation agreement and release of claims in a form acceptable satisfactory to the Company.

Company (the "Separation Agreement" (ii) By acceptance hereof,) within a time period specified by the Employee acknowledges that Company (which shall be not later than 60 days following Executive's Separation from Service). No Severance Benefits or CIC Severance Benefits, as applicable, will be paid or provided until the Separation Agreement becomes effective. Executive shall also resign from all positions and terminate any relationships as an employee, advisor, officer or director with the Company and any of its affiliates, each effective on or before the date of grant of any Options, Employee will receive of a copy termination.

**7. Section 409A.** It is intended that all of the Company's Summary Plan Description (the "Summary") of the Plan, which includes, among severance benefits and other things, a description of the effect of the termination of the Employee's employment with the Company on the Employee's ability to exercise the Options, a summary of the U.S. tax implications and potential investment risks associated with the exercise of the Options and the acquisition of the Shares. The Employee further acknowledges that the Employee is aware of the terms and conditions applicable payments payable under this Agreement satisfy, to the grant greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and exercise of the Options as set forth in the Summary.

(iii) The Employee acknowledges that the Employee has been informed of, or is otherwise familiar with, the nature and the limitations imposed by the Securities Act of 1933, as amended (the "Act") and the securities ("Blue Sky") laws of the State of New York ("New York Law") 1.409A-1(b)(9), concerning the Options and the Shares and agrees to this Agreement will be bound by the restrictions embodied in such laws, and the rules and regulations promulgated thereunder. The Employee hereby represents and warrants construed to the Company that the Employee is receiving the Options or the Shares, for investment greatest extent possible as consistent with those provisions, and not with a view to the distribution extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement (whether severance payments, reimbursements or public offering of the Options or the Shares, or any interest in the Options or the Shares, and no other person has a

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direct or indirect beneficial interest in the Options or the Shares. Unless the Shares have been registered for resale in accordance with a currently effective registration statement under the Act, the Company may require, otherwise) shall be treated as a condition right to the delivery receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any certificates for Shares, that the Company receive appropriate evidence that the Employee is acquiring the Shares for investment and not with a view to the distribution or public offering of the Shares, or any interest in the Shares, and a representation to the effect that the Employee shall make no sale or other disposition of the Shares unless (i) the Company shall have received an opinion of counsel satisfactory in form and substance to it that the sale or other disposition may be made without registration under the then applicable provisions of the Act and New York Law and the rules and regulations promulgated there under, or (ii) the Shares shall be included in a currently effective registration statement under the Act.

**(8) Taxes.**

Any income tax and duly-related consequences for the Employee for the benefits provided in Subsections 3.C (1) – (7) above shall be of no concern to the Company and shall be the sole responsibility of the Employee. Notwithstanding the preceding sentence, or anything provision to the contrary in this Agreement, this Agreement if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and all compensation if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and benefit plans, policies and agreements referenced herein (collectively, "applicable plans"), are intended to comply with the related adverse taxation under Section 409A, such payments shall not be provided to Executive prior to the earliest of (i) the expiration of the U. S. Internal Revenue six-month period measured from

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the date of Executive's Separation from Service with the Company, (ii) the date of Executive's death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code of 1986, Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as amended ("Section 409A"), and its corresponding regulations, otherwise provided herein or an exemption. All payments provided under this Agreement and in the applicable plans agreement. No interest shall be due on any amounts so deferred. With respect to reimbursements or in-kind benefits provided to Executive hereunder (or otherwise) that are not exempt from Code Section 409A, the following rules shall apply: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one of Executive's taxable years shall not affect the expenses eligible for reimbursement, or in-kind benefit to be provided in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or provided before the last day of Executive's taxable year following the taxable year in accordance which the expense was incurred, (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

## 8. Definitions.

**8.1 Cause.** For purposes of this Agreement, "Cause" for termination will mean: (a) commission of any felony or crime involving dishonesty; (b) participation in any fraud against the Company; (c) material breach of Executive's duties to the Company; (d) persistent unsatisfactory performance of job duties after written notice from the Company and at least fifteen (15) days opportunity to cure (if deemed curable in the discretion of the Company); (e) intentional damage to any property of the Company; (f) misconduct, or other violation of Company policy that causes harm; (g) breach of any written agreement with the requirements of Section 409A to avoid Company; (h) conduct by Executive which in the application of Section 409A to such amounts, whenever possible. All payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" under Section 409A. The Company may modify the payments good faith and benefits under this Agreement and the applicable plans at any time solely as necessary to avoid adverse tax consequences under Section 409A.

**B. Duties; Responsibilities.** During the Term, the Employee shall be the Senior Vice President - Chief Commercial Officer reasonable determination of the Company demonstrates gross unfitness to serve; and (i) the Company's severe financial distress.

**8.2 Good Reason.** For purposes of this Agreement, Executive shall perform such duties as are have "Good Reason normally associated" for resignation from employment with such position and as the Company may reasonably require, and shall use the Employee's best effort to carry into effect the direction of the Company's Chief Executive Officer. As the Company's Senior Vice President - Chief Commercial Officer, the Employee will be responsible for overseeing the commercial functions Company if any of the following actions are taken by the Company including all aspects without Executive's consent: (a) a material reduction in Executive's base salary, which the parties agree is a reduction of at least 10% of



Executive's base salary (unless pursuant to a salary reduction applicable generally to the Company's similarly situated employees); or (b) a material reduction in Executive's duties (including responsibilities and/or authorities), *provided, however*, that a change in job position shall not be deemed a "material reduction" in and of itself unless Executive's new duties are materially reduced from the prior duties; and *provided further* that a change in duties due to the Company becoming a division, subsidiary or other similar part of a larger organization shall not be deemed a "material reduction" in and of itself unless such new duties are materially reduced from the prior duties; or (c) relocation of Executive's principal place of employment to a place that increases Executive's one-way commute by more than fifty (50) miles as compared to Executive's then-current principal place of employment immediately prior to such relocation. In order to resign for Good Reason, Executive must provide written notice to the Company within 30 days after the first occurrence of the **commercialization** event giving rise to Good Reason setting forth the basis for Executive's resignation, allow the Company at least

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30 days from receipt of such written notice to cure such event, and if such event is not reasonably cured within such period, Executive must resign from all positions Executive then holds with the Company not later than 90 days after the expiration of the **Company's** cure period.

**8.3 products.** Change in Control. For purposes of this Agreement, "Change in Control" shall have the definition assigned to such term in the Company's 2018 Equity Incentive Plan (but excluding subsection (d) of such definition).

#### **C.9. Representation Proprietary Information Obligations.**

**9.1 Confidential Information Agreement.** During the Term, the Employee shall well and faithfully serve In connection with Executive's employment with the Company, Executive will receive and have access to Company confidential information and trade secrets. Accordingly, enclosed with this Agreement is an Employee Confidential Information and Inventions Assignment Agreement (the "**Confidentiality Agreement**") which contains restrictive covenants and prohibits unauthorized use Employee's best efforts to promote the interests or disclosure of the Company. The Employee shall at all times give Company's confidential information and trade secrets, among other obligations. Executive agrees to review the Confidentiality Agreement and only sign it after careful consideration.

**9.2 Third-Party Agreements and Information.** Executive represents and warrants that Executive's employment with the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that Executive will perform Executive's duties to the full benefit Company without violating any such agreement. Executive represents and warrants that Executive does not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with Executive's employment with the Employee's knowledge, expertise, technical skill and ingenuity Company, except as expressly authorized by that third party. During Executive's employment with the Company, Executive will use in the performance of the Employee's Executive's duties and exercise of the Employee's powers and authority of the Employee's position with the Company. In particular, but without limiting the generality thereof, the Employee shall report to and shall give the Company's Chief Executive Officer such only information regarding the affairs of the Company as the Company's Chief Executive Officers shall reasonably require and the Employee shall at all times

conform to the reasonable instructions or directions of the Company's Chief Executive Officer.

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**D. Time Devoted by Employee.**

(1) The Employee agrees to devote substantially all the Employee's time and attention during business hours and such additional time and attention as may reasonably be required to perform the Employee's duties hereunder. The Employee will not take part directly or indirectly in any activity or conduct which is detrimental generally known and used by persons with training and experience comparable to Executive's own, common knowledge in the best interests of industry, otherwise legally in the public domain, or obtained or developed by the Company or which, by Executive in the reasonable judgment course of Executive's work for the Company.

**10. Outside Activities During Employment.** Executive will not during Executive's employment with the Company may interfere with the Employee's ability to devote adequate time and attention to discharge the Employee's duties to the full extent required hereunder. The Employee may not without the Company's prior written consent, whether as principal, partner, agent, shareholder, director, managing director, undertake or otherwise howsoever, undertake any work or duties—salaried or unsalaried—that may be assumed, directly or indirectly, to affect the Employee's performance as the full-time Senior Vice President - Chief Commercial Officer of the Company or which may have a negative effect on the operations of the Company or its subsidiaries.

(2) The Employee may not during the Employee's employment with the Company be a shareholder, member, partner, or equity owner of any company, business or enterprise, directly or indirectly, without the written consent of the Company in each case; provided that ordinary capital investments in publicly traded companies in an amount not to exceed five percent (5%) of the capital stock of such a company are not included in this restriction.

(3) The Employee may not have any debts to the Company, except for ordinary advance payments in connection with travels, representation, etc.

(4) The Employee may not seek or accept, from any actual or prospective customer, client, contractor or supplier of the Company or any associated companies, any gift or benefit of more than a trivial nature. In case of doubt, the Employee shall obtain the prior approval of the Company.

(5) Notwithstanding the foregoing provisions, it shall not be a violation of this Agreement for the Employee to (a) serve on corporate, civic or charitable boards or committees, (b) deliver lectures, fulfill speaking engagements or teach at educational and non-profit institutions, (c) manage personal investments, or (d) engage in activities permitted by the policies of the Company any other employment, occupation or as specifically permitted by the Company, business enterprise, provided, however, that, Executive may engage in civic and not-for-profit activities so long as such activities do not significantly materially interfere with the full time performance of Executive's duties hereunder.

**11. Dispute Resolution.** To ensure the Employee's responsibilities timely and economical resolution of disputes that may arise in accordance connection with this Agreement.

**E. Place Executive's employment with the Company, Executive and the Company agree that any and all disputes, claims, or causes of Business.** During action arising from or relating to the Term enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, the Employee's place Confidentiality Agreement, or Executive's employment, or the termination of work shall Executive's employment, including but not limited to all statutory claims, with the exception of discrimination and harassment claims, will be resolved pursuant to the

Federal Arbitration Act, 9 U.S.C. §1-16 (the "FAA"), and to the Company's principal place of business fullest extent permitted by law, by final, binding and confidential arbitration by a single arbitrator conducted in New York, New York traveling from time by Judicial Arbitration and Mediation Services Inc. ("JAMS") under the then applicable JAMS rules appropriate to time as required for the effective execution of her duties hereunder.

#### **F. E-Mail and Internet.**

(1) Any personal information saved, treated relief being sought (the applicable rules are available at the following web addresses: (i) <https://www.jamsadr.com/rules-employment-arbitration/> and (ii) <https://www.jamsadr.com/rules-comprehensive-arbitration/>); provided, however, this arbitration provision not apply to any action or communicated by the Employee by use of the Company's information and technology systems may claim that cannot be subject to the Company's review mandatory arbitration as a matter of law, including, without limitation, claims involving allegations of sexual harassment and revision.

(2) The Employee may to a reasonable extent use e-mail and Internet for private purposes, provided this use does not affect the Employee's performance of her work duties.

(3) The Employee's use of e-mail and Internet may not offend ordinary ethical standards. The access discrimination, to the Internet may extent such claims are not be used for visiting homepages of pornographic, political, extremist or discriminating character relating to race, gender, ethnic or social origins. Similarly, the Employee may not use the e-mail system to send material of this kind.

(4) E-mails sent permitted by and to the Employee are considered applicable law(s) to be submitted to mandatory arbitration and the Company's property, unless the e-mail is marked "personal," "private" or the like. All e-mails applicable law(s) are not provided with preempted by the correct address FAA or otherwise invalid (collectively, the "Excluded Claims"). A hard copy of the Employee's e-mail account or which are received after closure rules will be provided to Executive upon request. A hard copy of the Employee's e-mail account, are opened by the systems manager. E-mails marked "personal," "private" or the like are deleted without being opened, unless absolutely required by circumstances.

(5) For the purpose of maintaining information technology safety, prevention of security breaches and improvement of the system, each of the President, the Chief rules will be provided to Executive Officer of the Company or any person appointed by the President, the Chief upon request. By agreeing to this arbitration procedure, both Executive Officer is entitled to open any document as well as any e-mail, including private e-mails and any attached files. Similarly, each of the President, the Chief Executive Officer or any person appointed by the President, or the Chief Executive Officer may review the Employee's Internet browser. On confirmed suspicion of abuse, each of the President, the Chief Executive Officer or any person appointed by the President, or the Chief Executive Officer is also entitled to review and control the Employee's use of Internet and e-mail.

(6) By signing this Agreement, the Employee acknowledges having been notified of the above-mentioned e-mail and Internet policy and having accepted the terms and conditions hereof.

**I. Personal Data.** The Employee agrees that personal data relating to the Employee which has been or is in the future obtained by the Company may be held and processed by the Company either by computer or manually for any purpose relating to the administration, management and operation of the Employee's employment, or in relation to the Company's legal obligation or business needs.

5. Restrictions on the Employee.

A. Non-Disclosure of Confidential Information; Prohibited Activity

(1) Employee acknowledges that:

(i) as the Company's Senior Vice President – Chief Commercial Officer, Employee will occupy a position of trust and confidence with the Company subsequent to the date hereof and will become familiar with the following, any and all of which constitute confidential, proprietary information of the Company (collectively the "Confidential Information"): (i) any and all trade secrets concerning the business and affairs of the Company, product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development activities, past current and planned clinical trial programs and results, past current and planned strategic partnerships, past and current patent portfolio, past, current and

planned patent applications, past, current and planned manufacturing and distribution methods and processes, past, current and prospective customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), database technologies, systems, structures and architectures and related processes, improvements, devices, discoveries, concepts, methods and information, of the Company and any other information, however documented, of the Company that is a trade secret within the meaning of applicable trade secret laws or constitutes intellectual property of the Company; (ii) any and all information concerning the business and affairs of the Company (which includes, but is not limited to, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials), however documented; (iii) any and all notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company containing or based, in whole or in part, on any information included in the foregoing; and (iv) any and all information which the Company may receive from third Parties;

(ii) the business of the Company is international in scope;

(iii) the products and services of the Company are expected to be marketed throughout the world;

(iv) the provisions of this Section 4 are reasonable and necessary to protect and preserve the Company's trade secrets and intellectual property, and

(v) the Company would be irreparably damaged if Employee were to breach the covenants set forth in this Section 4.

(2) Employee acknowledges and agrees that all Confidential Information known or obtained by Employee, whether before or after the date hereof, is the property of the Company. Therefore, Employee agrees that the Employee will not, at any time, disclose to any unauthorized person or use for her own account or for the benefit of any third party any Confidential Information, whether Employee has such information in the Employee's memory or embodied in writing or other physical form, without the Company's prior written consent, unless and to the extent that the Confidential Information is or becomes part of the public domain through no act or failure to act by the Employee.

(3) As an inducement for the Company to enter into this Agreement and as additional consideration for the compensation to be paid to Employee under this Agreement, Employee agrees that:

(i) During the Term of this Agreement and for a period of twelve (12) months following the effective date of termination as defined in Section 4.A.3(ii) below, Employee shall not engage

or participate in any "Prohibited Activity." As used herein, the term "Prohibited Activity" shall mean any activity in which Employee contributes Employee's knowledge, directly or indirectly, in whole or in part, as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, member, stockholder, director, officer, volunteer, intern or any other similar capacity to an entity engaged in a direct competing business of the

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Company or its affiliates. The term "Prohibited Activity" also includes any activity that may require or inevitably requires disclosure of the Company's trade secrets, intellectual property or any other Confidential Information;

(ii) Because of (a) the difficulty of measuring economic losses to the Company as a result of any breach by Employee of the covenants in this Section 4, and (b) the immediate and irreparable damage that could be caused to the Company for which it would have no other adequate remedy, Employee agrees that the Company may enforce the provisions of this Agreement by injunctions and restraining orders upon a breach of any of such provisions. The Parties agree that the agreements and covenants of Employee set forth in this Section 4 are a substantial part of the consideration for the compensation to be paid to Employee under the terms of this Agreement. Notwithstanding the foregoing, in the event this Agreement is terminated under Subsections 5.A.(1) or 5.C. herein and the Company elects to waive the right to enforce resolve any such dispute through a trial by jury or judge or administrative proceeding. In addition, all claims, disputes, or causes of action under this section, whether by Executive or the provisions of this Subsection 4.A.(3) prohibiting Employee from engaging Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or participating class member in any Prohibited Activity following such termination, then the Company shall continue to pay Employee's Base Salary until the earliest occurrence of the Employee obtaining employment that the Company does not object to as constituting a Prohibited Activity purported class or twelve (12) months following the effective date of termination of Employee's employment relationship representative proceeding, nor joined or consolidated with the Company in accordance with the terms of this Agreement. For purposes of this Agreement, "effective date of termination" shall mean the date immediately following the last date of any notice period specified herein;

(iii) In the event of a breach by Employee of any covenant set forth in this Section 4, the term of such covenant will be extended by the period of the duration of such breach;

(iv) The Parties will not, at any time during or after the Term of this Agreement, disparage one another, including but not limited to the Parties' professionalism, business, current or past business practices or products and product applications, or any of its shareholders, directors, officers, employees, or agents;

(v) Employee shall within ten (10) days after accepting any employment, other than employment with the Company, inform the Company in writing of the identity of any such employer. The Company may serve notice upon each such employer that Employee is bound by this Agreement and furnish each such employer with a copy of this Agreement or relevant portions thereof; and

(vi) Employee acknowledges and agrees that the restrictions set forth in this Section 4 are reasonable and necessary in order to protect the Company's trade secrets, intellectual property and other Confidential Information.

#### **B. Inventions; Developed Rights.**

(1) The term "Invention" means any invention, discovery, improvement, apparatus, implement, process, compound, composition or formula, whether or not patentable, conceived or reduced to practice, in whole or in part, by the Employee (alone, or jointly with others) during the Term of the Employee's employment by the Company and for a period of twelve (12) months thereafter which directly or indirectly relates to the business, science,

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technology or products of the Company or its affiliates or any Confidential Information. The Employee will keep, on behalf of the Company, complete, accurate, and authentic accounts, notes, data, and records ("Records") of each and every Invention, which Records will, at all times, be the property of the Company. The Employee will comply with the directions of the Company with respect to the manner and form of keeping or surrendering Records and will surrender to the Company all Records at the end of the Term of this Agreement.

(2) Each Invention will be the sole and exclusive property of the Company. The Employee will, at the request of the Company, make application in due form for United States letters patent and foreign letters patent (each, a "Patent") on any Invention and execute any necessary documents in connection with the Patents. The Employee will assign and transfer to the Company or its designee all right, title, and interest of the Employee in any Patents or Patent applications. The Employee agrees to cooperate with any actions necessary to continue, renew or retain the Patents. The Company will bear the entire expense of applying for and obtaining the Patents.

(3) For a period of twelve (12) months following the termination of this Agreement and the Employee's employment relationship with the Company, the Employee will not file any applications for Patents on any Invention based on information owned by the Company, other than those filed at the request of and on behalf of the Company.

(4) The Parties further agree that all other discoveries, secret industrial processes, intellectual and industrial property rights – registered as well as un-registered – and know-how ("Developed Rights") discovered or developed by the Employee during the Term, within the scope of the business of the Company, shall belong to the Company and the Employee shall have no rights in relation thereto except for mandatory rules of law, the operation of which cannot be dispensed with by agreement between the Parties. These include, but are not limited, any rights to Inventions, expression of ideas and improvements of existing technology. Insofar as the rights specified herein after are not vested in the Company, by operation of law on the grounds of the employment relationship between the Parties, the Employee covenants to transfer, and to the extent possible hereby transfers, to the Company, or any third party designated by the Company, any such rights of whatever nature. When determining the Employee's salary package, the above allocation of rights to the Company has been taken into account.

(5) The Company is entitled to use, modify, change, develop, transfer and commercialize any Inventions and Developed Rights in any way.

(6) The Employee must immediately inform the Company in writing of any Inventions or Developed Rights made or discovered by the Employee alone or together with others, during the performance of the Employee's duties under the employment relationship with the Company (the "Invention Notice"). The Company shall inform the Employee whether the Company wants an Invention or any Developed Right transferred within one hundred twenty

(120) Business Days of the Company's receipt of the Invention Notice, if not required earlier by applicable law. When determining the Employee's salary package, the above allocation, and transfer obligation, of rights to the Company has been taken into account.

(7) Upon demand by the Company, the Employee shall immediately

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provide the Company with all necessary information, and the Employee shall immediately comply with all formalities and render all assistance enabling the Company to obtain, apply for, protect, transfer or commercialize any discovery, Invention, secret industrial process or Developed Rights in any part of the world. All costs related hereto shall be paid by the Company.

(8) The Employee, as a condition of the Employee's employment by the Company, hereby represents that, to the best of the Employee's knowledge, there is not as of the date of this Agreement any agreement or obligation outstanding with or to any of the Employee's former employer(s) or any other party, which would restrict, limit or in any way prohibit all or any portion of the Employee's work or employment, nor is there in the Employee's possession any confidential information used by any of the



Employee's former employer(s) or any other party (except as may have been revealed in generally available publications or otherwise made publicly available).

**C. Non-Solicitation of Orders.** During the Term, and for a period of twelve

(12) months thereafter, the Employee shall not, whether for the Employee's own purposes or on behalf claims of any other person or entity, directly or indirectly, solicit orders for entity. The Arbitrator may not consolidate the creation claims of products similar to the products of the Company or its affiliates from any more than one person or entity, who and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. The Company acknowledges that Executive will have the right to be represented by legal counsel at any time within arbitration proceeding. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by a federal court in the three (3) years prior to the end State of New York. However, procedural questions which grow out of the Term was a licensee, collaborator or customer dispute and bear on the final disposition are matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the Company or any of its affiliates.

**D. Non-Solicitation of Employees.** During dispute and to award such relief as would otherwise be permitted by law; (b) issue a written arbitration decision, to include the Term, arbitrator's essential findings and for conclusions and a period of twelve (12) months thereafter, the Employee shall not, directly or indirectly induce or solicit any other employee statement of the Company award; and (c) be authorized to award any or its affiliates to terminate her employment with all remedies that Executive or the Company or such affiliate for the purpose would be entitled to seek in a court of joining another entity in which the Employee has an interest (whether as an employee, officer, director, partner, member, agent, a five percent (5%) or greater security holder, creditor, consultant, or otherwise).

**E. Breach.** The Employee acknowledges that in view of the unique quality of the Employee's services to law. Executive and the Company hereunder shall equally share all JAMS' arbitration fees. To the extent JAMS does not collect or Executive otherwise does not pay to JAMS an equal share of all JAMS' arbitration fees for any reason, and the fact that the Company's business heavily depends upon its trade secrets, intellectual property Company pays JAMS Executive's share, Executive acknowledges and other Confidential Information, the remedies of the Company at law for breach by the Employee of any of the Employee's covenants set forth in this Section 4 (the "Company's Protections") will be inadequate and the Employee agrees that the Company shall be entitled to recover from Executive half of the JAMS arbitration fees invoiced to the parties (less any amounts Executive paid to JAMS) in a federal or state court of competent jurisdiction. Except as modified in the Confidential Information Agreement, each party is responsible for its own attorneys' fees. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief or a decree of specific performance without in court to prevent irreparable harm pending the necessity of proving irreparable damages. In the event, pursuant to a conclusion of any administrative, judicial such arbitration. Any awards or other governmental body having jurisdiction, orders in such arbitrations may be entered and enforced as judgments in the operation federal and state courts of any competent jurisdiction. To the extent a New York federal court determines that any applicable law prohibits mandatory arbitration of the Company's Protections shall be deemed Excluded Claims, if Executive intends to be unlawful

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bring multiple claims, including one or otherwise unenforceable, then more Excluded Claims, the coverage Excluded Claim(s) may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration.

**12. General Provisions.**

**12.1 Employment Contingencies.** Executive's employment is contingent upon satisfactory proof of such Company's Protections shall Executive's right to work in the United States.

**12.2 Notices.** Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to Executive at the address as listed on the Company payroll.

**12.3 Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be restricted as effective and valid under applicable law, but if any provision of this Agreement is held to duration, geographical scope be invalid, illegal or otherwise unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent and only to possible in keeping with the extent, necessary to make such Company's Protections lawful and enforceable in intent of the particular jurisdiction in which such adjudication is made. Nothing herein stated shall be construed as prohibiting the Parties from pursuing parties.

**12.4 Waiver.** Any waiver of any remedies available to either breach of them for a breach or threatened breach, including for the recovery of damages. In the event either Party is successful in any suit or proceeding brought or instituted to enforce any of the provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or on account of any damages sustained by reason succeeding breach of the violation same or any other provision of any this Agreement.

**12.5 Complete Agreement.** This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement between Executive and the Company with regard to this subject matter and is the complete, final, and exclusive embodiment of the terms or provisions hereof, the Parties agree the prevailing Party shall be entitled Parties' agreement with regard to recover such Party's reasonable costs and attorneys' fees incurred in pursuing such action for breach of this Agreement.

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## 6. Termination.

**A. Non-Renewal.** The provisions of this Subsection 5.A apply if this subject matter. This Agreement is not renewed pursuant to the provisions of Section 2 above.

**(1)** If the Company has given notice of non-renewal, then upon the Employee's "separation from service" with the Company (as entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such term is defined for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")), the Company shall pay the Employee the Employee's then existing Base Salary and continue Employee's benefits enumerated in Subsections 3.C.(3) and 3.C.(4) hereof (to the extent permitted by the Company's insurance carriers) for a period of twelve (12) months commencing with the day following the effective date of the termination of Employee's employment relationship with the Company; provided, however that the Company's obligation to make such severance payments shall be mitigated if, and to the extent, of any earned income and benefits actually received by or for the account of the Employee from any alternative employment during such twelve (12) month period. If the Employee is a "specified employee" (as such term is defined for the purposes of Section 409A of the Code), then no salary continuation payments shall be made under this paragraph until the date that is six (6) months after the Employee's separation from service, and on such date the Employee shall receive a lump sum payment equal to the amount of salary continuation payments the Employee would have received during such six (6) month period had she not been a specified employee.



(2) If the Company has given notice of non-renewal, then at the effective date of the termination of Employee's employment relationship with the Company, all other Company obligations to the Employee as to salary and benefits shall cease.

(3) If the Employee has given notice of non-renewal, all Company obligations to the Employee as to salary and benefits shall cease at the effective date of the termination of Employee's employment relationship with the Company.

Notwithstanding the foregoing, if this Agreement and the Employee's employment relationship with the Company shall have been terminated by the Company pursuant to Section 5A(1) or (2) above, then, unless waived by the Company, the provisions of Section 4A(3) of this Agreement shall continue to apply.

#### **B. Termination for Cause by the Company.**

(1) This Agreement may be terminated "for cause" by the Company pursuant to the provisions of this Subsection 5.B. If the Board determines that "cause" exists for termination of the Employee's employment, written notice thereof must be given to the Employee describing the state of affairs or facts deemed by the Board to constitute such cause. The Employee shall have thirty (30) days after receipt of such notice to cure the reason constituting cause and if she does so, this Agreement shall not be terminated for the cause specified in the notice. During such thirty (30) day period, this Agreement shall continue and the Employee shall continue to receive her full Base Salary, expenses and benefits pursuant to this Agreement. If such cause is not cured to the Board's reasonable satisfaction within such thirty (30) day period, the Employee may then be immediately terminated by the Board.

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For purposes of this Agreement, the words "for cause" or "cause" shall be limited to the following actions on the part of the Employee:

(i) Employee is convicted of (or pleads guilty or no contest to) any felony or any crime involving moral turpitude;

(ii) Employee participates in any fraud, act of dishonesty, or act of intentional and willful misconduct against the Company;

(iii) Employee intentionally damages or willfully misappropriates any property of the Company that in any case has a material adverse effect on the Company;

(iv) Employee materially breaches any fiduciary, statutory, or contractual duty Employee owes to the Company promises, agreements (including but not limited to any breach of the Prior Agreement), warranties or representations. For the avoidance of doubt, this Agreement supersedes and replaces the Prior Agreement, which shall be null and void. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company.

**12.6 Counterparts.** This Agreement may be executed in Subsections 4.A.(1) separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and 4.A.(2) the same Agreement.

**12.7 Headings.** The headings of this Agreement;

(v) Employee regularly the paragraphs hereof are inserted for convenience only and willfully fails shall not be deemed to diligently constitute a part hereof nor to affect the meaning thereof.

**12.8 Successors and successfully perform Employee's assigned duties under this Agreement.**

(vi) Employee fails This Agreement is intended to cooperate with bind and inure to the benefit of and be enforceable by Executive and the Company, in and their respective

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successors, assigns, heirs, executors and administrators, except that Executive may not assign any investigation or proceeding by of his duties hereunder and he may not assign any governmental or similar authority or as otherwise authorized by of his rights hereunder without the Board written consent of Directors or a committee thereof; or

(vii) Employee is found liable in an action instituted by the Securities and Exchange Commission ("SEC") or is disqualified by the SEC or the US Food & Drug Administration or the European Medicines Agency, or other regulatory agency from serving in Employee's capacity as the Company's Senior Vice President - Chief Commercial Officer or in any other similar capacity with the Company.

Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the advice of counsel for the Company, which shall not be conclusively presumed to be done, withheld unreasonably.

**12.9 Tax Withholding and Indemnification.** All payments and awards contemplated or omitted to be done, by the Employee in good faith and in the best interests of the Company.

The duties, powers and authority of the Employee may also be suspended by the Board for a reasonable period of time, but with a continuation of the Employee's full Base Salary, expenses and benefits made pursuant to this Agreement while will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. Executive acknowledges and agrees that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. Executive has had the opportunity to retain a determination is tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to the Agreement.

**12.10 Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of New York.

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**IN WITNESS WHEREOF,** the Parties have executed this Agreement on the day and year written below.

**Y-mAbs Therapeutics, Inc.**

By: /s/ Thomas Gad  
Thomas Gad

Founder, Interim CEO, President & Head of Business Development

Date: October 21, 2023

/s/ Vignesh Rajah  
Vignesh Rajah

Date: October 19, 2023

12.

Exhibit 10.46

Y-MABS THERAPEUTICS, INC.

2018 EQUITY INCENTIVE PLAN

PERRFORMANCE-BASED RESTRICTED STOCK UNIT AWARD GRANT NOTICE

Y-mAbs Therapeutics, Inc., a Delaware corporation, (the "Company"), pursuant to its 2018 Equity Incentive Plan, as amended from time to time whether cause for termination exists.

time (the "Plan(2)IntheeventthisAgreementisterminatedbytheCompanyforcause,"), hereby grants to the provisions holder listed below (the "Participant"), an award of Subsections 4.A.(1), 4.A.(2) and 4.A.(3) shall continue to apply for a period of twelve (12) months following performance-based restricted stock units ("Performance-based Restricted Stock Units" or "PRSUs"). Each vested Performance-based Restricted Stock Unit represents the effective date of termination.

(3) IntheeventthisAgreementisterminatedbytheCompanyforcause, the Employee's entire right to salary receive, in accordance with the Performance-Based Restricted Stock Unit Award Agreement attached hereto as Exhibit A (the "Agreement"), one share of Common Stock ("Share"). This award of Performance-based Restricted Stock Units is subject to all of the terms and benefits hereunder (with conditions set forth herein and in the exception Agreement and the Plan, each of salary which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Unit Award Grant Notice (the "Grant Notice") and benefits accrued prior to termination) shall cease upon the effective date of Agreement.termination.

Participant:   
Grant Date:   
Total Number of PRSUs:   
Vesting Commencement Date:   
Vesting Schedule:

The PRSUs shall vest in three equal installments as follows:

- Tranche 1 ([ ] PRSUs) will vest on the first anniversary of the Vesting Commencement Date if the Average Closing Price (as defined below), determined as of such vesting date, is greater or equal to \$[ ] per share;
- Tranche 2 ([ ] PRSUs) will vest on the second anniversary of the Vesting Commencement Date if the Average Closing Price, determined as of such vesting date, is greater or equal to \$[ ] per share; and
- Tranche 3 ([ ] PRSUs) will vest on the third anniversary of the Vesting Commencement Date if the Average Closing Price, determined as of such vesting date, is greater or equal to \$[ ] per share.

"Average Closing Price" means, as of any date, the average of the closing prices per Share as quoted on Nasdaq, as reported in *The Wall Street Journal* or another source the Administrator deems reliable, for the thirty (30) trading day period immediately preceding the date for which the Average Closing Price is being determined hereunder.

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**C. Termination Without Cause by**

**Termination/Forfeiture:** Vesting of the PRSUs is subject to the Participant's continued employment with the Company through each applicable vesting date. To the extent that the applicable Average Closing Price hurdle is not met as of a vesting date, the corresponding PRSUs will be automatically forfeited by the Participant without payment of any consideration therefor. If the Participant experiences a Termination of Service, all PRSUs that have not become vested on or prior to the date of such Termination of Service will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

By his or for Good Reason by the Employee.

(1) The Company shall have the right to terminate this Agreement without cause on ninety (90) days prior written notice to the Employee.

(2) The Employee shall have the right to terminate this Agreement for "Good Reason" on thirty (30) days' prior written notice to the Company. For purposes of this Agreement, the words "for Good Reason" or "Good Reason" shall be limited to the following actions by the Company without the Employee's express written consent: (a) the assignment to the Employee of any duties or responsibilities that results in a material diminution in the Employee's position or function; provided, however, that a change in the Employee's title or reporting relationships shall not provide the basis for a termination with good reason; (b) a relocation of the Employee's business office to a location that is more than fifty (50) miles from her signature and the Company's current New York City, New York location, except for required travel; signature below, the Participant agrees to be bound by the Employee on the Company's business to an extent substantially consistent with the Employee's business travel obligations as of the Commencement Date; or (c) a material breach by the Company of any provision of this Agreement or any other material agreement between the Employee and the Company concerning the terms and conditions of the Employee's employment. Such Plan, the Agreement and this Grant Notice. The Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement. In addition, by signing below, but subject to section 3.18 below applicable to DK Participants, the Participant also agrees that the Company, in its sole discretion, may satisfy any withholding obligations in accordance with Section 2.6(b) of the Agreement by (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the PRSUs, (ii) instructing a termination broker on the Participant's behalf to sell shares of Common Stock otherwise issuable to the Participant upon vesting of the PRSUs and submit the proceeds of such sale to the Company, or (iii) using any other method permitted by Section 2.6(b) of the Employee for Good Reason Agreement or the Plan.

**Y-MABS THERAPEUTICS, INC.:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

**PARTICIPANT:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_

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**EXHIBIT A****PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT**

Pursuant to the Performance-based Restricted Stock Unit Award Grant Notice (the "Grant Notice") to which this Restricted Stock Unit Award Agreement (this "Agreement") is attached, Y-mAbs Therapeutics, Inc., a Delaware corporation (the "Company"), has granted to the Participant the number of performance-based restricted stock units ("Performance-based Restricted Stock Units" or "PRSUs") set forth in the Grant Notice under the Company's 2018 Equity Incentive Plan, as amended from time to time (the "Plan"). Each Performance-based Restricted Stock Unit represents the right to receive one share of Common Stock (a "Share") upon vesting. Capitalized terms not specifically defined herein shall **not be considered a resignation** have the meanings specified in the Plan and Grant Notice.

**ARTICLE I.****GENERAL**

**1.1 Incorporation of Terms of Plan.** The PRSUs are subject to the terms and conditions of the Plan, which are incorporated herein by **the Employee pursuant to Subsection 5.D.(1) below.**

**(3)** reference. In the event of any inconsistency between the Plan and this Agreement, **is the terms of the Plan shall control.**

**ARTICLE II.****GRANT OF PERFORMANCE-BASED RESTRICTED STOCK UNITS**

**2.1 Grant of PRSUs.** Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of PRSUs under the Plan in consideration of the Participant's past and/or continued employment with or service to the Company or any Subsidiaries and for other good and valuable consideration.

**2.2 Unsecured Obligation to PRSUs.** Unless and until the PRSUs have vested in the manner set forth in Article 2 hereof, the Participant will have no right to receive Common Stock under any such PRSUs. Prior to actual payment of any vested PRSUs, such PRSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

**2.3 Vesting Schedule.** Subject to Section 2.5 hereof, the PRSUs shall vest and become nonforfeitable with respect to the applicable portion thereof according to the vesting schedule set forth in the Grant Notice (rounding down to the nearest whole Share).

**2.4 Consideration to the Company.** In consideration of the grant of the award of PRSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

**2.5 Forfeiture, Termination and Cancellation upon Termination of Service.** Notwithstanding any contrary provision of this Agreement or the Plan, upon the Participant's Termination of Service for any or no reason, all Performance-based Restricted Stock Units which have not vested prior to or in connection with such Termination of Service shall thereupon automatically be forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and the Participant, or the Participant's beneficiary or personal representative, as the case may be, shall have no further rights hereunder. No portion of the PRSUs which has not become vested as of the date on which the Participant incurs a Termination of Service shall thereafter become vested.

## 2.6 Issuance of Common Stock upon Vesting.

(a) As soon as administratively practicable following the vesting of any Performance-based Restricted Stock Units pursuant to Subsection 5.C.(1) or 5.C.(2) above, then upon Section 2.3 hereof, but in no event later than thirty (30) days after such vesting date (for the Employee's "separation from service" avoidance of doubt, this deadline is intended to comply with the Company (as such "short term is defined for purposes of deferral" exemption from Section 409A of the Code), the Company shall pay the Employee her then existing Base Salary and continue Employee's benefits enumerated in Subsections 3.C.(3) and 3.C.(4) hereof (to the extent permitted by the Company's insurance carriers) for a period of twelve (12) months commencing with the day following the effective date of the termination of Employee's employment relationship with the Company; provided, however that the Company's obligation to make such severance payments shall be mitigated if, and deliver to the extent, of any earned income and benefits actually received by or for the account of the Employee from Participant (or any alternative employment during such twelve (12) month period. If the Employee is transferee permitted under Section 3.2 hereof) a "specified employee" (as such term is defined for purposes number of Section 409A of the Code), then no salary continuation payments shall be made under this paragraph until the date that is six (6) months after the Employee's separation from service, and on such date the Employee shall receive a lump sum payment Shares equal to the amount number of salary continuation payments PRSUs subject to this Award that vest on the Employee would have received during such six (6) months had she not been a specified employee.

applicable vesting date. Notwithstanding the foregoing, if this Agreement and in the Employee's employment relationship event Shares cannot be issued pursuant to Section 10.7 of the Plan, the Shares shall be issued pursuant to

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the preceding sentence as soon as administratively practicable after the Administrator determines that Shares can again be issued in accordance with such Section.

(b) As set forth in Section 10.5 of the Plan, the Company shall have been terminated pursuant to Section 5C(1) or (2) above, then, unless waived by the Company, the provisions of Section 4A(3) of this Agreement shall continue to apply.

### D. Resignation by the Employee.

(1) The Employee shall have authority and the right to terminate this Agreement by way of resignation upon ninety (90) days' prior written notice deduct or withhold, or to require the Company. A termination by

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the Employee for Good Reason pursuant Participant to Subsection 5.C.(2) shall not be considered a resignation pursuant to this Subsection 5.D.(1).

(2) In the event this Agreement is terminated pursuant to Subsection

5.D. (1), the provisions of Subsections 4.A. (1), 4.A.(2) and 4.A.(3) shall continue to apply for a period of twelve (12) months following the effective date of termination of Employee's employment relationship with the Company.

(3) In the event this Agreement is terminated pursuant to Subsection 5.D.(1), the Employee's entire right to salary and benefits hereunder shall cease at the effective date of the termination of the Employee's employment relationship with the Company.

### E. Termination for Disability.

(1) Should the Employee be absent from work as a result of personal injury, sickness or other Disability, this Agreement and the Employee's employment relationship with the Company may be terminated by the Company upon written notice given to the Employee. For purposes of this

Agreement, the term "Disability" shall mean the Employee's incapacity due to physical injury, sickness or mental illness that: (a) shall have prevented the Employee from performing her duties for the Company or any of its affiliates on a full-time basis for ninety (90) or more consecutive days or an aggregate of one hundred eighty (180) days in any 365-day period; or (b) (i) the Company determines, in compliance with applicable law, is likely to prevent the Employee from performing such duties for such periods of time, and (ii) thirty (30) days have elapsed since delivery to the Employee of the determination of the Company, and the Employee has not resumed such performance (in which case the date of termination in the case of a termination for "Disability" pursuant to this clause (b) shall be deemed to be the last day of such 30-day period).

(2) In the event this Agreement and the Employee's employment relationship with the Company are terminated pursuant to Subsection 5.E.(l) above, then, following such termination, the Employee shall continue to be entitled to benefits pursuant to Subsections 3.C.(3) and 3.C.(4) hereof, if any, (to the extent permitted by the Company's insurance carriers) for a period of ninety (90) days after the date of such termination, provided, however, that if Employee's employment relationship with the Company is terminated pursuant to Subsection 5.E.(l) above after the Company has established a disability plan or policy in which Employee participates, and Employee is eligible for post-termination benefits under such plan or policy, then Employee shall receive such post-termination benefits.

**F. Termination Upon Death.** If not earlier terminated, this Agreement shall terminate upon the death of the Employee and the Company shall have no further obligation to the Employee or the Employee's estate except to pay the Employee's estate (i) any Base Salary accrued but remaining unpaid prior to her death, (ii) any expenses accrued but remaining unpaid prior to the Employee's death, (iii) any benefits accrued but remaining unpaid prior to the Employee's death, and (iv) an amount in cash equal to three (3) months' Base Salary.

**G. Termination Upon Change in Control.**

(1) For the purposes of this Agreement, a "Change in Control" shall

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mean any of the following events:

(i) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") other than in a "Non-Control Acquisition" (as defined below) by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, (the "1934 Act")) which results in such Person first attaining "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of fifty-one percent (51%) or more of the combined voting power of the Company's then outstanding Voting Securities. For purposes of the foregoing, a "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (x) the Company or (y) any corporation or other Person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company (a "Subsidiary"), or (ii) the Company or any Subsidiary.

(ii) The individuals who, as of the date of this Agreement, were members of the Board (the "Incumbent Board") cease for any reason to constitute at least 66 2/3% of the Board; provided, however, that if the election, or a nomination for election by the Company's shareholders, of any new director was approved by a vote of at least 66 2/3% of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of the proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(iii) The consummation of a transaction approved by the Company's shareholders and involving: (1) a merger, consolidation or reorganization in which the Company is a constituent corporation, unless (i) the shareholders of the Company, immediately before such merger,



consolidation or reorganization, own, directly or indirectly immediately following such merger, consolidation or reorganization, at least sixty-six and two-thirds percent (66-2/3%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger, consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, (ii) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least 66 2/3% of the members of the board of directors of the Surviving Corporation, and (iii) no Person other than (w) the Company, (x) any Subsidiary,

(y) any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Subsidiary, or (z) any Person who, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty-one percent (51%) or more of the then outstanding Voting Securities, has Beneficial Ownership of fifty-one percent (51%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (i) and (ii) shall herein be referred to as a "Non- Control Transaction"); (2) a complete liquidation or dissolution of the Company; or (3) an agreement for the sale or other disposition of all or substantially all of the assets of the Company to any Person (other than a transfer to a Subsidiary).

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(iv) Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because the level of Beneficial Ownership held by any Person (the "Subject Person") exceeds the designated percentage threshold of the outstanding Voting Securities as a result of a repurchase or other acquisition of Voting Securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Company, and after such share acquisition, the Subject Person becomes the Beneficial Owner of any additional Voting Securities which, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding Voting Securities Beneficially Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall occur.

(2) The Employee shall have the right to terminate this Agreement, for any reason, on thirty (30) days' written notice to the Company in the event of a Change in Control; *provided, however,* that such termination right must be exercised by the Employee within one (1) year following such Change in Control. Any termination of this Agreement by the Company within one (1) year following a Change in Control shall be deemed a termination by the Employee pursuant to the preceding sentence.

(3) In the event this Agreement is terminated by the Employee pursuant to Subsection 5.G.(2) for any reason, the Company shall provide the Employee the following benefits:

(i) **Amount:** In addition to all compensation for services rendered by Employee **remit** to the Company, up to the date of termination, the Company shall pay to Employee, no later than the date of such termination, a single lump-sum payment in an amount **equal sufficient** to (i) six (6) times Employee's highest monthly base compensation paid hereunder during the preceding twelve (12) month (or shorter) period, plus (ii) the Employee's annual bonus received by the Employee during the preceding year.

(ii) **Benefits:** In addition to the payment described above, the Company shall continue to provide to Employee all benefits provided under Subsections 3.C.(3) and 3.C.(4) hereof (to the extent permitted by the Company's insurance carriers) for a period of six (6) months after termination.

(iii) **Acceleration of Options:** All of the Employee's outstanding options and/or equity awards shall become fully and immediately vested to the extent not already so provided under the terms of such options and equity awards. Notwithstanding any provisions of the Plan or stock option agreement pursuant to which any Options subject to the preceding sentence were granted, the Employee shall be entitled to exercise such Options until three years from the date of termination of employment or the expiration of the stated period of the Option, whichever period is the shorter.



**(iv) Golden Parachute Payment Provisions:** If any payment or benefit the Employee would receive pursuant to a Change in Control from the Company or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section

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4999 of the Code (the "Excise Tax"), then such Payment shall be reduced to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account satisfy all applicable federal, state and local employment taxes income required by law to be withheld with respect to any taxable event arising in connection with the Performance-based Restricted Stock Units. The Company shall not be obligated to deliver any Shares to the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes and applicable to the Excise Tax (all computed at the highest applicable marginal rate), results in the Employee's receipt, on an after-tax basis, taxable income of the greater amount Participant resulting from the grant or vesting of the Payment notwithstanding that all Performance-based Restricted Stock Units or some portion the issuance of Shares.

**2.7 Conditions to Delivery of Shares.** The Shares deliverable hereunder may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue Shares deliverable hereunder prior to fulfillment of the Payment may conditions set forth in Section 10.4 of the Plan.

**2.8 Rights as Stockholder.** The holder of the RSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the PRSUs and any Shares underlying the PRSUs and deliverable hereunder unless and until such Shares shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article IX of the Plan.

### ARTICLE III.

#### OTHER PROVISIONS

**3.1 Administration.** The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PRSUs.

**3.2 PRSUs Not Transferable.** The PRSUs shall be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order unless the Employee elects in writing a different order (*provided, however*, that such election shall be subject to Company approval if made restrictions on or after the effective date of the event that triggers the Payment): reduction of cash payments; cancellation of accelerated vesting of stock options or equity awards; reduction of employee benefits. In the event that acceleration of vesting of stock option or equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Employee's stock options or equity awards unless the Employee elects in writing a different order for cancellation.

The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is also serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Employee within fifteen (15) calendar days after the date on which the Employee's right to a Payment is triggered (if requested at that time by the Company or the Employee) or such other time as requested by the Company or the Employee. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and the Employee with an opinion reasonably acceptable to the Employee that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and the Employee.

**H. COBRA.** If the Company continues benefits for Employee and her dependents pursuant to Subsections 5.A, 5.C, 5.E, or 5.F, Employee and her dependents, as applicable, shall, upon the request of the Company, be required to elect to receive such continued coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and any analogous state law, and the Company's provision of such continued coverage for all purposes shall be considered continuation coverage under COBRA and any analogous state law. In the event Employee is required to make an election pursuant to the preceding sentence, the Company will reimburse the Employee for her COBRA and any analogous state law costs incurred during the period transferability set forth in Subsection 5.A, 5.C, 5.E, or 5.F, as applicable, unless Employee becomes a full-time employee of another entity at which time such payments shall cease.

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**I. Return of Company Materials Upon Termination of Employment.** All documents, Records, notebooks, models, prototypes or other tangible embodiments or repositories or evidence of Confidential Information or Inventions, and all copies of the foregoing (hereinafter referred to as "Materials"), which may at any time be acquired by or come into the possession Section 10.1 of the Employee during Plan.

**3.3 Tax Consultation.** The Participant understands that the Employee's employment hereunder are the sole and exclusive property of the Company. All Materials shall be surrendered to the Company, without demand therefore, prior to the last day of the Employee's employment by the Company, or upon the request of the Company at any other time. In addition, upon the reasonable request of the Company at anytime, the Employee shall prepare Materials accurately and adequately describing, setting forth or embodying any Confidential Information or Inventions or deliver the same to the Company in order to accomplish or complete the transfer thereof to the Company and the Employee shall be reimbursed by the Company for all of her reasonable out-of-pocket expenses incurred in so doing. The Employee further agrees, during or at any time prior to two (2) years after the last day of her employment by the Company without charge to execute all documents and to take all such other action as the Company Participant may reasonably require, being reimbursed for all of the Employee's reasonable out-of-pocket expenses in this connection, in order to assign to the Company any and all copyrights and reproduction rights to any Materials prepared by the Employee during and suffer adverse tax consequences in connection with the Employee's employment by PRSUs granted pursuant to this Agreement (and the Company).

## **7. MISCELLANEOUS.**

**A. Notices.** All notices, requests, demands, claims, Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the PRSUs and other the issuance of Shares with respect thereto and that the Participant is not relying on the Company for any tax advice.

communications hereunder 3.4 Binding Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, faxed or telecopied, sent by confirmed electronic mail, sent by internationally recognized overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid. Subject to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to the Company, to:

Y-mAbs Therapeutics, Inc. 230 Park Avenue, Suite  
3350 New York, New York 10169

Attention: – Claus Møller, CEO Telephone: +1 212-847-  
9841 Email: cm@ymabs.com

with copies to:

Y-mAbs Therapeutics A/S Agerø Allé

11

2970 Hørsholm, Denmark Attention: Sune  
Nyland, VP GC Telephone: +45 70 26 14 14

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Email:  
SRN@ymabs.com

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If to the Employee, to: Sue Smith

\*\*\*],

\*\*\*]Email: [xx]

All such notices and other communications shall be deemed to have been given and received (i) in the case of personal delivery, limitation on the date of such delivery, (ii) in the case of delivery by fax or telecopy, on the date of such delivery, (iii) in the case of delivery by electronic mail, on the date of delivery transferability of the confirming electronic mail, (iv) in the case of delivery by internationally recognized overnight courier, on the second Business Day following the date when sent and (v) in the case of mailing, on the fifth Business Day following such mailing.

**B. Disability.** The Company acknowledges its obligations under state and federal law to provide reasonable accommodations to the Employee in the event of a disability, and nothing in PRSUs contained herein, this Agreement is intended to relieve the Company of that responsibility.

**C. Binding Effect.** This Agreement shall will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, personal legatees, legal representatives, successors and assigns provided that neither Party shall assign any of its rights or privileges hereunder without the prior written consent of the other Party except that the Company may, without the prior written consent of the Employee, assign parties hereto.

**3.5 Adjustments Upon Specified Events.** The Administrator may accelerate the Company's rights hereunder, vesting of the PRSUs in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges that the PRSUs are subject to a successor adjustment, modification and termination in ownership certain events as provided in this Agreement and Article IX of all or substantially all the capital stock or assets of Plan.

**3.6 Notices.** Any notice to be given under the Company.

**D. Severability.** Should any part or provision terms of this Agreement to the Company shall be held unenforceable by a court of competent jurisdiction, the validity of the remaining parts or provisions shall not be affected by such holding, unless such enforceability substantially impairs addressed to the benefit Company in care of the remaining portions Secretary of the Agreement.

**E. Waiver.** No failure or delay Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the part Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt

A-2

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requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

**3.7 Participant's Representations.** If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of either Party in such issuance, the exercise of any right Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or privilege hereunder shall operate as a waiver thereof, nor shall any single appropriate by the Company and/or partial exercise of any such right or privilege preclude other or further exercise thereof or of any other right of its counsel.

privilege. 3.8

**Titles F. Captions.** The captions used in this Agreement. Titles are provided herein for convenience only and are not to be used in interpreting the obligations serve as a basis for interpretation or construction of the Parties under this Agreement.

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**G. 3.9 Choice of Law; Jurisdiction. Governing Law.** The validity, construction and performance of this Agreement and the transaction to which it relates shall be governed by the laws of the State of New York, without regard to choice of laws. Each of the Parties hereto agrees to consent and submit to the jurisdiction of, and laying of venue in, the courts of the State of New York, New York County Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

**3.10 Conformity to Securities Laws.** The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any other Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PRSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

**3.11 Amendment, Suspension and Termination.** To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PRSUs in any action material way without the prior written consent of the Participant.

**3.12 Successors and Assigns.** The Company may assign any of its rights under this Agreement to single or proceeding arising out multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or relating her heirs, executors, administrators, successors and assigns.

**3.13 Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the PRSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

agreement. 3.14

**Not a Contract of Service Relationship.** Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any of its Subsidiaries, which rights are hereby expressly reserved, to discharge or to terminate for any reason whatsoever, with or without cause, the services of the Participant's at any time.

**H. 3.15 Entire Agreement.** Agreement This. The Plan, the Grant Notice and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the applicable plans embody the entire understanding of the Parties as it relates Participant with respect to the subject matter contained herein hereof.

**3.16 Section 409A.** This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and as other interpretive guidance issued thereunder, including without limitation any such supersedes regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any prior agreement other provision of the Plan, the Grant Notice or understanding between this Agreement, if at any time the Parties relating Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the terms of employment of Plan, the Employee. No amendment Grant Notice or modification of this Agreement shall be valid or binding upon the Parties unless in writing executed by the Parties.

[Signature page to follow]

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**IN WITNESS WHEREOF,** Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Parties hereto have caused Administrator determines are necessary or appropriate for this Agreement Award either to be duly executed exempt from the application of Section 409A or to comply with the requirements of Section 409A.

**3.17 Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the day Company as to amounts payable and year first shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the PRSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to PRSUs, as and when payable hereunder.

3.18. Special Provisions relating to Danish Law. Pursuant to Section 11.5 of the Plan (Provisions for Foreign Participants), the Administrator has determined that the following shall apply to Performance-based Restricted Stock Units awarded to persons who are employed by Y-mAbs Therapeutics A/S and subject to Danish income taxation ("DK Participants"):

3.18.1. Right for Participant to Refuse Cash and other Differential Settlement. Irrespective of Sections 9.2(a) and 9.2 (e), 9.3(a)(i), 9.3(b), 10.6 of the Plan or any other provision of the Plan, the Administrator may only settle PRSUs other than by delivery of the number of Shares equal to the number of PRSUs subject to this Award with the prior written above, approval of the DK Participant (who thus has the right to demand delivery of Shares (gross amount before taxes) as settlement).

3.18.2. Restrictions on Transferability. Irrespective of Section 10.1 or any other provision of the Plan, RSUs issued to DK Participants cannot be transferred even in connection with domestic relations orders.

**Y-MABS THERAPEUTICS, INC.**

By: 3.18.3. /s/ Claus Møller Applicability of laws

Name: Dr. Claus Juan Møller San Pedro

Title: Chief Executive Officer

**EMPLOYEE**

/s/ Sue Smith

Sue Smith. It is emphasized that the Plan is finally decided and established after 1 January 2019 for PRSUs to Participants.

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**Exhibit 21.1**

**Subsidiaries Subsidiary of the Registrant**

Y-mAbs Therapeutics A/S (Denmark)

Y-mAbs Therapeutics (Cayman Islands)

Y-mAbs Therapeutics Limited (United Kingdom)

Note: Y-mAbs Therapeutics (Cayman Islands) and Y-mAbs Therapeutics Limited (United Kingdom) are dormant entities without any operations and holding no assets.

**EXHIBIT 23**

## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration **Statement** **Statements** on Form S-8 (Nos. 333-271007 and 333-230455) and Form S-3 (No. 333-230455) 333-271006) of Y-mAbs Therapeutics, Inc. of our report dated **March 30, 2023** **February 29, 2024** relating to the financial statements which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Florham Park, NJ  
**March 30, 2023** **February 29, 2024**

EXHIBIT 31.1

### CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Thomas Gad** **Michael Rossi** certify that:

1. I have reviewed this Annual Report on Form 10-K of Y-mAbs Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 30, 2023** **February 29, 2024**

/s/ **Thomas Gad** **Michael Rossi**

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Name: Thomas Gad Michael Rossi

Title: Founder, Chairman, President, Interim Chief Executive Officer  
and Head of Business Development and Strategy  
(Principal Executive Officer)

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EXHIBIT 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bo Kruse, certify that:

1. I have reviewed this Annual Report on Form 10-K of Y-mAbs Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2023 February 29, 2024

/s/ Bo Kruse

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Name: Bo Kruse



Title: EVP, Chief Financial Officer

(Principal Financial Officer)

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**EXHIBIT 32.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Y-mAbs Therapeutics, Inc. (the "Company") hereby certifies, to his knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the fiscal year ended **December 31, 2022** **December 31, 2023** (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **March 30, 2023** **February 29, 2024**

/s/ **Thomas Gad Michael Rossi**

Name: **Thomas Gad Michael Rossi**

Title: **Founder, Chairman, President, Interim** Chief Executive Officer  
**and Head of Business Development and Strategy**

(Principal Executive Officer)

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**EXHIBIT 32.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Y-mAbs Therapeutics, Inc. (the "Company") hereby certifies, to his knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the fiscal year ended **December 31, 2022** **December 31, 2023** (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **March 30, 2023** **February 29, 2024**

/s/ Bo Kruse

Name: Bo Kruse

Title: EVP and Chief Financial Officer  
(Principal Financial Officer)

1

## Y-MABS THERAPEUTICS, INC.

## INCENTIVE COMPENSATION RECOUPMENT POLICY

## 1. INTRODUCTION

The Compensation Committee (the "**Compensation Committee**") of the Board of Directors (the "**Board**") of Y-mAbs Therapeutics, Inc. a Delaware corporation (the "**Company**"), has determined that it is in the best interests of the Company and its stockholders to adopt this Incentive Compensation Recoupment Policy (this "**Policy**") providing for the Company's recoupment of Recoverable Incentive Compensation that is received by Covered Officers of the Company under certain circumstances. Certain capitalized terms used in this Policy have the meanings given to such terms in Section 3 below.

This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder ("**Rule 10D-1**") and Nasdaq Listing Rule 5608 (the "**Listing Standards**").

## 2. EFFECTIVE DATE

This Policy shall apply to all Incentive Compensation that is received by a Covered Officer on or after October 2, 2023 (the "**Effective Date**"). Incentive Compensation is deemed "**received**" in the Company's fiscal period in which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of such Incentive Compensation occurs after the end of that period.

## 3. DEFINITIONS

"**Accounting Restatement**" means an accounting restatement that the Company is required to prepare due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"**Accounting Restatement Date**" means the earlier to occur of (a) the date that the Board, a committee of the Board authorized to take such action, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date that a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

"**Administrator**" means the Compensation Committee or, in the absence of such committee, the Board.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"**Covered Officer**" means each current and former Executive Officer.

"**Exchange**" means the Nasdaq Stock Market.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Executive Officer**" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), senior and chief officers (commercial, medical affairs, research & development, manufacturing, regulatory and clinical operations), vice-president of the Company in charge of a principal business unit, division, or function (such as sales, medical, clinical, manufacturing, regulatory, quality, research & development, investor relations, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent(s) or subsidiaries are deemed executive officers of the Company if they perform such policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. Identification of an executive officer for purposes of this Policy would include at a minimum executive officers identified pursuant to Item 401(b) of Regulation S-K promulgated under the Exchange Act.

**"Financial Reporting Measures"** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including Company stock price and total stockholder return ("TSR"). A measure need not be presented in the Company's financial statements or included in a filing with the SEC in order to be a Financial Reporting Measure.

**"Incentive Compensation"** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

**"Lookback Period"** means the three completed fiscal years immediately preceding the Accounting Restatement Date, as well as any transition period (resulting from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period of at least nine months shall count as a completed fiscal year). Notwithstanding the foregoing, the Lookback Period shall not include fiscal years completed prior to the Effective Date.

**"Recoverable Incentive Compensation"** means Incentive Compensation received by a Covered Officer during the Lookback Period that exceeds the amount of Incentive Compensation that would have been received had such amount been determined based on the Accounting Restatement, computed without regard to any taxes paid (i.e., on a gross basis without regarding to tax withholdings and other deductions). For any compensation plans or programs that take into account Incentive Compensation, the amount of Recoverable Incentive Compensation for purposes of this Policy shall include, without limitation, the amount contributed to any notional account based on Recoverable Incentive Compensation and any earnings to date on that notional amount. For any Incentive Compensation that is based on stock price or TSR, where the Recoverable Incentive Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Administrator will determine the amount of Recoverable Incentive Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive Compensation was received. The Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange in accordance with the Listing Standards.

**"SEC"** means the U.S. Securities and Exchange Commission.

#### 4. RECOUPMENT

(a) **Applicability of Policy.** This Policy applies to Incentive Compensation received by a Covered Officer (i) after beginning services as an Executive Officer, (ii) who served as an Executive Officer at any time during the performance period for such Incentive Compensation, (iii) while the Company had a class of securities listed on a national securities exchange or a national securities association, and (iv) during the Lookback Period.

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(b) **Recoupment Generally.** Pursuant to the provisions of this Policy, if there is an Accounting Restatement, the Company must reasonably promptly recoup the full amount of the Recoverable Incentive Compensation, unless the conditions of one or more subsections of Section 4(c) of this Policy are met and the Compensation Committee, or, if such committee does not consist solely of independent directors, a majority of the independent directors serving on the Board, has made a determination that recoupment would be impracticable. Recoupment is required regardless of whether the Covered Officer engaged in any misconduct and regardless of fault, and the Company's obligation to recoup Recoverable Incentive Compensation is not dependent on whether or when any restated financial statements are filed.

(c) **Impracticability of Recovery.** Recoupment may be determined to be impracticable if, and only if:

(i) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of the applicable Recoverable Incentive Compensation; provided that, before concluding that it would be impracticable to recover any amount of Recoverable Incentive Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Recoverable Incentive Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange in accordance with the Listing Standards; or

(ii) recoupment of the applicable Recoverable Incentive Compensation would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Code Section 401(a)(13) or Code Section 411(a) and regulations thereunder.

(d) **Sources of Recoupment.** To the extent permitted by applicable law, the Administrator shall, in its sole discretion, determine the timing and method for recouping Recoverable Incentive Compensation hereunder, provided that such recoupment is undertaken reasonably

promptly. The Administrator may, in its discretion, seek recoupment from a Covered Officer from any of the following sources or a combination thereof, whether the applicable compensation was approved, awarded, granted, payable or paid to the Covered Officer prior to, on or after the Effective Date: (i) direct repayment of Recoverable Incentive Compensation previously paid to the Covered Officer; (ii) cancelling prior cash or equity-based awards (whether vested or unvested and whether paid or unpaid); (iii) cancelling or offsetting against any planned future cash or equity-based awards; (iv) forfeiture of deferred compensation, subject to compliance with Code Section 409A; and (v) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may effectuate recoupment under this Policy from any amount otherwise payable to the Covered Officer, including amounts payable to such individual under any otherwise applicable Company plan or program, e.g., base salary, bonuses or commissions and compensation previously deferred by the Covered Officer. The Administrator need not utilize the same method of recovery for all Covered Officers or with respect to all types of Recoverable Incentive Compensation.

**(e) No Indemnification of Covered Officers.** Notwithstanding any indemnification agreement, applicable insurance policy or any other agreement or provision of the Company's certificate of incorporation or bylaws to the contrary, no Covered Officer shall be entitled to indemnification or advancement of expenses in connection with any enforcement of this Policy by the Company, including, without limitation, paying or reimbursing such Covered Officer for insurance premiums to cover potential obligations to the Company under this Policy or the cost of tax, legal and other advisors.

**(f) Indemnification of Administrator.** Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any

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action, determination or interpretation made with respect to this Policy and shall be indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

**(g) No "Good Reason" for Covered Officers.** Any action by the Company to recoup or any recoupment of Recoverable Incentive Compensation under this Policy from a Covered Officer shall not be deemed (i) "good reason" for resignation or to serve as a basis for a claim of constructive termination under any benefits or compensation arrangement applicable to such Covered Officer, or (ii) to constitute a breach of a contract or other arrangement to which such Covered Officer is party.

## **5. ADMINISTRATION**

Except as specifically set forth herein, this Policy shall be administered by the Administrator. The Administrator shall have full and final authority to make any and all determinations required under this Policy. Any determination by the Administrator with respect to this Policy shall be final, conclusive and binding on all interested parties and need not be uniform with respect to each individual covered by this Policy. In carrying out the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions that the Administrator, in its sole discretion, deems necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

## **6. SEVERABILITY**

If any provision of this Policy or the application of any such provision to a Covered Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

## **7. NO IMPAIRMENT OF OTHER REMEDIES**

Nothing contained in this Policy, and no recoupment or recovery as contemplated herein, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Officer arising out of or resulting from any actions or omissions by the Covered Officer. This Policy does not preclude the Company from taking any other action to enforce a Covered Officer's obligations to the Company, including, without limitation, termination of employment and/or institution of civil proceedings. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 ("**SOX 304**") that are applicable to the Company's Chief Executive Officer and Chief Financial Officer and to any other compensation recoupment policy and/or similar provisions in any employment, equity plan, equity award,

or other individual agreement, to which the Company is a party or which the Company has adopted or may adopt and maintain from time to time; provided, however, that compensation recouped pursuant to this policy shall not be duplicative of compensation recouped pursuant to SOX 304 or any such compensation recoupment policy and/or similar provisions in any such employment, equity plan, equity award, or other individual agreement except as may be required by law.

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**8. AMENDMENT; TERMINATION**

The Administrator may amend, terminate or replace this Policy or any portion of this Policy at any time and from time to time in its sole discretion. The Administrator shall amend this Policy as it deems necessary to comply with applicable law or any Listing Standard.

**9. SUCCESSORS**

This Policy shall be binding and enforceable against all Covered Officers and, to the extent required by Rule 10D-1 and/or the applicable Listing Standards, their beneficiaries, heirs, executors, administrators or other legal representatives.

**10. REQUIRED FILINGS**

The Company shall make any disclosures and filings with respect to this Policy that are required by law, including as required by the SEC.

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