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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

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: **001-39071**

ADC Therapeutics SA

(Exact name of registrant as specified in its charter)

Switzerland	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Biopôle **Route de la Corniche 3B** **1066 Epalinges** **Switzerland** (Address of principal executive offices) (Zip code)	**+ 41 21 653 02 00** (Registrant's telephone number)

N/A
(Former name or former address, if changed since last report)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Shares, par value CHF 0.08 per share	**ADCT**	**The New York Stock Exchange**

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

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

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

The number of common shares outstanding was 96,689,617 as of November 1, 2024.

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Unless otherwise indicated or the context otherwise requires, all references in this Annual Report to "ADC Therapeutics," "ADCT," the "Company," "we," "our," "ours," "us" or similar terms refer to ADC Therapeutics SA and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

This Quarterly Report contains statements that constitute forward-looking statements. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future catalysts, results of operations and financial position, business and commercial strategy, market opportunities, products and product candidates, research pipeline, ongoing and planned preclinical studies and clinical trials, regulatory submissions and approvals, research and development costs, projected revenues and expenses and the timing of revenues and expenses, timing and likelihood of success, as well as plans and objectives of management for future operations are forward-looking statements. Many of the forward-looking statements contained in this Quarterly Report can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate,” “will” and “potential,” among others.

Forward-looking statements are based on our management’s beliefs and assumptions and on information available to our management at the time such statements are made. Such statements are subject to known and unknown risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

- the substantial net losses that we have incurred since our inception, our expectation to continue to incur losses for the foreseeable future and our need to raise additional capital to fund our operations and execute our business plan;
- our indebtedness under the loan agreement and guaranty (the “Loan Agreement”) with certain affiliates and/or funds managed by each of Oaktree Capital Management, L.P. and Owl Rock Capital Advisors LLC, as lenders, and Blue Owl Opportunistic Master Fund I, L.P., as administrative agent, and the associated restrictive covenants thereunder;
- the purchase and sale agreement (the “HCR Agreement”) with certain entities managed by HealthCare Royalty Management, LLC (“HCR”) and its negative effect on the amount of cash that we are able to generate from sales of, and licensing agreements involving, ZYNLONTA and on our attractiveness as an acquisition target;
- our ability to complete clinical trials on expected timelines, if at all;
- the timing, outcome and results of ongoing or planned clinical trials, whether the Company sponsored trials or through investigator initiated trials, and the sufficiency of such results;
- undesirable side effects or adverse events of our products and product candidates;
- our and our partners’ ability to obtain and maintain regulatory approval for our product and product candidates;
- our and our partners’ ability to successfully commercialize our products;
- the availability and scope of coverage and reimbursement for our products;
- the complexity and difficulty of manufacturing our products and product candidates;
- the substantial competition in our industry, including new technologies and therapies;
- the timing and results of any early research projects and future clinical outcomes;
- our reliance on third parties for preclinical studies and clinical trials and for the manufacture, production, storage and distribution of our products and product candidates and certain commercialization activities for our products;
- our ability to obtain, maintain and protect our intellectual property rights and our ability to operate our business without infringing on the intellectual property rights of others;
- our estimates regarding future revenue, expenses, liquidity, capital resources and needs for additional financing;
- the size and growth potential of the markets for our products and product candidates potential product liability lawsuits and product recalls;
- our ability to identify and successfully enter into strategic collaborations for research or licensing opportunities in the future;
- and those identified in the “Item 1A. Risk Factors” section contained in this Quarterly Report and our Annual Report on Form 10-K, and in our other reports filed with the U.S. Securities and Exchange Commission (the “SEC”), from time to time thereafter.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events, changed circumstances or otherwise.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands, except share amounts)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 274,272	$ 278,598
Accounts receivable, net	24,030	25,182
Inventory	16,072	16,177
Prepaid expenses and other current assets	18,631	16,334
Total current assets	**333,005**	**336,291**
Property and equipment, net	5,721	5,622
Operating lease right-of-use assets	9,188	10,511
Interest in joint venture	—	1,647
Other long-term assets	1,165	711
Total assets	**$ 349,079**	**$ 354,782**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 14,372	$ 15,569
Accrued expenses and other current liabilities	53,307	52,101
Total current liabilities	**67,679**	**67,670**
Deferred royalty obligation, long-term	322,625	303,572
Senior secured term loans	114,189	112,730
Operating lease liabilities, long-term	8,883	10,180
Other long-term liabilities	7,649	8,879
Total liabilities	**521,025**	**503,031**
Commitments and contingencies (*See Note 14*)		
Shareholders' equity (deficit)		
Common shares, at CHF 0.08 par value	8,233	7,312
Issued shares: 99,453,858 at September 30, 2024 and 89,041,946 December 31, 2023; outstanding shares: 96,687,985 at September 30, 2024 and 82,293,137 at December 31, 2023		
Additional paid-in capital	1,282,431	1,180,545
Treasury shares	(222)	(541)
At September 30, 2024: 2,765,873 and December 31, 2023: 6,748,809		
Accumulated other comprehensive loss	203	(93)
Accumulated deficit	(1,462,591)	(1,335,472)
Total shareholders' equity (deficit)	**(171,946)**	**(148,249)**
Total liabilities and shareholders' equity (deficit)	**$ 349,079**	**$ 354,782**

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except share and per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Revenue				
Product revenues, net	$ 18,016	$ 14,267	$ 52,894	$ 52,417
License revenues and royalties	448	226	1,033	351
Total revenue, net	18,464	14,493	53,927	52,768
Operating expense				
Cost of product sales	(851)	(208)	(4,578)	(1,313)
Research and development	(32,502)	(27,080)	(82,532)	(96,797)
Selling and marketing	(10,673)	(13,730)	(32,764)	(43,537)
General and administrative	(10,002)	(9,624)	(32,271)	(37,129)
Total operating expense	(54,028)	(50,642)	(152,145)	(178,776)
Loss from operations	**(35,564)**	**(36,149)**	**(98,218)**	**(126,008)**
Other income (expense)				
Interest income	3,438	2,703	9,639	7,250
Interest expense	(13,117)	(12,816)	(38,292)	(33,416)
Other, net	1,624	860	1,783	(3,374)
Total other expense, net	(8,055)	(9,253)	(26,870)	(29,540)
Loss before income taxes	**(43,619)**	**(45,402)**	**(125,088)**	**(155,548)**
Income tax (expense) benefit	(90)	85	(487)	4,065
Loss before equity in net losses of joint venture	**(43,709)**	**(45,317)**	**(125,575)**	**(151,483)**
Equity in net losses of joint venture	(260)	(1,409)	(1,544)	(3,539)
Net loss	**$ (43,969)**	**$ (46,726)**	**$ (127,119)**	**$ (155,022)**
Net loss per share				
Net loss per share, basic and diluted	$ (0.42)	$ (0.57)	$ (1.35)	$ (1.90)
Weighted average shares outstanding, basic and diluted	104,824,877	82,256,847	94,394,355	81,516,563

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	**$ (43,969)**	**$ (46,726)**	**$ (127,119)**	**$ (155,022)**
Other comprehensive (loss) income:				
Remeasurement of defined benefit plan	(44)	(39)	(125)	(118)
Currency translation differences	585	(293)	524	18
Other comprehensive income (loss) before share of other comprehensive loss in joint venture	**541**	**(332)**	**399**	**(100)**
Share of other comprehensive income (loss) in joint venture	—	76	(103)	(624)
Other comprehensive income (loss)	**541**	**(256)**	**296**	**(724)**
Total comprehensive loss	**$ (43,428)**	**$ (46,982)**	**$ (126,823)**	**$ (155,746)**

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Unaudited)

For the Three and Nine Months Ended September 30, 2024

(in thousands, except share amounts)	Number of shares	Common shares, par value	Additional paid-in capital	Number of shares (held or received)/delivered	Treasury shares	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
July 1, 2024	**99,453,858**	**$ 8,233**	**$ 1,279,296**	**(2,984,217)**	**$ (239)**	**$ (338)**	**$ (1,418,622)**	**$ (131,670)**
Loss for the period	—	—	—	—	—	—	(43,969)	(43,969)
Remeasurement of defined benefit pension liability	—	—	—	—	—	(44)	—	(44)
Foreign currency translation adjustment	—	—	—	—	—	585	—	585
Total other comprehensive income	**—**	**—**	**—**	**—**	**—**	**541**	**—**	**541**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**—**	**—**	**541**	**(43,969)**	**(43,428)**
Exercise of options	—	—	108	55,834	3	—	—	111
Issuance of shares, 2022 Employee Stock Purchase Plan	—	—	221	162,510	14	—	—	235
Share-based compensation expense	—	—	2,806	—	—	—	—	2,806
	—	—	3,135	218,344	17	—	—	3,152
September 30, 2024	**99,453,858**	**$ 8,233**	**$ 1,282,431**	**(2,765,873)**	**$ (222)**	**$ 203**	**$ (1,462,591)**	**$ (171,946)**

(in thousands, except share amounts)	Number of shares	Common shares, par value	Additional paid-in capital	Number of shares (held or received)/delivered	Treasury shares	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
January 1, 2024	**89,041,946**	**$ 7,312**	**$ 1,180,545**	**(6,748,809)**	**$ (541)**	**$ (93)**	**$ (1,335,472)**	**$ (148,249)**
Loss for the period	—	—	—	—	—	—	(127,119)	(127,119)
Remeasurement of defined benefit pension liability	—	—	—	—	—	(125)	—	(125)
Foreign currency translation adjustment	—	—	—	—	—	524	—	524
Other comprehensive income before share of other comprehensive loss in joint venture	**—**	**—**	**—**	**—**	**—**	**399**	**—**	**399**
Share of other comprehensive loss in joint venture	—	—	—	—	—	(103)	—	(103)
Total other comprehensive income	**—**	**—**	**—**	**—**	**—**	**296**	**—**	**296**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**—**	**—**	**296**	**(127,119)**	**(126,823)**
Vestings of RSUs	—	—	(42)	502,929	42	—	—	—
Exercise of options	—	—	180	87,822	5	—	—	185
Issuance of shares, 2022 Employee Stock Purchase Plan	—	—	526	392,185	32	—	—	558
Issuance of shares, underwritten offering, net of transaction costs	10,411,912	921	59,345	3,000,000	240	—	—	60,506
Issuance of warrants, underwritten offering, net of transaction costs	—	—	36,925	—	—	—	—	36,925
Share-based compensation expense	—	—	4,952	—	—	—	—	4,952
	10,411,912	921	101,886	3,982,936	319	—	—	103,126
September 30, 2024	**99,453,858**	**$ 8,233**	**$ 1,282,431**	**(2,765,873)**	**$ (222)**	**$ 203**	**$ (1,462,591)**	**$ (171,946)**

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Unaudited)

For the Three and Nine Months Ended September 30, 2023

(in thousands, except share amounts)	Number of shares	Common shares, par value	Additional paid-in capital	Number of shares (held or received)/delivered	Treasury shares	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
July 1, 2023	**89,041,946**	**$ 7,312**	**$ 1,175,909**	**(6,999,965)**	**$ (557)**	**$ 1,355**	**$ (1,203,715)**	**$ (19,696)**
Loss for the period	—	—	—	—	—	—	(46,726)	(46,726)
Remeasurement of defined benefit pension liability	—	—	—	—	—	(39)	—	(39)
Foreign currency translation adjustment	—	—	—	—	—	(293)	—	(293)
Other comprehensive loss before share of other comprehensive income in joint venture	**—**	**—**	**—**	**—**	**—**	**(332)**	**—**	**(332)**
Share of other comprehensive income in joint venture	—	—	—	—	—	76	—	76
Total other comprehensive loss	**—**	**—**	**—**	**—**	**—**	**(256)**	**—**	**(256)**
Total comprehensive loss for the period	**—**	**—**	**—**	**—**	**—**	**(256)**	**(46,726)**	**(46,982)**
Vestings of RSUs	—	—	—	54,735	—	—	—	—
Issuance of shares, 2022 Employee Stock Purchase Plan	—	—	333	190,181	16	—	—	349
Share-based compensation expense	—	—	2,083	—	—	—	—	2,083
	—	—	2,416	244,916	16	—	—	2,432
September 30, 2023	**89,041,946**	**$ 7,312**	**$ 1,178,325**	**(6,755,049)**	**$ (541)**	**$ 1,099**	**$ (1,250,441)**	**$ (64,246)**

(in thousands, except share amounts)	Number of shares	Common shares, par value	Additional paid-in capital	Number of shares (held or received)/delivered	Treasury shares	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
January 1, 2023	**89,041,946**	**$ 7,312**	**$ 1,166,414**	**(8,399,419)**	**$ (679)**	**$ 1,823**	**$ (1,095,419)**	**$ 79,451**
Loss for the period	—	—	—	—	—	—	(155,022)	(155,022)
Remeasurement of defined benefit pension liability	—	—	—	—	—	(118)	—	(118)
Foreign currency translation adjustment	—	—	—	—	—	18	—	18
Other comprehensive loss before share of other comprehensive loss in joint venture	**—**	**—**	**—**	**—**	**—**	**(100)**	**—**	**(100)**
Share of other comprehensive loss in joint venture	—	—	—	—	—	(624)	—	(624)
Total other comprehensive loss	**—**	**—**	**—**	**—**	**—**	**(724)**	**—**	**(724)**
Total comprehensive loss for the period	**—**	**—**	**—**	**—**	**—**	**(724)**	**(155,022)**	**(155,746)**
Vestings of RSUs	—	—	(111)	1,323,841	111	—	—	—
Issuance of shares, 2022 Employee Stock Purchase Plan	—	—	747	320,529	27	—	—	774
Share-based compensation expense	—	—	11,275	—	—	—	—	11,275
	—	—	11,911	1,644,370	138	—	—	12,049
September 30, 2023	**89,041,946**	**$ 7,312**	**$ 1,178,325**	**(6,755,049)**	**$ (541)**	**$ 1,099**	**$ (1,250,441)**	**$ (64,246)**

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	For the Nine Months Ended September 30,	
	2024	2023
Cash used in operating activities		
Net loss	$ (127,119)	$ (155,022)
Adjustments to reconcile net loss to net cash used in operations:		
Deferred income taxes	—	(5,750)
Share-based compensation expense	4,952	11,275
Accretion expense of deferred royalty obligation	20,964	12,051
Amortization of debt discount, senior secured term loan	1,459	2,322
Cumulative catch-up adjustment, deferred royalty obligation	(732)	4,851
Write-downs of inventory	1,036	780
Depreciation	993	852
Amortization of operating lease right-of-use assets	1,490	1,568
Share of results in joint venture	1,544	3,539
Warrant obligations, decrease in fair value	(292)	(776)
Other	(77)	(212)
Changes in operating assets and liabilities:		
Accounts receivable, net	1,058	51,787
Inventory	(930)	(5,879)
Other current assets	(2,055)	6,244
Other long-term assets	(457)	200
Accounts payable	(1,217)	(3,398)
Accrued expenses and other current liabilities	(165)	(16,107)
Operating lease liabilities	(1,499)	(1,249)
Other long-term liabilities	(936)	5,871
Net cash used in operating activities	**(101,983)**	**(87,053)**
Cash flows from investing activities		
Payment for purchases of property and equipment	(777)	(2,889)
Net cash used in investing activities	**(777)**	**(2,889)**
Cash flows provided by financing activities		
Proceeds from common shares, 2024 Equity Offering, net of transaction costs	60,506	—
Proceeds from 2024 Pre-Funded Warrants, net of transaction costs	36,925	—
Proceeds from deferred royalty transaction, net of transaction costs	—	73,102
Proceeds from share issuance under stock purchase plan	558	774
Proceeds from the exercise of stock options	185	—
Net cash provided by financing activities	**98,174**	**73,876**
Net decrease in cash and cash equivalents	**(4,586)**	**(16,066)**
Exchange gains on cash and cash equivalents	260	32
Cash and cash equivalents at beginning of period	278,598	326,441
Cash and cash equivalents at end of period	**$ 274,272**	**$ 310,407**
Supplemental Cash Flow Information:		
Interest paid	$ 11,942	$ 11,432
Interest received	11,074	7,869
Payments made under royalty financing transaction	3,927	7,611
Supplemental Non-Cash Investing and Financing Activities:		
Capital expenditures recorded in Accounts payable and other current liabilities	38	—

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

1. Description of Business and Organization

ADC Therapeutics is a leading, commercial-stage global pioneer in the field of antibody drug conjugates ("ADCs") committed to advancing its proprietary ADC technology platform to transform the treatment paradigm for patients with hematologic malignancies and solid tumors.

Since its inception, the Company has devoted its resources to developing a validated and differentiated technology platform with multiple payloads and targets, a robust next-generation research and development toolbox, and specialized end-to-end capabilities. The Company generates sales from its flagship product, ZYNLONTA, which is currently approved in the U.S. for the treatment of relapsed or refractory diffuse large B-cell lymphoma ("DLBCL") in the third-line setting and has also been granted conditional marketing authorization in Europe. Additionally, the Company is seeking to expand ZYNLONTA into earlier lines of therapy and indolent lymphomas, and is committed to advancing its portfolio and pipeline through its continued research, development, regulatory and commercialization activities.

The Company was incorporated on June 6, 2011 under the laws of Switzerland, with its registered office located at Route de la Corniche 3B, 1066 Epalinges, Switzerland. The Company has three wholly-owned subsidiaries: ADC Therapeutics America, Inc. ("ADCT America"), which was incorporated in Delaware, USA on December 10, 2014, ADC Therapeutics (UK) Ltd ("ADCT UK"), which was incorporated in England on December 12, 2014 and ADC Therapeutics (NL) B.V. which was incorporated in the Netherlands on February 25, 2022. The Company and its three subsidiaries form the ADCT Group (the "Group").

All references to "ADC Therapeutics," "the Company", "we," "us," and "our" refer to ADC Therapeutics SA and its unaudited condensed consolidated subsidiaries unless otherwise indicated.

2. Summary of Significant Accounting Policies

Basis of preparation and principles of consolidation

These accompanying unaudited condensed consolidated financial statements, which include the accounts of the Company and its wholly-owned subsidiaries, have been prepared following the requirements of the U.S. Securities and Exchange Commission for interim reporting. As permitted under those rules, certain footnotes and other financial information that are normally required by U.S. generally accepted accounting principles, or U.S. GAAP, can be condensed or omitted. All intercompany transactions and balances have been eliminated in consolidation. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with our annual audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

In the opinion of management, these condensed consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, considered necessary for the fair statement of our financial position and operating results. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024, for any other interim period or for any future period.

The Company's significant accounting policies have not changed substantially from those previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The Company is managed and operated as one business segment, focused on the global development and commercialization of targeted ADC cancer therapies. A single management team that reports to the chief operating decision-maker, the Chief Executive Officer, comprehensively manages and allocates resources at the global corporate level. Accordingly, the Company views its business and manages its operations as a single operating segment.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures in the unaudited condensed consolidated financial statements and accompanying notes. Management bases its estimates on

historical experience and on assumptions believed to be reasonable under the circumstances. Actual results could differ materially from those estimates.

Going Concern

We are responsible for evaluating, and providing disclosure of uncertainties about, our ability to continue as a going concern. As of September 30, 2024, we had cash and cash equivalents of $ 274.3 million. Based on our evaluation, we concluded there is no substantial doubt about our ability to continue as a going concern within one year from the date the unaudited condensed consolidated financial statements were issued.

Recent Accounting Pronouncements

New accounting pronouncements which have been adopted

There are no accounting pronouncements that the Company has recently adopted.

Issued but not yet adopted

In November 2023, the FASB amended guidance in ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The revised guidance requires that a public entity disclose significant segment expenses regularly reviewed by the chief operating decision maker (CODM), including public entities with a single reportable segment. The amended guidance is effective for fiscal years beginning in January 2024 and interim periods beginning January 2025 on a retrospective basis. Early adoption is permitted. The Company is currently evaluating the effect that adoption of ASU 2023-07 will have on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning in January 2025. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company is currently evaluating the effect that adoption of ASU 2023-09 will have on its consolidated financial statements.

3. Fair value measurements

The carrying amount of Cash and cash equivalents, Accounts receivable, net and Accounts payable is a reasonable approximation of fair value due to the short-term nature of these assets and liabilities. Financial liabilities that are not measured at fair value on a recurring basis include our senior secured term loan. The estimated fair value of debt is based on Level 2 inputs, including our understanding of current market rates we could obtain for similar loans.

The Deerfield warrants, which are measured at fair value on a recurring basis, were as follows as of September 30, 2024 and December 31, 2023:

(in thousands)	Total	Quoted prices in active markets for identical assets and liabilities (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
September 30, 2024:				
Deerfield warrant obligation	$ 4	$ —	$ 4	$ —
Total	**$ 4**	**$ —**	**$ 4**	**$ —**

(in thousands)	Total	Quoted prices in active markets for identical assets and liabilities (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2023:				
Deerfield warrant obligation	$ 296	$ —	$ 296	$ —
Total	**$ 296**	**$ —**	**$ 296**	**$ —**

Fair values must be estimated at the end of each reporting period with regard to the Deerfield warrants. The approach to valuation follows the fair value principle, and the key input factors are described for the Deerfield warrants in note 11, "Deerfield warrants." A Black-Scholes model was used to calculate the fair values.

There were no transfers between the respective levels during the period.

4. Inventory

As of September 30, 2024 and December 31, 2023 inventory consisted of the following:

(in thousands)	September 30, 2024	December 31, 2023
Work in progress	$ 15,994	$ 16,095
Finished goods	78	82
Total inventory, net	**$ 16,072**	**$ 16,177**

Inventory write-downs of nil and $ 1,036 were recognized for the three and nine months ended September 30, 2024, respectively, and nil and $ 780 were recognized for the three and nine months ended September 30, 2023, respectively, and charged to cost of product sales in the Company's unaudited condensed consolidated statements of operations.

5. Property and equipment

Property and equipment as of September 30, 2024 and December 31, 2023 consisted of the following:

(in thousands)	September 30, 2024	December 31, 2023
Leasehold improvements	$ 4,121	$ 3,953
Laboratory equipment	4,662	3,652
Office equipment	1,023	1,119
Hardware and computer software	1,148	1,173
	10,954	**9,897**
Less: accumulated depreciation	(5,233)	(4,275)
Property and equipment, net	**$ 5,721**	**$ 5,622**

Depreciation expense was $ 336 and $ 993 for the three and nine months ended September 30, 2024, respectively, and $ 316 and $ 852 for the three and nine months ended September 30, 2023, respectively.

6. Leases

The Company leases space for its corporate offices and research and development facilities under non-cancellable operating leases.

During the quarter ended September 30, 2024, the Company modified the terms of its existing lease for its office in New Jersey, USA. The existing lease contract was scheduled to expire on November 30, 2024, including an extension option for three additional years, which at inception, the Company believed was reasonably likely to be exercised. The Company extended the term by seven months commencing on December 1, 2024 and removed the three-year

extension option. Accordingly, the Company remeasured its lease liability and adjusted its right-of-use asset based on the revised lease term.

7. Interest in joint venture

On December 14, 2020, the Company formed a joint venture company, Overland ADCT BioPharma, with Overland Pharmaceuticals ("Overland") to develop and commercialize ZYNLONTA, and three of the Company's ADC product candidates, ADCT-601, ADCT-602 and ADCT-901 (collectively, the "Licensed Products"), in greater China and Singapore (the "Territory").

The table below provides a rollforward of the Company's interest in Overland ADCT BioPharma as of September 30, 2024 and December 31, 2023.

(in thousands)	
Interest in joint venture	
January 1, 2023	**$ 7,613**
Share of comprehensive loss in joint venture	(5,966)
December 31, 2023	**$ 1,647**
Share of comprehensive loss in joint venture	(1,647)
September 30, 2024	**$ —**

The Company recognized the proportionate share of Overland ADCT BioPharma's net loss up to the investment carrying amount. The equity method investment in Overland ADCT Biopharma was reduced to zero during the three months ended September 30, 2024 and no further losses will be recorded in the Company's unaudited condensed consolidated financial statements as the Company has not incurred legal or constructive obligations or committed to additional funding on behalf of the joint venture. The Company will begin recognizing its share of net income only when it is greater than the cumulative net losses not recognized during the period the equity method was suspended.

8. Income taxes

Income tax expense for the three and nine months ended September 30, 2024 was $ 0.1 million and $ 0.5 million, respectively, relative to loss before income taxes of $ 43.6 million and $ 125.1 million, respectively. The income tax benefit for the three and nine months ended September 30, 2023 was $ 0.1 million and $ 4.1 million, respectively, relative to loss before income taxes of $ 45.4 million and $ 155.5 million, respectively. The expense for the three and nine months ended September 30, 2024 is the result of income generated by our UK operations for which tax expense has been recognized based on a full year estimated income tax liability, and the inability to recognize benefit on losses in the U.S. and Switzerland. Whereas the benefit for the three and nine months ended September 30, 2023 was the result of income generated in the U.S. and UK and a provision to return adjustment from prior year. The decrease in income for the U.S. operations is due to a change in the Company operating and transfer pricing model which was implemented in October 2023. We retain a full valuation allowance against all deferred tax assets, and each reporting period, we evaluate the need for a valuation allowance on our deferred tax assets by jurisdiction and adjust our estimates as more information becomes available.

9. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

(in thousands)	**September 30, 2024**	**December 31, 2023**
Accrued R&D costs	$ 20,771	$ 24,902
Accrued payroll and benefits	11,127	12,693
Gross-to-net sales adjustments, short-term	8,175	1,543
Operating lease liabilities, short-term	1,479	1,467
Other	11,755	11,496
	$ 53,307	**$ 52,101**

10. Senior secured term loan facility

On August 15, 2022, the Company, ADCT UK and ADCT America entered into the Loan Agreement, pursuant to which the Company may borrow up to $ 175.0 million principal amount of secured term loans, including (i) a First Tranche and (ii) Future Tranches. On August 15, 2022, the Company drew down $ 120.0 million principal amount of term loans under the Loan Agreement.

On August 15, 2022, the Company also issued to the lenders under the Loan Agreement warrants to purchase an aggregate of 527,295 common shares, which warrants have an exercise price of $ 8.30 per share. Each warrant is exercisable, on a cash or a cashless basis, at the option of the holder at any time on or prior to August 15, 2032. The warrants are freestanding financial instruments that are indexed to the Company's common stock and meet all other conditions for equity classification under ASC 480 and ASC 815. Accordingly, these warrants are recognized in equity and accounted for as a component of additional paid-in capital at the time of issuance.

On August 15, 2022, the Company also entered into the Share Purchase Agreement with the lenders under the Loan Agreement to purchase 733,568 common shares of the Company.

For the three and nine months ended September 30, 2024, the Company recorded interest expense on the senior secured term loan in the amount of $ 4,585 and $ 13,401 , respectively, and $ 4,728 and $ 13,748 for the three and nine months ended September 30, 2023, respectively, which was recorded in interest expense in the unaudited condensed consolidated statements of operations. The effective interest rate ("EIR") at September 30, 2024 was 16.34 %.

The following table provides a summary of the interest expense for the Company's senior secured term loan for the three months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Contractual interest expense	$ 4,069	$ 3,909	$ 11,942	$ 11,426
Amortization of debt discount	516	819	1,459	2,322
Total	**$ 4,585**	**$ 4,728**	**$ 13,401**	**$ 13,748**

The amount at which the senior secured term loan is presented as a liability in the unaudited condensed consolidated balance sheets represents the net present value of all future cash outflows associated with the loan discounted at the EIR. The carrying value of the senior secured term loan is $ 114.2 million and $ 112.7 million as of September 30, 2024 and December 31, 2023, respectively.

Contractual payments due under our senior secured term loans, including exit fees are as follows (in thousands):

2024 (remainder)	$ —
2025	—
2026	3,090
2027	9,330
2028	12,480
Thereafter	99,840
Total	**$ 124,740**

11. Deerfield warrants

Pursuant to the Exchange Agreement with Deerfield entered into on August 15, 2022, the Company issued warrants to purchase an aggregate of 4,412,840 common shares. The warrants consist of warrants to purchase an aggregate of 2,631,578 common shares at an exercise price of $ 24.70 per share and warrants to purchase an aggregate of 1,781,262 common shares at an exercise price of $ 28.07 per share. Each warrant is exercisable, on a cash or a cashless basis, at the option of the holder, at any time on or prior to May 19, 2025. The warrant obligation, which is included in other long-term liabilities in the unaudited condensed consolidated balance sheets, is remeasured to fair value at the end of each reporting period. Changes in the fair value (gains or losses) of the warrant obligation at the end of each period are recorded in the unaudited condensed consolidated statements of operations.

During the three and nine months ended September 30, 2024, the Company recognized income of $ 1,130 and $ 292 , respectively, and $ 140 and $ 776 for the three and nine months ended September 30, 2023, respectively, as a result of changes in the fair value of the warrant obligation. The fair value of the warrant obligation as of September 30, 2024 and December 31, 2023 was $ 4 and $ 296 , respectively. The decrease in fair value of the warrant obligation from December 31, 2023 to September 30, 2024 was primarily due to decreases in the expected volatility partially offset by an increase in fair value of the underlying shares during the respective period. This amount was recorded to Other, net in the unaudited condensed consolidated statements of operations. See note 17, "Other income (expense)" for further information.

The Company valued the Deerfield warrant obligation using a Black-Scholes option-pricing model. Key inputs for the valuation of the warrant obligation as of September 30, 2024 and December 31, 2023 were as follows:

	As of September 30, 2024	As of December 31, 2023
Exercise price in $	24.70 and 28.07	24.70 and 28.07
Share price in $	3.15	1.66
Risk-free interest rate	4.3 %	4.6 %
Expected volatility	80.8 %	116.0 %
Expected term (months)	7.6 months	16.7 months
Dividend yield	—	—
Black-Scholes value in $	nil and nil	0.07 and 0.06

12. Deferred royalty obligation

On August 25, 2021, the Company entered into a royalty purchase agreement with certain entities managed by HCR for up to $ 325.0 million. Under the terms of the agreement, the Company received gross proceeds of $ 225.0 million upon closing (the “First Investment Amount”) and received an additional $ 75.0 million during the year ended December 31, 2023 upon the first commercial sale of ZYNLONTA in the United Kingdom or any European Union country (the “Second Investment Amount”) and together with the First Investment Amount, the “Investment Amount”).

The table below provides a rollforward of the Company’s debt obligation relating to the royalty purchase agreement.

(in thousands)		
Liability balance at January 1, 2023	**$**	**222,277**
Plus: Additional proceeds from the sale of future royalties		75,000
Less: Transaction costs		1,898
Less: royalty payments		8,709
Plus: interest expense		27,915
Less: cumulative catch-up adjustment, Other, net		4,972
Liability balance at December 31, 2023		**309,613**
Less: royalty payments		3,927
Plus: interest expense		24,891
Less: cumulative catch-up adjustment, Other, net		732
Liability balance at September 30, 2024	**$**	**329,845**

13. Pension and post-retirement benefit obligations

The pension plan for Swiss employees is a defined benefit pension plan. The Company contracted with the Swiss Life Collective BVG Foundation based in Zurich for the provision of occupational benefits. All benefits in accordance with the regulations are reinsured in their entirety with Swiss Life SA within the framework of the corresponding contract. This pension solution fully reinsures the risks of disability, death and longevity with Swiss Life. Swiss Life invests the vested pension capital and provides a 100 % capital and interest guarantee. The pension plan is entitled to an annual bonus from Swiss Life comprising the effective savings, risk and cost results.

Although, as is the case with many Swiss pension plans, the amount of ultimate pension benefit is not defined, certain legal obligations of the plan create constructive obligations on the employer to pay further contributions to fund an eventual deficit; this results in the plan nevertheless being accounted for as a defined benefit plan.

The net periodic benefit cost for the three and nine months ended September 30, 2024 and 2023 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Net periodic benefit cost:				
Service cost	$ 185	$ 143	$ 532	$ 590
Interest cost	40	74	115	223
Expected return on plan assets	(63)	(82)	(181)	(247)
Amortization of prior service cost	(44)	(39)	(125)	(118)
Net periodic benefit cost	**$ 118**	**$ 96**	**$ 341**	**$ 448**

The components of net periodic benefit cost are included in operating expense on the unaudited condensed consolidated statements of operations.

14. Commitments and contingencies

Manufacturing Commitments

Some of our inventory components require long lead times to manufacture. Therefore, we make long-term investments in our supply chain in order to ensure we have enough drug product to meet current and future revenue forecasts. Third party manufacturing agreements include non-cancelable obligations related to the supply of ZYNLONTA and the company's product candidates. There have been no material changes related to our non-cancelable obligations under these arrangements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Contingent liabilities

From time to time, we may be involved in various legal matters generally incidental to our business. Although the results of litigation and claims cannot be predicted with certainty, after discussion with legal counsel, we are not aware of any matters for which the likelihood of a loss is probable and reasonably estimable and which could have a material impact on our unaudited condensed consolidated financial condition, liquidity, or results of operation.

15. Shareholders' equity

2024 Equity Offering

In May 2024, the Company completed an underwritten offering of equity securities in which 13,411,912 of the Company's common shares were sold to public investors at a price of $ 4.90 per share and pre-funded warrants (the "2024 Pre-Funded Warrants") to purchase 8,163,265 of the Company's common shares were sold to public investors at a price of $ 4.81 per pre-funded warrant, which equals the per share 2024 Equity Offering price, less the CHF 0.08 exercise price for each pre-funded warrant (collectively, the "2024 Equity Offering"). Gross proceeds from the 2024 Equity Offering were approximately $ 105.0 million, and, after giving effect to $ 7.6 million of transaction costs related to the offering, net proceeds were approximately $ 97.4 million.

The 2024 Pre-Funded Warrants are exercisable, on a cash basis (or, if there is no registration statement and current prospectus covering the issuance of the shares upon exercise, then on a cashless basis), at the option of the holder after the date of issuance until the tenth anniversary of their original issuance. At any time during the last 90 days of the term, the holder may exchange the Pre-Funded Warrant for, and we will issue, a new pre-funded warrant for the number of common shares then remaining under the Pre-Funded Warrant. The Pre-Funded Warrants have certain limitations on exercise, including (i) any exercise must be for at least 50,000 common shares (or, if less, the remaining common shares available for purchase under the Pre-Funded Warrants), (ii) a holder cannot exercise for any amount that would cause such holder's beneficial ownership of our common shares to exceed 9.99 % (or 19.99 % with 61-days ' notice to us), and (iii) cashless exercise is not available in certain circumstances as specified in the Pre-Funded Warrants. The warrants contain customary anti-dilution adjustments and will entitle holders to receive any dividends or other distributions paid on the underlying common shares prior to their expiration on an as-exercised basis.

Accounting for the 2024 Equity Offering and Pre-Funded Warrants

The Company has accounted for the common shares and 2024 Pre-funded Warrants described above each as freestanding financial instruments.

The common shares were issued from the Company's share capital and treasury shares at par value. The common shares were recorded as $ 60.5 million to equity for the issuance of the common shares, net of transaction costs accrued and paid, and an increase in cash and cash equivalents.

The warrants are freestanding financial instruments that are indexed to the Company's common stock and meet all other conditions for equity classification under ASC 480 and ASC 815, including the warrant holders cannot require "net cash settlement" in a circumstance outside of the Company's control, and there is sufficient authorized and unissued shares to settle the warrants. Accordingly, these warrants are recognized as $ 36.9 million in equity and accounted for as a component of additional paid-in capital at the time of issuance, net of transaction costs paid, and an increase in cash and cash equivalents.

Transaction costs have been allocated to the warrants and the common shares based on the relative fair value method. Transaction costs associated to the warrants and common shares have been deducted from the respective instrument in equity.

2024 at-the-market offering program

In August 2024, we filed a prospectus relating to an at-the-market offering program, pursuant to which we may offer and sell our common shares from time to time with an aggregate offering price of $ 100 million through Jefferies LLC acting as sales agent. For the three months ended September 30, 2024, we did not sell any shares under the program.

16. Revenue

The table below provides a disaggregation of revenues by type and customer location for the three and nine months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Types of goods and services				
Product revenue, net	$ 18,016	$ 14,267	$ 52,894	$ 52,417
Royalties	448	226	1,033	351
Total revenue	**$ 18,464**	**$ 14,493**	**$ 53,927**	**$ 52,768**
Customer Location				
U.S.	$ 18,016	$ 14,267	$ 52,894	$ 52,417
EMEA[1]	448	226	1,033	351
Total revenue	**$ 18,464**	**$ 14,493**	**$ 53,927**	**$ 52,768**

[1] Europe, the Middle East and Africa

Product revenue, net

The table below provides a rollforward of the Company's accruals related to the gross-to-net ("GTN") sales adjustments for the three and nine months ended September 30, 2024:

(in thousands)	**Discarded Drug Rebate**	**Other Adjustments**	**Total**
Balance as of July 1, 2024	**$ 11,251**	**$ 3,257**	**$ 14,508**
GTN accruals for current period	2,051	4,436	6,487
Prior period adjustments	—	(378)	(378)
Credits, payments and reclassifications	—	(4,224)	(4,224)
Balance as of September 30, 2024	**$ 13,302**	**$ 3,091**	**$ 16,393**
Balance as of January 1, 2024	**$ 7,391**	**$ 3,946**	**$ 11,337**
GTN accruals for current period	5,955	12,653	18,608
Prior period adjustments	(44)	(1,398)	(1,442)
Credits, payments and reclassifications	—	(12,110)	(12,110)
Balance as of September 30, 2024	**$ 13,302**	**$ 3,091**	**$ 16,393**

The table below provides a rollforward of the Company's accruals related to the GTN sales adjustments for the three and nine months ended September 30, 2023:

(in thousands)	Discarded Drug Rebate	Other Adjustments	Total
Balance as of July 1, 2023	**$ 2,801**	**$ 2,933**	**$ 5,734**
GTN accruals for current period	2,770	3,777	6,547
Prior period adjustments	—	(8)	(8)
Credits, payments and reclassifications	—	(3,482)	(3,482)
Balance as of September 30, 2023	**$ 5,571**	**$ 3,220**	**$ 8,791**
Balance as of January 1, 2023	**$ —**	**$ 3,746**	**$ 3,746**
GTN accruals for current period	5,571	12,375	17,946
Prior period adjustments	—	(885)	(885)
Credits, payments and reclassifications	—	(12,016)	(12,016)
Balance as of September 30, 2023	**$ 5,571**	**$ 3,220**	**$ 8,791**

The table below provides the classification of the accruals related to the GTN sales adjustment included in the Company's unaudited condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023.

(in thousands)	September 30, 2024	December 31, 2023
Accounts receivable, net	$ 2,263	$ 2,403
Other current and non-current liabilities	14,130	8,934
	$ 16,393	**$ 11,337**

Customers from which we derive more than 10% of our total product revenues for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
McKesson	39 %	37 %	40 %	38 %
AmerisourceBergen Corporation	35 %	44 %	36 %	39 %
Cardinal Health	26 %	19 %	24 %	23 %

17. Other income (expense)

Interest Income

Interest income includes interest received from banks on our cash balances. Interest income was $ 3.4 million and $ 9.6 million for the three and nine months ended September 30, 2024, respectively, and $ 2.7 million and $ 7.3 million for the three and nine months ended September 30, 2023, respectively.

Interest Expense

The components of Interest expense for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Deferred royalty obligation interest expense	$ 8,532	$ 8,087	$ 24,891	$ 19,662
Effective interest expense on senior secured term loan facility	4,585	4,728	13,401	13,748
Other interest expense	—	1	—	6
Interest expense	**$ 13,117**	**$ 12,816**	**$ 38,292**	**$ 33,416**

Other, net

The components of Other, net for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Deerfield warrant obligation, change in fair value income	$ 1,130	$ 140	$ 292	$ 776
Cumulative catch-up adjustment income (expense), deferred royalty obligation	206	437	732	(4,851)
Exchange differences gain (loss)	21	39	(75)	2
R&D tax credit	267	244	834	699
Other, net	**$ 1,624**	**$ 860**	**$ 1,783**	**$ (3,374)**

18. Share-based compensation

The Company has adopted various share-based compensation incentive plans. Under these plans the Company may at its discretion grant to the plan participants, such as directors, certain employees, and service providers awards in the form of restricted shares and restricted share units (“RSUs”), share options, share appreciation rights, performance awards and other share-based awards. The 2019 Equity Incentive Plan was adopted in November 2019 while the Conditional Share Capital Plan and the Inducement Plan were adopted in December 2023.

2019 Equity Incentive Plan

In November 2019, the Company adopted the 2019 Equity Incentive Plan. Under the 2019 Equity Incentive Plan, the Company may at its discretion grant to plan participants, such as directors, certain employees and service providers, awards in the form of restricted shares and RSUs, share options, share appreciation rights, performance awards and other share-based awards. The Company has reserved 17,741,355 common shares for future issuance under the 2019 Equity Incentive Plan (including share-based equity awards granted to date less awards forfeited). As of September 30, 2024, the Company has 4,693,032 common shares available for the future issuance of share-based equity awards.

As of September 30, 2024 and December 31, 2023, the cumulative amount recorded as a net increase to additional paid-in capital within equity on the unaudited condensed consolidated balance sheets in respect of the 2019 Equity Incentive Plan was $ 159,314 and $ 157,906 , respectively. The amounts of expense recognized for all awards for services received during the three and nine months ended September 30, 2024 were $ 1,541 and $ 1,408 , respectively, and $ 2,005 and $ 10,992 during the three and nine months ended September 30, 2023, respectively.

Conditional Share Capital Plan

In December 2023, the Company adopted the Conditional Share Capital Plan. Under the Conditional Share Capital Plan, the Company may at its discretion grant to plan participants, such as directors, certain employees and service providers, awards in the form of restricted shares and RSUs, share options, share appreciation rights, performance awards and other share-based awards. The Company has reserved 8,000,000 common shares for future issuance under this plan. As of September 30, 2024, the Company has 2,944,809 common shares available for the future issuance of share-based equity awards.

As of September 30, 2024, the cumulative amount recorded as a net increase to additional paid-in capital within equity on the unaudited condensed consolidated balance sheet in respect of the Conditional Share Capital Plan was $ 3,327 . The amounts of expense for all awards recognized for services received during the three and nine months ended September 30, 2024 was $ 970 and $ 3,008 , respectively.

Inducement Plan

In December 2023, the Company adopted the Inducement Plan. Under the Inducement Plan, the Company may at its discretion grant to any employee who is eligible to receive an employment inducement grant in accordance with NYSE Listed Company Manual 303A.08. The maximum number of common shares in respect of which awards may be granted under the Inducement Plan is 1,000,000 common shares (including share-based equity awards granted to date, less awards forfeited), subject to adjustment in the event of certain corporate transactions or events if necessary to prevent dilution or enlargement of the benefits made available under the plan. Equity incentive awards under the Inducement Plan may be granted in the form of options, share appreciation rights, restricted shares, restricted share units, performance awards or other share-based awards but not “incentive stock options” for purposes of U.S. tax laws. As of September 30, 2024, the Company has 470,300 common shares available for the future issuance of share-based equity awards under this plan.

As of September 30, 2024, the cumulative amount recorded as a net increase to additional paid-in capital within equity on the unaudited condensed consolidated balance sheet in respect of the Inducement Plan was $ 327 . The amounts of expense for all awards recognized for services received during the three and nine months ended September 30, 2024 was $ 232 and $ 327 , respectively, under this plan.

Share Options

Pursuant to the 2019 Equity Incentive Plan, the Conditional Share Capital Plan and Inducement Plan (the “Share-based Compensation Plans”), the Company may grant share options to its directors, certain employees and service providers working for the benefit of the Company at the time. The exercise price per share option is set by the Company at the fair market value of the underlying common shares on the date of grant, as determined by the Company, which is generally the closing share price of the Company’s common shares traded on the NYSE. The awards generally vest 25 % on the first anniversary of the date of grant, and thereafter evenly on a monthly basis over the subsequent three years . The contractual term of each share option award granted is ten years . Under the grant, the options may be settled only in common shares of the Company. Therefore, the grants of share options under the 2019 Equity Incentive Plan and Inducement Plan have been accounted for as equity-settled under US GAAP. As such, the Company records a charge for the vested portion of award grants and for partially earned but non-vested portions of award grants. This results in a front-loaded charge to the Company’s unaudited condensed consolidated statements of operations and a corresponding increase to additional paid-in capital within equity on the unaudited condensed consolidated balance sheets.

The expense recognized for services received during the three and nine months ended September 30, 2024 was $ 1,386 and $ 641 , respectively, and $ 1,277 and $ 5,343 during the three and nine months ended September 30, 2023, respectively.

Movements in the number of awards outstanding under the Plans described above and their related weighted average strike prices are as follows:

	Weighted average strike price per share (in $ per share)	Number of awards	Weighted average remaining life in years	Aggregate Intrinsic Value (in $ thousands)
Outstanding as of December 31, 2023	**$ 11.00**	**10,744,406**	8.14	$ —
Granted	3.46	1,055,800		
Forfeited	9.71	(514,845)		
Expired	31.17	(957,102)		
Exercised	2.25	(87,822)		
Outstanding as of September 30, 2024	**$ 8.94**	**10,240,437**	7.70	$ —

As of September 30, 2024, 5,213,316 awards are vested and exercisable out of the total outstanding awards of 10,240,437 common shares. As of September 30, 2024, the weighted average strike price and weighted average remaining life for vested and exercisable awards is $ 13.55 and 6.91 years, respectively. Awards outstanding as of September 30, 2024 have expiration dates through 2034. The weighted average grant date fair value of the awards granted during the nine months ended September 30, 2024 was $ 2.73 . The aggregate intrinsic value of vested and exercisable options was zero. As of September 30, 2024, the unrecognized compensation cost related to 5,027,121 unvested share options expected to vest was $ 9.0 million. This unrecognized cost will be recognized over an estimated weighted-average amortization period of 1.53 years.

The fair values of the options granted under the 2019 Equity Incentive Plan and the Inducement Plan were determined on the date of the grant using the Black-Scholes option-pricing model.

The fair values of the options granted during the three and nine months ended September 30, 2024 and 2023 were determined on the date of grant using the following assumptions:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Share price, in $	2.73 - 3.68	0.82 - 1.51	1.69 - 4.86	0.82 - 5.45
Strike price, in $	2.73 - 3.68	0.82 - 1.51	1.69 - 4.86	0.82 - 5.45
Expected volatility, in %	95	80	95	75 - 80
Award life, in years	6.08	6.08	6.08	6.08
Expected dividends	—	—	—	—
Risk-free interest rate, in %	3.63 - 4.35	4.11 - 4.62	3.63 - 4.54	3.39 - 4.62

During the six months ended June 30, 2023, the expected volatility was based on the Company's historical volatility and selected volatility determined by median values observed among other comparable public companies. Beginning in the third quarter of 2023, the Company's expected volatility is no longer determined by values observed among other comparable companies and is now based solely on the Company's historical volatility. The award life for options granted was based on the time interval between the date of grant and the date during the ten-year life after which, when making the grant, the Company expected on average that participants would exercise their options.

RSUs

Pursuant to the Share-based Compensation Plans, the Company may grant RSUs to its directors, certain employees and service providers working for the benefit of the Company at the time. The awards generally vest annually over a period of two to three years commencing on the first anniversary of the date of grant. The RSUs may be settled only in common shares of the Company. Therefore, the grant of RSUs under both the 2019 Equity Incentive Plan and Conditional Share Capital Plan have been accounted for as equity-settled under US GAAP. As such, the Company records a charge for the vested portion of award grants and for partially earned but non-vested portions of award grants. This results in a front-loaded charge to the Company's unaudited condensed consolidated statements of operations and a corresponding increase to additional paid-in capital within equity on the unaudited condensed consolidated balance sheets. The expense recognized for services received during the three and nine months ended

September 30, 2024 is $ 1,357 and $ 4,102 , respectively, and $ 728 and $ 5,649 during the three and nine months ended September 30, 2023, respectively.

The following table summarizes the RSU awards outstanding as of September 30, 2024:

	Number of awards	Weighted average grant date fair value (in $ per share)
December 31, 2023	**6,533,843**	**$ 2.03**
Granted	280,000	3.16
Vested	(502,929)	9.17
Forfeited	(638,983)	1.77
September 30, 2024 [(1)]	**5,671,931**	**$ 1.48**

[(1)] Includes 5,055,191 RSUs outstanding in connection with the Conditional Share Capital Pan.

The total fair value of RSU awards vested (as measured on the date of vesting) during the nine months ended September 30, 2024 was $ 2.1 million.

Employee Stock Purchase Plan

In June 2022, the Company adopted the 2022 Employee Stock Purchase Plan (“ESPP”), which allows eligible employees to purchase designated shares of the Company's common shares at a discount, over a series of offering periods through accumulated payroll deductions. The Company offers the ESPP to employees twice a year with each having a six-month offering period. The first offering period is generally from January 1st through June 30th and the second offering period is from July 1st through December 31st. The grant date is the first day of each offering period.

The expense recognized related to the ESPP during the three and nine months ended September 30, 2024 is $ 63 and $ 209 , respectively, and $ 78 and $ 283 during the three and nine months ended September 30, 2023, respectively.

19. Loss per share

The basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares and pre-funded warrants outstanding during the period, excluding common shares owned by the Company and held as treasury shares, as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands, except per share amounts)	**2024**	**2023**	**2024**	**2023**
Net loss	$ (43,969)	$ (46,726)	$ (127,119)	$ (155,022)
Weighted average number of shares outstanding	104,824,877	82,256,847	94,394,355	81,516,563
Basic and diluted loss per share	**$ (0.42)**	**$ (0.57)**	**$ (1.35)**	**$ (1.90)**

For the three and nine months ended September 30, 2024 and 2023, basic and diluted loss per share is calculated on the weighted average number of shares issued and outstanding and excludes shares to be issued under the Equity Incentive Plan 2019, Conditional Share Capital Plan, Inducement Plan, the Company’s warrant agreements and 2022 ESPP as the effect of including those shares would be anti-dilutive. See note 10, “Senior secured term loan facility,” note 11, “Deerfield warrants”, note 15, “Shareholders’ equity”, and note 18, “Share-based compensation expense,” for further information.

Potentially dilutive securities that were not included in the diluted per share calculations because the effect of including them would be anti-dilutive were as follows:

	Nine months ended September 30,	
	2024	**2023**
2019 Equity Incentive Plan - Share Options	9,710,737	10,782,033
Inducement Plan - Share Options	529,700	—
2019 Equity Incentive Plan - RSUs	616,740	982,458
Conditional Share Capital Plan - RSUs	5,055,191	—
Outstanding warrants	4,940,135	4,940,135
	20,852,503	**16,704,626**

Item 2. 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 unaudited condensed consolidated financial statements, including the notes thereto, included in this Quarterly Report, as well as our audited consolidated financial statements, including the notes thereto, included in our Annual Report on Form 10-K. The following discussion includes forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements. See "Forward-Looking Statements."

Business Overview

ADC Therapeutics is a leading, commercial-stage global pioneer in the field of antibody drug conjugates ("ADCs").

Our goal is to be a leading ADC company that transforms the lives of those impacted by cancer. To achieve this, we are focused on unlocking the potential value of our robust ADC portfolio across two pillars of growth: hematology and solid tumors. We are a pioneer in the ADC field with specialized end-to-end capabilities unique to ADCs including a validated technology platform, a growing next-generation research & development toolbox and a proven track record that includes an approved and marketed product. We aim to expand our portfolio and accelerate the development of our pipeline through targeted investments and in collaboration with strategic partners. In this way, we plan to pursue multiple targets in parallel, enabling us to prioritize and ensure a disciplined capital allocation strategy while advancing the most promising candidates in both hematologic and solid tumors.

In our hematology program, our flagship product, ZYNLONTA, a CD19-directed ADC, received accelerated approval from the U.S. Food and Drug Administration ("FDA") and conditional approval from the European Commission for the treatment of relapsed or refractory diffuse large B-cell lymphoma ("DLBCL") after two or more lines of systemic therapy. We have a direct commercialization model in the U.S. to help drive growth of ZYNLONTA. Outside the U.S., we continue to advance the development and commercialization of ZYNLONTA through strategic partnerships. We are seeking to continue expanding ZYNLONTA internationally, and into earlier lines of DLBCL and other indolent lymphomas, including follicular lymphoma ("FL") and marginal zone lymphoma ("MZL") as a single and combination agent of choice through our LOTIS-5 confirmatory Phase 3 clinical trial and LOTIS-7 Phase1b clinical trial as well as through investigator-initiated trials ("IITs") at leading institutions. In addition, we are investigating a CD-22 targeted compound, ADCT-602, in collaboration with MD Anderson Cancer Center in a Phase 1/2 investigator-initiated study in relapsed or refractory B-cell acute lymphoblastic leukemia.

In our solid tumor program, we have a pipeline of early stage pre-clinical research programs, and our clinical-stage program ADCT-601 (mipasetamab uzoptirine) targeting AXL as a single agent and/or in combination in sarcoma, pancreatic, and non-small cell lung cancer ("NSCLC"). Based on the available clinical data and capital requirements for continued development, we have made the decision to discontinue the phase 1b ADCT-601 program. Although early signs of antitumor activity were observed during the dose escalation phase, we were unable to demonstrate a favorable benefit-risk profile during the dose optimization/expansion phase. Our pre-clinical stage pipeline includes a portfolio of next generation investigational ADCs targeting Claudin-6, PSMA, NaPi2b and ASCT2. Investigational New Drug (IND) enabling studies are in progress for ADC targeting Claudin-6, PSMA and NaPi2b programs while ASCT2 targeting ADC is in drug candidate selection stage and is expected to be completed this year. In addition, we are advancing research with a range of payloads, linkers and conjugation technologies against undisclosed targets.

Results of Operations

Three Months Ended September 30, 2024 Compared to Three Months Ended September 30, 2023

The following table summarizes our results of operations for the three months ended September 30, 2024 and 2023:

(in thousands, except percentages and per share)	Three Months Ended September 30, 2024	2023	Change	% Change
Revenue				
Product revenues, net	$ 18,016	$ 14,267	$ 3,749	26.3 %
License revenues and royalties	448	226	222	98.2 %
Total revenue, net	**18,464**	**14,493**	**3,971**	**27.4 %**
Operating expense				
Cost of product sales	(851)	(208)	(643)	309.1 %
Research and development	(32,502)	(27,080)	(5,422)	20.0 %
Selling and marketing	(10,673)	(13,730)	3,057	(22.3)%
General and administrative	(10,002)	(9,624)	(378)	3.9 %
Total operating expense	(54,028)	(50,642)	(3,386)	6.7 %
Loss from operations	**(35,564)**	**(36,149)**	**585**	**(1.6)%**
Other income (expense)				
Interest income	3,438	2,703	735	27.2 %
Interest expense	(13,117)	(12,816)	(301)	2.3 %
Other, net	1,624	860	764	88.8 %
Total other expense, net	(8,055)	(9,253)	1,198	(12.9)%
Loss before income taxes	**(43,619)**	**(45,402)**	**1,783**	**(3.9)%**
Income tax (expense) benefit	(90)	85	(175)	(205.9)%
Loss before equity in net losses of joint venture	**(43,709)**	**(45,317)**	**1,608**	**(3.5)%**
Equity in net losses of joint venture	(260)	(1,409)	1,149	(81.5)%
Net loss	**$ (43,969)**	**$ (46,726)**	**$ 2,757**	**(5.9)%**
Net loss per share, basic and diluted	$ (0.42)	$ (0.57)	$ 0.15	(26.3)%

Revenue

Product Revenues, net

We generate product revenue through the sale of ZYNLONTA in the United States. Revenue is recognized when control is transferred to the customer at the net selling price, which includes reductions for gross-to-net ("GTN") sales adjustments such as government rebates, chargebacks, distributor service fees, other rebates and administrative fees, sales returns and allowances and sales discounts. In the long term, we expect that our product revenue will increase as we execute our business strategy, although our product revenue may fluctuate from period to period based on a number of factors, including patient demand, as well as the timing, dose and duration, of patient therapy and customers' buying patterns and gross-to-net deductions. We may also experience variability in GTN sales adjustments as a percentage of gross sales due to additional information and actual experience such as actual rebate and return rates.

Product revenues, net, were $18.0 million for the three months ended September 30, 2024 as compared to $14.3 million for the three months ended September 30, 2023, an increase of $3.7 million, or 26.3%. The increase is primarily driven by higher sales volume and a higher selling price. The increase in product revenues is also attributable to lower GTN deductions primarily due to a lower discarded drug rebate accrual for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

License revenues and royalties

We generate license revenue and royalties from our strategic agreements for the development and commercialization of ZYNLONTA and other product candidates outside of the United States. Under these agreements, we receive upfront payments and are eligible for certain milestone payments and royalties. We are unable to predict the timing and amounts of

license revenue and royalties as meeting milestones is subject to many factors outside of our control and we have limited control over our partners' commercialization efforts.

Royalties were $448 thousand for the three months ended September 30, 2024 as compared to $226 thousand for the three months ended September 30, 2023.

Operating Expenses

Cost of Product Sales

Cost of product sales primarily includes direct and indirect costs relating to the third-party manufacture and distribution of ZYNLONTA, royalties payable to a collaboration partner based on net product sales of ZYNLONTA and inventory write-downs. We expect that cost of product sales will increase over time as we sell through pre-approval inventory that was previously expensed prior to commercialization under U.S. GAAP. Factors such as inflation may also increase our cost of product sales as a percentage of product revenue if we are not able to increase the price at which we sell ZYNLONTA to offset such increases in our cost of product sales.

Cost of product sales were $0.9 million for the three months ended September 30, 2024 as compared to cost of product sales of $0.2 million for the three months ended September 30, 2023 an increase of $0.6 million, or 309.1%. The increase in cost of product sales was primarily driven by higher commercial shipping, storage and stability costs during the three months ended September 30, 2024 as compared to the three months ended September 30, 2023.

Research and Development Expenses

The following table summarizes our research and development expenses for our major development programs for the three months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
ZYNLONTA	$ 18,207	$ 17,058	$ 1,149
ADCT-601	5,626	2,221	3,405
ADCT-602	262	394	(132)
Preclinical product candidates and research pipeline	4,614	2,832	1,782
Discontinued programs[1]	732	2,533	(1,801)
Not allocated to specific programs[2]	2,070	1,885	185
Share-based compensation expense	991	157	834
Research and development expenses	**$ 32,502**	**$ 27,080**	**$ 5,422**

[1] Beginning in September 30, 2024, Cami, ADCT-901 and ADCT-212 were included in Discontinued programs. Prior to September 30, 2024 these programs were separately presented as major development programs. Prior periods have been recast to conform to the current period presentation.

[2] Includes third-party contracting and employee expenses, as well as expense for preclinical research, storage, shipping and lab consumables that span multiple programs.

Research and development expense consists primarily of employee related expenses, including share-based compensation expense; costs for production of preclinical and clinical-stage product candidates by CMOs; fees and other costs paid to contract research organizations in connection with the performance of preclinical studies and clinical trials; costs of related facilities, materials and equipment; external costs associated with obtaining intellectual property; depreciation; and upfront fees and achieved milestone payments associated with R&D collaboration arrangements.

Our R&D expenses were $32.5 million for the three months ended September 30, 2024 as compared to $27.1 million for the three months ended September 30, 2023, an increase of $5.4 million, or 20.0%, primarily due to higher spend on ZYNLONTA, ADCT-601 and other R&D research strategy, platform and pipeline initiatives, partially offset by other productivity and cost savings initiatives and decreased spending on discontinued programs, as discussed below.

ZYNLONTA

Research and development expenses for ZYNLONTA were $18.2 million for the three months ended September 30, 2024 as compared to $17.1 million for the three months ended September 30, 2023, an increase of $1.1 million. The increase was primarily due to higher chemistry, manufacturing and controls ("CMC") expense of $1.8 million for LOTIS 5 and LOTIS

7, partially offset by lower professional fees of $0.5 million related to ZYNLONTA for the three months ended September 30, 2024 as a result of productivity initiatives and portfolio prioritization.

ADCT-601

Research and development expenses for ADCT-601 were $5.6 million for the three months ended September 30, 2024 as compared to $2.2 million for the three months ended September 30, 2023, an increase of $3.4 million. The increase is primarily attributable to higher patient enrollment and progress towards the completion of the study. The ADCT-601 program will be discontinued and is no longer enrolling patients.

Preclinical product candidates and research pipeline

Research and development expenses associated with our preclinical product candidates and research pipeline were $4.6 million for the three months ended September 30, 2024 as compared to $2.8 million for the three months ended September 30, 2023. The increase is primarily attributable to increased spending on our research strategy, platform and pipeline initiatives including Claudin-6, PSMA and ASCT2.

Discontinued programs

Spending on our discontinued programs have decreased from $2.5 million for the three months ended September 30, 2023 to $0.7 million for three months ended September 30, 2024, a decrease of $1.8 million. The decrease was attributable to decreased spending on ADCT-901 of $1.2 million, Cami of $0.3 million and ADCT-212 of $0.3 million.

Share-based compensation

Share-based compensation expense was $1.0 million for the three months ended September 30, 2024 as compared to $0.2 million for the three months ended September 30, 2023, an increase of $0.8 million. The increase was primarily driven by fluctuations in our share price and forfeitures of awards in connection with employee terminations during the three months ended September 30, 2023.

Selling and Marketing Expenses

The following table summarizes our selling and marketing expenses for the three months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
External costs and overhead	$ 5,056	$ 8,035	$ (2,979)
Employee expenses[(1)]	5,262	5,533	(271)
Share-based compensation expense	355	162	193
Selling and marketing expenses	**$ 10,673**	**$ 13,730**	**$ (3,057)**

(1) Excludes share-based compensation expense.

Selling and marketing costs (“S&M”) are expensed as incurred and are primarily attributable to commercialization of ZYNLONTA in the United States. S&M includes employee costs and share-based compensation expense for commercial employees and external costs related to commercialization (including professional fees, communication costs and IT costs, travel expenses and depreciation of property and equipment).

Selling and marketing expenses were $10.7 million for the three months ended September 30, 2024 as compared to $13.7 million for the three months ended September 30, 2023, a decrease of $3.1 million or 22.3%. The decrease in external costs and overhead was primarily attributable to $3.1 million in lower spend on marketing and advertising expenses as a result of reduced spending initiatives within the U.S. The decrease in employee expenses was primarily due to lower wages and

benefits of $0.3 million. The increase in share-based compensation expense was primarily due to fluctuations in our share price, as well as lower forfeitures of awards in connection with employee terminations.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the three months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
External costs and overhead	$ 3,901	$ 4,209	$ (308)
Employee expenses[(1)]	4,641	3,651	990
Share-based compensation expense	1,460	1,764	(304)
General and administrative expenses	**$ 10,002**	**$ 9,624**	**$ 378**

(1) Excludes share-based compensation expense.

General and administrative expense includes employee expenses (including share-based compensation expense) for general and administrative employees, external costs (including, in particular, professional fees, legal costs associated with maintaining patents and other intellectual property, communications costs and IT costs, facility expenses and travel expenses), depreciation of property and equipment, depreciation of right-of-use assets and amortization of intangible assets.

General and administrative expenses were $10.0 million for the three months ended September 30, 2024 as compared to $9.6 million for the three months ended September 30, 2023, an increase of $0.4 million, or 3.9%. External costs and overhead costs decreased primarily as a result of lower insurance costs of $0.4 million. The increase in employee expenses was primarily due to higher wages, benefits and recruitment costs of $1.0 million. The decrease in share-based compensation expense was primarily due to fluctuations in our share price.

Other Income (Expense)

Interest Income

Interest income includes interest received from banks on our cash balances. Our policy is to invest funds in a variety of capital preservation instruments, which may include all or a combination of cash and cash equivalents, short-term and long-term interest-bearing instruments, investment-grade securities, and direct or guaranteed obligations of the U.S. government.

Interest income was $3.4 million for the three months ended September 30, 2024 as compared to $2.7 million for the three months ended September 30, 2023, an increase of $0.7 million. The increase was due to higher average cash balances and higher yields received on cash deposits.

Interest Expense

Interest expense is primarily related to the accretion of our deferred royalty obligation with HCR and the senior secured term loan facility. Interest expense was $13.1 million for the three months ended September 30, 2024 as compared to $12.8 million for the three months ended September 30, 2023, an increase of $0.3 million, or 2.3%. The increase was related to higher accretion of our deferred royalty obligation with HCR.

Other, net

Other, net consists primarily of changes in the fair value (gains or losses) of the Deerfield warrant obligation; and cumulative catch-up adjustments related to our deferred royalty obligation.

Other, net for the three months ended September 30, 2024 and 2023 included the following:

	Three Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
Deerfield warrant obligation, change in fair value income	1,130	$ 140	$ 990
Cumulative catch-up adjustment income, deferred royalty obligation	206	437	(231)
Exchange differences gain	21	39	(18)
R&D tax credit	267	244	23
Total	**$ 1,624**	**$ 860**	**$ 764**

Deerfield Warrant Obligation, Change in Fair Value Income

Pursuant to an Exchange Agreement with Deerfield entered into on August 15, 2022, the Company issued warrants to Deerfield to purchase an aggregate of 4,412,840 common shares. The Deerfield warrant obligation has been recorded at its initial fair value at the time the agreement was entered into on August 15, 2022 and is remeasured to fair value at the end of each reporting period. The income of $1.1 million for the three months ended September 30, 2024 was primarily due to a decrease in projected volatility of the underlying shares during the period while the income of $0.1 million for the three months ended September 30, 2023 was primarily due to the decrease in fair value of the underlying shares during the respective period.

Cumulative catch-up adjustment income, deferred royalty obligation

We periodically assess the expected payments to HCR based on our underlying revenue projections and to the extent the amount or timing of such payments is materially different than our initial estimates we will record a cumulative catch-up adjustment to the deferred royalty obligation. The adjustment to the carrying amount is recognized in Other, net as an adjustment in the period in which the change in estimate occurred. The cumulative catch-up adjustment income of $0.2 million and $0.4 million as a result of changes in the deferred royalty obligation for the three months ended September 30, 2024 and 2023, respectively, was primarily due to the quarterly revenue results incorporated into the valuation model during the respective periods.

Income Tax (Expense) Benefit

We are subject to corporate taxation in Switzerland. We are also subject to taxation in other jurisdictions in which we operate, in particular, the United States and the United Kingdom, where our two wholly-owned subsidiaries are incorporated. We recorded an income tax (expense) benefit of $(0.1) million for the three months ended September 30, 2024 as compared to $0.1 million for the three months ended September 30, 2023. The change is primarily driven by the new transfer pricing model which was implemented in the fourth quarter of 2023.

Equity in Net Losses of Joint Venture

	Three Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
Share of Overland ADCT BioPharma net loss	$ (260)	$ (1,409)	$ 1,149

We recorded our proportionate share of Overland ADCT BioPharma's net loss of $0.3 million and $1.4 million for the three months ended September 30, 2024 and 2023, respectively. For the three months ended September 30, 2024 we recorded our share of Overland ADCT Biopharma's net loss up until the point at which our share of losses exceeded our interest in Overland ADCT BioPharma. Losses were not recognized in excess of our total investment, as we have not incurred legal or constructive obligations or committed to additional funding on behalf of the joint venture.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

The following table summarizes our results of operations for the nine months ended September 30, 2024 and 2023:

(in thousands, except percentages and per share)	Nine Months Ended September 30, 2024	2023	Change	% Change
Revenue				
Product revenues, net	$ 52,894	$ 52,417	$ 477	0.9 %
License revenues and royalties	1,033	351	682	194.3 %
Total revenue, net	**53,927**	**52,768**	**1,159**	**2.2 %**
Operating expense				
Cost of product sales	(4,578)	(1,313)	(3,265)	248.7 %
Research and development	(82,532)	(96,797)	14,265	(14.7)%
Selling and marketing	(32,764)	(43,537)	10,773	(24.7)%
General and administrative	(32,271)	(37,129)	4,858	(13.1)%
Total operating expense	(152,145)	(178,776)	26,631	(14.9)%
Loss from operations	**(98,218)**	**(126,008)**	**27,790**	**(22.1)%**
Other income (expense)				
Interest income	9,639	7,250	2,389	33.0 %
Interest expense	(38,292)	(33,416)	(4,876)	14.6 %
Other, net	1,783	(3,374)	5,157	(152.8)%
Total other expense, net	(26,870)	(29,540)	2,670	(9.0)%
Loss before income taxes	**(125,088)**	**(155,548)**	**30,460**	**(19.6)%**
Income tax (expense) benefit	(487)	4,065	(4,552)	(112.0)%
Loss before equity in net losses of joint venture	**(125,575)**	**(151,483)**	**25,908**	**(17.1)%**
Equity in net losses of joint venture	(1,544)	(3,539)	1,995	(56.4)%
Net loss	**$ (127,119)**	**$ (155,022)**	**$ 27,903**	**(18.0)%**
Net loss per share, basic and diluted	$ (1.35)	$ (1.90)	$ 0.55	(28.9)%

Revenue

Product Revenues, net

We generate product revenue through the sale of ZYNLONTA in the United States. Revenue is recognized when control is transferred to the customer at the net selling price, which includes reductions for gross-to-net ("GTN") sales adjustments such as government rebates, chargebacks, distributor service fees, other rebates and administrative fees, sales returns and allowances and sales discounts. In the long term, we expect that our product revenue will increase as we execute our business strategy, although our product revenue may fluctuate from period to period based on a number of factors, including patient demand, as well as the timing, dose and duration, of patient therapy and customers' buying patterns and GTN deductions. We expect a similar level of GTN sales adjustments as a percentage of gross sales, and may also experience variability in GTN sales adjustments due to additional information and actual experience such as actual rebate and return rates.

Product revenues, net, was $52.9 million for the nine months ended September 30, 2024 as compared to $52.4 million for the nine months ended September 30, 2023, an increase of $0.5 million, or 0.9%. The increase is primarily attributable to a higher price, partially offset by lower sales volume.

License revenues and royalties

We generate license revenue and royalties from our strategic agreements for the development and commercialization of ZYNLONTA and other product candidates outside of the United States. Under these agreements, we receive upfront payments and are eligible for certain milestone payments and royalties. We are unable to predict the timing and amounts of

license revenue and royalties as meeting milestones is subject to many factors outside of our control and we have limited control over our partners' commercialization efforts.

Royalties were $1.0 million for the nine months ended September 30, 2024 as compared to $0.4 million for the nine months ended September 30, 2023.

Operating Expenses

Cost of Product Sales

Cost of product sales primarily includes direct and indirect costs relating to the third-party manufacture and distribution of ZYNLONTA, royalties payable to a collaboration partner based on net product sales of ZYNLONTA and inventory write-downs. We expect that cost of product sales will increase over time as we sell through pre-approval inventory that was previously expensed prior to commercialization under U.S. GAAP. Factors such as inflation may also increase our cost of product sales as a percentage of product revenue if we are not able to increase the price at which we sell ZYNLONTA to offset such increases in our cost of product sales.

Cost of product sales were $4.6 million for the nine months ended September 30, 2024 as compared to cost of product sales of $1.3 million for the nine months ended September 30, 2023. The increase is primarily attributable to a $1.1 million batch cancellation fee, higher stability, shipping and storage costs of $1.2 million recognized during the nine months ended September 30, 2024, a $0.6 million increase in our excess inventory reserve, and a $0.3 million manufacturing credit received from a contract manufacturer which was recorded as a reduction to cost of product sales for the nine months ended September 30, 2023.

Research and Development Expenses

The following table summarizes our research and development expenses for our major development programs for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
ZYNLONTA	$ 45,356	$ 52,826	$ (7,470)
ADCT-601	13,470	6,738	6,732
ADCT-602	985	1,201	(216)
Preclinical product candidates and research pipeline	12,011	7,725	4,286
Discontinued programs[(1)]	3,369	19,435	(16,066)
Not allocated to specific programs[(2)]	6,492	5,674	818
Share-based compensation expense	849	3,198	(2,349)
Research and development expenses	**$ 82,532**	**$ 96,797**	**$ (14,265)**

[(1)] Beginning in September 30, 2024, Cami, ADCT-901 and ADCT-212 were included in Discontinued programs. Prior to September 30, 2024 these programs were separately presented as major development programs. Prior periods have been recast to conform to the current period presentation.

[(2)]Includes third-party contracting and employee expenses, as well as expense for preclinical research, storage, shipping and lab consumables that span multiple programs.

Research and development expense consists primarily of employee related expenses, including share-based compensation expense; costs for production of preclinical and clinical-stage product candidates by CMOs; fees and other costs paid to contract research organizations in connection with the performance of preclinical studies and clinical trials; costs of related facilities, materials and equipment; external costs associated with obtaining intellectual property; depreciation; and upfront fees and achieved milestone payments associated with R&D collaboration arrangements.

Our R&D expenses were $82.5 million for the nine months ended September 30, 2024 as compared to $96.8 million for the nine months ended September 30, 2023, a decrease of $14.3 million, or 14.7%, primarily due to lower spending on ZYNLONTA and focused investment toward prioritized development programs, as discussed below.

ZYNLONTA

Research and development expenses for ZYNLONTA were $45.4 million for the nine months ended September 30, 2024 as compared to $52.8 million for the nine months ended September 30, 2023, a decrease of $7.5 million. The decrease was

primarily due to lower clinical trial costs for LOTIS 3, LOTIS 5, LOTIS 6 and LOTIS 7 of $2.6 million, as well as lower professional fees of $1.9 million related to ZYNLONTA for the nine months ended September 30, 2024 as a result of productivity initiatives and portfolio prioritization.

ADCT-601

Research and development expenses for ADCT-601 were $13.5 million for the nine months ended September 30, 2024 as compared to $6.7 million for the nine months ended September 30, 2023, an increase of $6.7 million. The increase is primarily attributable to higher patient enrollment and progress towards the completion of the study. The ADCT-601 program will be discontinued and is no longer enrolling patients.

Preclinical product candidates and research pipeline

Research and development expenses associated with our preclinical product candidates and research pipeline were $12.0 million for the nine months ended September 30, 2024 as compared to $7.7 million for the nine months ended September 30, 2023, a decrease of $4.3 million. The increase is primarily attributable to increased spending on our research strategy, platform and pipeline initiatives including Claudin-6, Napi2b, PSMA and ASCT2.

Discontinued programs

Spending on our discontinued programs including Cami, ADCT-901 and ADCT-212 have decreased from $19.4 million for the three months ended September 30, 2023 to $3.4 million for three months ended September 30, 2024, a decrease of $16.1 million. The decrease was attributable to decreased spending on Cami of $8.4 million, ADCT-212 of $4.4 million and ADCT-901 of $3.3 million.

Share-based compensation

Share-based compensation expense was $0.8 million for the nine months ended September 30, 2024 as compared to $3.2 million for the nine months ended September 30, 2023, a decrease of $2.3 million. The decrease was primarily driven by fluctuations in our share price as well as forfeitures of awards in connection with employee terminations.

Selling and Marketing Expenses

The following table summarizes our selling and marketing expenses for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
External costs and overhead	$ 15,718	$ 23,724	$ (8,006)
Employee expenses[(1)]	17,134	19,563	(2,429)
Share-based compensation (reversal) expense	(88)	250	(338)
Selling and marketing expenses	**$ 32,764**	**$ 43,537**	**$ (10,773)**

(1) Excludes share-based compensation expense.

Selling and marketing costs (“S&M”) are expensed as incurred and are primarily attributable to commercialization of ZYNLONTA in the United States. S&M includes employee costs and share-based compensation expense for commercial employees and external costs related to commercialization (including professional fees, communication costs and IT costs, travel expenses and depreciation of property and equipment).

Selling and marketing expenses were $32.8 million for the nine months ended September 30, 2024 as compared to $43.5 million for the nine months ended September 30, 2023, a decrease of $10.8 million or 24.7%. The decrease in external costs and overhead was primarily attributable to $8.4 million in lower spend on marketing and advertising expenses as a result of reduced spending initiatives within the U.S., partially offset by higher travel and IT expenses of $0.4 million. The decrease in employee expenses was primarily due to lower wages and benefits of $2.2 million primarily due to decreased headcount, as well as lower recruitment costs of $0.2 million. The decrease in share-based compensation expense of $0.3

million was primarily due to fluctuations in our share price as well as forfeitures of awards in connection with employee terminations.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
External costs and overhead	$ 13,675	$ 14,716	$ (1,041)
Employee expenses[(1)]	14,405	14,586	(181)
Share-based compensation expense	4,191	7,827	(3,636)
General and administrative expenses	**$ 32,271**	**$ 37,129**	**$ (4,858)**

(1) Excludes share-based compensation expense.

General and administrative expense includes employee expenses (including share-based compensation expense) for general and administrative employees, external costs (including, in particular, professional fees, legal costs associated with maintaining patents and other intellectual property, communications costs and IT costs, facility expenses and travel expenses), depreciation of property and equipment, depreciation of right-of-use assets and amortization of intangible assets.

General and administrative expenses were $32.3 million for the nine months ended September 30, 2024 as compared to $37.1 million for the nine months ended September 30, 2023, a decrease of $4.9 million, or 13.1%. The decrease in external costs and overhead was primarily related to lower insurance and IT costs of $1.1 million. The decrease in employee expenses was primarily due to lower wages and benefits of $0.4 million partially offset by higher recruitment costs of $0.2 million. The decrease in share-based compensation expense was primarily due to fluctuations in our share price as well as forfeitures of awards in connection with employee terminations.

Other Income (Expense)

Interest Income

Interest income includes interest received from banks on our cash balances. Our policy is to invest funds in a variety of capital preservation instruments, which may include all or a combination of cash and cash equivalents, short-term and long-term interest-bearing instruments, investment-grade securities, and direct or guaranteed obligations of the U.S. government.

Interest income was $9.6 million for the nine months ended September 30, 2024 as compared to $7.3 million for the nine months ended September 30, 2023, an increase of $2.4 million or 33.0%. The increase was due to higher average cash balances and higher yields received on cash deposits.

Interest Expense

Interest expense is primarily related to the accretion of our deferred royalty obligation with HCR and the senior secured term loan facility. Interest expense was $38.3 million for the nine months ended September 30, 2024 as compared to $33.4 million for the nine months ended September 30, 2023, an increase of $4.9 million, or 14.6%. The increase was related to higher accretion of our deferred royalty obligation with HCR as a result of the $73.1 million, net of transaction costs, received in June 2023 upon the first commercial sale of ZYNLONTA in the United Kingdom or any European Union country, which increased the liability.

Other, net

Other, net consists primarily of changes in the fair value (gains or losses) of the Deerfield warrant obligation; and cumulative catch-up adjustments related to our deferred royalty obligation.

Other, net for the nine months ended September 30, 2024 and 2023 included the following:

(in thousands)	Nine Months Ended September 30, 2024	2023	Change
Deerfield warrant obligation, change in fair value income	292	$ 776	$ (484)
Cumulative catch-up adjustment income (expense), deferred royalty obligation	732	(4,851)	5,583
Exchange differences (loss) gain	(75)	2	(77)
R&D tax credit	834	699	135
Total	**$ 1,783**	**$ (3,374)**	**$ 5,157**

Deerfield Warrant Obligation, Change in Fair Value Income

Pursuant to an Exchange Agreement with Deerfield entered into on August 15, 2022, the Company issued warrants to Deerfield to purchase an aggregate of 4,412,840 common shares. The Deerfield warrant obligation has been recorded at its initial fair value at the time the agreement was entered into on August 15, 2022 and is remeasured to fair value at the end of each reporting period. The income of $0.3 million for the nine months ended September 30, 2024 was primarily due to a decrease in the projected volatility of the underlying shares partially offset by an increase in fair value of the underlying shares during the respective period while the income of $0.8 million during the nine months ended September 30, 2023 was primarily due to the decrease in fair value of the underlying shares during the respective period.

Cumulative catch-up adjustment income (expense), deferred royalty obligation

We periodically assess the expected payments to HCR based on our underlying revenue projections and to the extent the amount or timing of such payments is materially different than our initial estimates we will record a cumulative catch-up adjustment to the deferred royalty obligation. The adjustment to the carrying amount is recognized in Other, net as an adjustment in the period in which the change in estimate occurred. The cumulative catch-up adjustment income (expense) was $0.7 million for the nine months ended September 30, 2024 as compared to $(4.9) million for the nine months ended September 30, 2023, a change of $5.6 million. The change was primarily due to revised revenue forecasts incorporated into the valuation model in 2023, which revisions were primarily attributable to the Company's updated strategic and development plans.

Income Tax Expense (Benefit)

We are subject to corporate taxation in Switzerland. We are also subject to taxation in other jurisdictions in which we operate, in particular, the United States and the United Kingdom, where our two wholly-owned subsidiaries are incorporated. We recorded an income tax (expense) of $(0.5) million for the nine months ended September 30, 2024 as compared to an income tax benefit of $4.1 million for the nine months ended September 30, 2023, primarily driven by our U.S. and UK operations and transfer pricing model which was implemented in the fourth quarter of 2023.

Equity in Net Losses of Joint Venture

(in thousands)	Nine Months Ended September 30, 2024	2023	Change
Share of Overland ADCT BioPharma net loss	$ (1,544)	$ (3,539)	$ 1,995

We recorded our proportionate share of Overland ADCT BioPharma's net loss of $1.5 million and $3.5 million for the nine months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024 we recorded our share of Overland ADCT BioPharma's net loss up until the point at which our share of losses exceeded our interest in Overland ADCT BioPharma. Losses were not recognized in excess of our total investment, as we have not incurred legal or constructive obligations or committed to additional funding on behalf of the joint venture.

Liquidity and Capital Resources

As of September 30, 2024, we had cash and cash equivalents of $274.3 million and believe that our current cash position and capital resources are sufficient to fund our operation and meet capital requirements for at least the next twelve months from the date of this report.

We had an accumulated deficit of $1,462.6 million as of September 30, 2024, and our operations have historically been funded primarily through equity offerings, debt financings and royalty financing arrangements.

We plan to continue to fund our operating needs through our existing cash and cash equivalents, revenues from sales of ZYNLONTA, potential milestone and royalty payments under our licensing agreements and additional equity financings, debt financings and/or other forms of financing, as well as funds provided by collaborations. We are continuously exploring strategic collaborations, business combinations, licensing opportunities or similar strategies for clinical development and commercialization of ZYNLONTA and/or our product candidates. However, we may be unable to obtain such financing, licensing and collaboration arrangements on favorable terms, if at all.

Sources of Liquidity and Capital Resources

To date, we have financed our operations primarily through equity financings, convertible debt and senior secured term loan financings, and additional funds provided by collaborations and royalty financings and sales of ZYNLONTA in the United States. For a description of the Loan Agreement, HCR Agreement and other license and collaboration agreements, see “Item 1. Business - Material Contracts” in our Annual Report.

In May 2024, we completed an underwritten offering which resulted in net proceeds of approximately $97.4 million. In August 2024, we filed a prospectus relating to an at-the-market offering program, pursuant to which we may offer and sell our common shares from time to time with an aggregate offering price of $100 million, subject to share limitations, through Jefferies LLC acting as sales agent. For the three months ended September 30, 2024, we did not sell any shares under the program.

Uses of Capital Resources

Our primary uses of capital are, and we expect will continue to be, research and development expenses, selling and marketing expenses, compensation and related expenses, interest and principal payments on debt obligations and other operating expenses. We expect to incur substantial expenses as we continue to devote substantial resources to research and development and marketing and commercialization efforts, in particular to grow ZYNLONTA in the 3L+ DLBCL setting, continue to study and advance ZYNLONTA in earlier lines of therapy and in combinations to potentially expand our market opportunity and further develop our pipeline and our ADC platform. Cash used to fund operating expenses is impacted by the timing of when we pay expenses, as reflected in the change in our outstanding accounts payable and accrued expenses, as well as the timing of collecting receivables from the sale of ZYNLONTA and paying royalties related to our deferred royalty obligation.

Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,		
(in thousands)	**2024**	**2023**	**Change**
Net cash (used in) provided by:			
Operating activities	$ (101,983)	$ (87,053)	$ (14,930)
Investing activities	(777)	(2,889)	2,112
Financing activities	98,174	73,876	24,298
Net change in cash and cash equivalents	**$ (4,586)**	**$ (16,066)**	**$ 11,480**

Net Cash Used in Operating Activities

Net cash used in operating activities was $102.0 million for the nine months ended September 30, 2024 as compared to $87.1 million for the nine months ended September 30, 2023, an increase of $14.9 million. The increase in cash used in operating activities on a period over period basis was primarily due to the receipt of the $50.0 million in Sobi license milestone during the nine months ended September 30, 2023 which was recognized in revenue in December 2022 upon approval of the Marketing Authorisation Application by the European Commission for ZYNLONTA in third-line DLBCL, partially offset by the lower net loss for the period of $27.9 million attributable to a decrease in operating expenses and the timing of cash payments and receipts.

Net Cash Used in Investing Activities

Net cash used in investing activities was $0.8 million for the nine months ended September 30, 2024 as compared to $2.9 million for the nine months ended September 30, 2023, a decrease of $2.1 million. The decrease in net cash used in investing activities relates to timing of purchases of property and equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $98.2 million for the nine months ended September 30, 2024 and primarily related to the net proceeds received from the completion of the Company's 2024 Equity Offering in May 2024. Net cash provided by financing activities was $73.9 million for the nine months ended September 30, 2023 and primarily related to the proceeds received under the deferred royalty obligation with HCR upon the first commercial sale of ZYNLONTA in the United Kingdom or any European Union country.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, and we do not currently have, any off-balance sheet arrangements.

Contractual Obligations and Commitments

There have been no material changes from the contractual obligations and commitments previously disclosed in our Annual Report.

Critical Accounting Estimates

The preparation of our unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our unaudited condensed consolidated financial statements. There have been no material changes to the significant accounting estimates previously disclosed in our Annual Report.

Recently Issued and Adopted Accounting Pronouncements

Refer to Note 2 to our unaudited condensed consolidated financial statements for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are not required to provide the information required by this Item 3 as we are a smaller reporting company.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act. Based upon this evaluation, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to internal control over financial reporting during the period covered by this report that would have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. The results of litigation and claims cannot be predicted with certainty. As of the date of this Quarterly Report, we do not believe that we are party to any claim or litigation, the outcome of which would, individually or in the aggregate, be reasonably expected to have a material adverse effect on our business.

Item 1A. Risk Factors

Below we are providing, in supplemental form, additions to our risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

We do not control the conduct of current or any potential future investigator-initiated clinical trials, and the data from such trials is not subject to our review or quality control.

We have provided clinical data from an investigator-initiated Phase 2 clinical trial of ZYNLONTA for the treatment of relapsed/refractory marginal zone lymphoma. In the future, we may provide clinical data from this and other investigator-initiated clinical trials. We do not control the design or administration of such trials, nor the submission, approval or maintenance of any regulatory and institutional filings required to conduct such trials. Furthermore, we have limited or no rights to audit, review or apply quality control procedures to the clinical data generated from such trials. As a result, we have no control over the conduct of such trials and the timing of any data releases from such trials and we cannot be certain that such trials are or will be conducted in accordance with applicable regulatory requirements or that the clinical data provided to us by the investigators of such trials are accurate, reliable or complete. There can be no assurance regarding the outcome or timing of any IITs, including whether such trials will meet their respective endpoint and whether severe adverse events will occur during the trials. In addition, positive preliminary results in any ongoing IIT may not be predictive of results in the completed trial.

Our articles of association provide that the competent court with jurisdiction over our registered office in Switzerland will be the exclusive forum for shareholder suits against us, members of our board of directors or members of our executive committee.

Our articles of association provide that the competent court with jurisdiction over our registered office in Switzerland will be the exclusive forum for shareholder suits against us, members of our board of directors or members of our executive committee; provided that the foregoing provision does not apply to claims brought to enforce a duty or liability created by the Securities Act or the Exchange Act or any claim for which the courts in the United States have exclusive jurisdiction. This forum selection provision may impose additional litigation costs on shareholders in pursuing any such claims, particularly if the shareholders do not reside in or near Switzerland and limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us, members of our board of directors or members of our executive committee, which may discourage lawsuits against us, members of our board of directors and members of our executive committee, although our shareholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

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

Recent Sales of Unregistered Securities

There were no sales of unregistered equity securities during the period covered by this report.

Issuer Purchases of Equity Securities

There were no purchases of our equity securities by or on behalf of us or any affiliated purchaser during the period covered by this report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

Insider Trading Arrangements

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement during the period covered by this report.

Item 6. Exhibits

Exhibits

The exhibits listed below are filed with or incorporated by reference into this Quarterly Report.

		Incorporation by Reference			
Exhibit No.	**Description**	**Form**	**File No.**	**Exhibit No.**	**Filing Date**
3.1	Articles of Association of ADC Therapeutics SA	8-K	001-39071	3.1	June 14, 2024
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS	XBRL Taxonomy Instance Document				
101.SCH	XBRL Taxonomy Extension Schema Document				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded with the Inline XBRL document and contained in Exhibit 101)				

* Filed herewith.

SIGNATURES

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

ADC Therapeutics SA

Date: November 7, 2024

By: /s/ Ameet Mallik
Ameet Mallik
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2024

By: /s/ Jose Carmona
Jose Carmona
Chief Financial Officer
(Principal Financial Officer)

Date: November 7, 2024

By: /s/ Lisa Kallebo
Lisa Kallebo
Corporate Controller and Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION UNDER SECTION 302

I, Ameet Mallik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ADC Therapeutics SA;

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 company as of, and for, the periods presented in this report;

4. The company'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 company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: November 7, 2024

/s/ Ameet Mallik
Ameet Mallik
Chief Executive Officer

Exhibit 31.2

CERTIFICATION UNDER SECTION 302

I, Jose Carmona, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ADC Therapeutics SA;

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 company as of, and for, the periods presented in this report;

4. The company'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 company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: November 7, 2024

/s/ Jose Carmona
Jose Carmona
Chief Financial Officer

Exhibit 32.1

CERTIFICATION UNDER SECTION 906

The certification set forth below is being submitted in connection with ADC Therapeutics SA's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Ameet Mallik, the Chief Executive Officer of ADC Therapeutics SA, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ADC Therapeutics SA.

Date: November 7, 2024

/s/ Ameet Mallik
Ameet Mallik
Chief Executive Officer

Exhibit 32.2

CERTIFICATION UNDER SECTION 906

The certification set forth below is being submitted in connection with ADC Therapeutics SA's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Jose Carmona, the Chief Financial Officer of ADC Therapeutics SA, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ADC Therapeutics SA.

Date: November 7, 2024

/s/ Jose Carmona
Jose Carmona
Chief Financial Officer