

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

☐ **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 001-36569

LANTHEUS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

35-2318913

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

201 Burlington Road, South Building
Bedford, MA

01730

(Address of principal executive offices)

(Zip Code)

(978)671-8001

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, 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 stock, par value \$0.01 per share	LNTH	The Nasdaq Global Market

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

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

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

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging Growth Company

☐

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

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

The registrant had 69,526,841 shares of common stock, \$0.01 par value, outstanding as of October 30, 2024.

LANTHEUS HOLDINGS, INC.
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Lantheus Holdings, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands, except par value)

	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 866,386	\$ 713,656
Accounts receivable, net	329,336	284,292
Inventory	70,835	64,029
Other current assets	21,998	16,683
Assets held for sale	7,159	7,159
Total current assets	1,295,714	1,085,819
Investment in equity securities	158,791	—
Property, plant and equipment, net	169,512	146,697
Intangibles, net	173,606	151,985
Goodwill	61,189	61,189
Deferred tax assets, net	144,641	150,198
Other long-term assets	46,177	55,261
Total assets	\$ 2,049,630	\$ 1,651,149
Liabilities and stockholders' equity		
Current liabilities		
Current portion of long-term debt and other borrowings	\$ 564,713	\$ 823
Accounts payable	44,914	41,189
Accrued expenses and other liabilities	174,452	145,338
Total current liabilities	784,079	187,350
Asset retirement obligations	23,237	22,916
Long-term debt, net and other borrowings	613	561,670
Other long-term liabilities	61,993	63,321
Total liabilities	869,922	835,257
Commitments and contingencies (See Note 18)		
Stockholders' equity		
Preferred stock (\$0.01 par value, 25,000 shares authorized; no shares issued and outstanding)	—	—
Common stock (\$0.01 par value, 250,000 shares authorized; 70,854 and 69,863 shares issued as of September 30, 2024 and December 31, 2023, respectively)	709	699
Additional paid-in capital	797,430	757,727
Treasury Stock at cost - 1,339 shares as of September 30, 2024 and December 31, 2023	(75,000)	(75,000)
Retained earnings	457,735	133,503
Accumulated other comprehensive loss	(1,166)	(1,037)
Total stockholders' equity	1,179,708	815,892
Total liabilities and stockholders' equity	\$ 2,049,630	\$ 1,651,149

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

Lantheus Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ 378,734	\$ 319,946	\$ 1,142,800	\$ 942,430
Cost of goods sold	136,608	119,995	403,054	462,756
Gross profit	242,126	199,951	739,746	479,674
Operating expenses				
Sales and marketing	43,719	37,399	134,300	106,472
General and administrative	40,516	35,741	135,820	85,163
Research and development	24,148	14,450	132,773	60,883
Total operating expenses	108,383	87,590	402,893	252,518
Gain on sale of assets	—	—	6,254	—
Operating income	133,743	112,361	343,107	227,156
Interest expense	4,903	5,054	14,624	14,978
Investment in equity securities - unrealized gain	(37,325)	—	(75,492)	—
Other income	(9,953)	(52,649)	(27,785)	(60,362)
Income before income taxes	176,118	159,956	431,760	272,540
Income tax expense	45,025	27,999	107,528	49,259
Net income	\$ 131,093	\$ 131,957	\$ 324,232	\$ 223,281
Net income per common share:				
Basic	\$ 1.89	\$ 1.93	\$ 4.69	\$ 3.27
Diluted	\$ 1.79	\$ 1.88	\$ 4.55	\$ 3.18
Weighted-average common shares outstanding:				
Basic	69,464	68,436	69,193	68,188
Diluted	73,065	70,046	71,331	70,268

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

Lantheus Holdings, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 131,093	\$ 131,957	\$ 324,232	\$ 223,281
Other comprehensive income (loss):				
Foreign currency translation	44	(83)	(129)	224
Comprehensive income	<u>\$ 131,137</u>	<u>\$ 131,874</u>	<u>\$ 324,103</u>	<u>\$ 223,505</u>

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

Lantheus Holdings, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)
(in thousands)

Nine Months Ended September 30, 2024

	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, January 1, 2024	69,863	\$ 699	1,339	\$ (75,000)	\$ 757,727	\$ 133,503	\$ (1,037)	\$ 815,892
Net income	—	—	—	—	—	131,066	—	131,066
Other comprehensive loss	—	—	—	—	—	—	(141)	(141)
Stock option exercises and employee stock plan purchases	86	1	—	—	2,756	—	—	2,757
Vesting of restricted stock awards and units	988	9	—	—	(9)	—	—	—
Shares withheld to cover taxes	(302)	(3)	—	—	(19,415)	—	—	(19,418)
Stock-based compensation	—	—	—	—	15,384	—	—	15,384
Balance, March 31, 2024	70,635	\$ 706	1,339	\$ (75,000)	\$ 756,443	\$ 264,569	\$ (1,178)	\$ 945,540
Net income	—	—	—	—	—	62,073	—	62,073
Other comprehensive loss	—	—	—	—	—	—	(32)	(32)
Stock option exercises and employee stock plan purchases	68	1	—	—	1,548	—	—	1,549
Vesting of restricted stock awards and units	58	1	—	—	(1)	—	—	—
Shares withheld to cover taxes	(11)	—	—	—	(924)	—	—	(924)
Stock-based compensation	—	—	—	—	18,479	—	—	18,479
Balance, June 30, 2024	70,750	\$ 708	1,339	(75,000)	\$ 775,545	\$ 326,642	\$ (1,210)	\$ 1,026,685
Net income	—	—	—	—	—	131,093	—	131,093
Other comprehensive income	—	—	—	—	—	—	44	44
Stock option exercises and employee stock plan purchases	76	1	—	—	2,831	—	—	2,832
Vesting of restricted stock awards and units	40	—	—	—	—	—	—	—
Shares withheld to cover taxes	(12)	—	—	—	(1,312)	—	—	(1,312)
Stock-based compensation	—	—	—	—	20,366	—	—	20,366
Balance, September 30, 2024	70,854	\$ 709	1,339	\$ (75,000)	\$ 797,430	\$ 457,735	\$ (1,166)	\$ 1,179,708

Nine Months Ended September 30, 2023

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, January 1, 2023	68,851	\$ 689	1,339	\$ (75,000)	\$ 715,875	\$ (193,158)	\$ (1,259)	\$ 447,147
Net loss	—	—	—	—	—	(2,807)	—	(2,807)
Other comprehensive loss	—	—	—	—	—	—	(119)	(119)
Stock option exercises and employee stock plan purchases	120	1	—	—	2,781	—	—	2,782
Vesting of restricted stock awards and units	813	8	—	—	(8)	—	—	—
Shares withheld to cover taxes	(154)	(2)	—	—	(11,152)	—	—	(11,154)
Stock-based compensation	—	—	—	—	9,667	—	—	9,667
Balance, March 31, 2023	69,630	\$ 696	1,339	\$ (75,000)	\$ 717,163	\$ (195,965)	\$ (1,378)	\$ 445,516
Net income	—	—	—	—	—	94,131	—	94,131
Other comprehensive income	—	—	—	—	—	—	426	426
Stock option exercises and employee stock plan purchases	73	1	—	—	1,346	—	—	1,347
Vesting of restricted stock awards and units	68	1	—	—	(1)	—	—	—
Shares withheld to cover taxes	(16)	—	—	—	(1,467)	—	—	(1,467)
Stock-based compensation	—	—	—	—	12,692	—	—	12,692
Balance, June 30, 2023	69,755	\$ 698	1,339	\$ (75,000)	\$ 729,733	\$ (101,834)	\$ (952)	\$ 552,645
Net income	—	—	—	—	—	131,957	—	131,957
Other comprehensive loss	—	—	—	—	—	—	(83)	(83)
Stock option exercises and employee stock plan purchases	25	—	—	—	1,265	—	—	1,265
Vesting of restricted stock awards and units	39	—	—	—	(1)	—	—	(1)
Shares withheld to cover taxes	(11)	—	—	—	(1,000)	—	—	(1,000)
Stock-based compensation	—	—	—	—	13,976	—	—	13,976
Balance, September 30, 2023	69,808	\$ 698	1,339	\$ (75,000)	\$ 743,973	\$ 30,123	\$ (1,035)	\$ 698,759

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

Lantheus Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 324,232	\$ 223,281
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation, amortization and accretion	47,339	45,028
Impairment of long-lived assets	—	138,050
Amortization of debt related costs	3,217	3,227
Changes in fair value of contingent assets and liabilities	(1,405)	(9,475)
Inventory adjustments	738	5,251
Stock-based compensation	54,229	36,335
Gain on disposal of assets	(6,254)	—
Gain on sale of RELISTOR licensed intangible asset associated with net sales royalties	—	(51,789)
Unrealized gain on investment in equity securities	(75,492)	—
Charges incurred in connection with acquired IPR&D	66,000	—
Deferred taxes	(4,402)	(57,649)
Long-term indemnification receivable	—	3,929
Long-term income tax payable and other long-term liabilities	2,619	(2,744)
Other	7,172	3,118
Changes in assets and liabilities which provided (used) cash:		
Accounts receivable	(44,887)	(43,044)
Inventory	(7,101)	(25,995)
Other current assets	1,335	2,496
Accounts payable	1,151	12,150
Accrued expenses and other liabilities	18,529	(89,196)
Net cash provided by operating activities	387,020	192,973
Cash flows from investing activities:		
Capital expenditures	(35,256)	(34,486)
Acquisition of assets, net	(80,911)	(45,345)
Proceeds from sale of assets	8,000	97,839
Purchases of investment in equity securities	(83,246)	—
Acquisition of exclusive license option	(28,000)	—
Net cash (used in) provided by investing activities	(219,413)	18,008
Cash flows from financing activities:		
Payments on long-term debt and other borrowings	(376)	(685)
Contingent value rights settlement	—	(3,700)
Proceeds from stock option exercises	3,772	3,462
Proceeds from issuance of common stock	3,450	1,933
Payments for minimum statutory tax withholding related to net share settlement of equity awards	(21,723)	(13,621)
Net cash used in financing activities	(14,877)	(12,612)
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	34	139
Net increase in cash, cash equivalents and restricted cash	152,764	198,508
Cash, cash equivalents and restricted cash, beginning of period	715,285	417,241
Cash, cash equivalents and restricted cash, end of period	\$ 868,049	\$ 615,749

Lantheus Holdings, Inc.
Condensed Consolidated Statements of Cash Flows (Continued)
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2024	2023
Reconciliation to amounts within the condensed consolidated balance sheets		
Cash and cash equivalents	\$ 866,386	\$ 614,131
Restricted cash included in other long-term assets	1,663	1,618
Cash, cash equivalents and restricted cash at end of period	<u>\$ 868,049</u>	<u>\$ 615,749</u>

	Nine Months Ended September 30,	
	2024	2023
Schedule of non-cash investing and financing activities		
Additions of property, plant and equipment included in liabilities	\$ 8,502	\$ 8,573
Lease liability settled through transfer of lease	<u>\$ 762</u>	<u>\$ —</u>
Right-of-use asset obtained in exchange for operating lease liabilities	<u>\$ 63</u>	<u>\$ 29,625</u>

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

Lantheus Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note Regarding Company References and Trademarks

Unless the context otherwise requires, references to the “Company” and “Lantheus” refer to Lantheus Holdings, Inc. and its direct and indirect wholly-owned subsidiaries; references to “Lantheus Holdings” refer to Lantheus Holdings, Inc. and not to any of its subsidiaries; references to “LMI” refer to Lantheus Medical Imaging, Inc., the direct subsidiary of Lantheus Holdings; references to “Lantheus Alpha” and “Meilleur” refer to Lantheus Alpha Therapy, LLC and Meilleur Technologies, Inc., respectively, each a direct subsidiary of Lantheus Holdings; references to “Cerveau,” “Lantheus Real Estate,” “Lantheus Two,” “Lantheus Three” and “Progenics” refer to Cerveau Technologies, Inc.; Lantheus MI Real Estate, LLC; Lantheus Two, LLC; Lantheus Three, LLC; and Progenics Pharmaceuticals, Inc., respectively, each a wholly-owned subsidiary of LMI, and references to “EXINI” refer to EXINI Diagnostics AB, a wholly-owned subsidiary of Progenics. Solely for convenience, the Company refers to trademarks, service marks and trade names without the TM, SM and ® symbols. Those references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent permitted under applicable law, its rights to its trademarks, service marks and trade names.

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Lantheus and have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) for interim financial information and with the instructions for Quarterly Reports on Form 10-Q and Article 10 of Regulation S-X. Accordingly, these condensed consolidated financial statements do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair statement have been included. The results of operations for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for any future period.

The condensed consolidated balance sheet at December 31, 2023 has been derived from the audited consolidated financial statements at that date but does not include all the information and notes required by U.S. GAAP for complete financial statements. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8 of the Company’s most recent Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities Exchange Commission (“SEC”) on February 22, 2024.

Progenics Acquisition

On June 19, 2020 (the “Closing Date”), pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of February 20, 2020 (the “Merger Agreement”), by and among Lantheus Holdings, Plato Merger Sub, Inc., a wholly-owned subsidiary of Lantheus Holdings (“Merger Sub”), and Progenics, Lantheus Holdings completed the acquisition of Progenics by means of a merger of Merger Sub with and into Progenics, with Progenics becoming an indirect subsidiary of Lantheus Holdings following the completion of such merger (the “Progenics Acquisition”).

In connection with the Progenics Acquisition, Lantheus Holdings issued 26,844,877 shares of Lantheus Holdings common stock and 86,630,633 contingent value rights (each a “CVR”) tied to the financial performance of PYLARIFY to former Progenics stockholders and option holders. Each CVR entitled its holder to receive a pro rata share of aggregate cash payments equal to 40% of United States (“U.S.”) net sales generated by PYLARIFY in 2022 and 2023 in excess of \$100.0 million and \$150.0 million, respectively. The Company’s aggregate payments in respect of the CVRs, together with any other non-stock consideration treated as paid in connection with the Progenics Acquisition, was capped at 19.9% of the total consideration the Company paid in the Progenics Acquisition. Based on the Company’s 2022 PYLARIFY net sales, the Company determined that the aggregate payment obligation under the CVRs was \$99.6 million, which was the maximum amount payable. The Company paid out this amount in May 2023 in full satisfaction of the CVRs.

2. Summary of Significant Accounting Policies**Investments**

Equity investments with readily determinable fair values for which the Company does not have significant influence over the investee are measured at fair value on a recurring basis. Equity investments without readily determinable fair values for which the Company does not have significant influence over the investee are measured at cost with adjustments for observable changes in price or impairments (referred to as the measurement alternative). For equity investments for which the Company does not have significant influence over the investee, changes in the value of unsold equity investments are recorded in investment in equity securities – unrealized gain. Equity investments for which the Company has significant influence over the investee are measured using the equity method unless the Company elects to apply the fair value option to account for the investment.

Recent Accounting Pronouncements

The Company has considered all new accounting standards issued by the Financial Accounting Standards Board ("FASB"). The Company has not yet adopted the following standards:

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires all public entities, including public entities with a single reportable segment, to provide in interim and annual periods one or more measures of segment profit or loss used by the chief operating decision maker to allocate resources and assess performance. Additionally, the standard requires disclosures of significant segment expenses and other segment items as well as incremental qualitative disclosures. The guidance in this update is effective for fiscal years beginning after December 15, 2023, and interim periods after December 15, 2024. The Company is currently in the process of evaluating the effects of this pronouncement on our related disclosures.

In December 2023, the FASB also issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires enhanced income tax disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The requirements of the ASU are effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently in the process of evaluating the impact of this pronouncement on our related disclosures.

3. Revenue from Contracts with Customers

The following table summarizes revenue by source as follows:

Major Products/Service Lines (in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Product revenue, net ⁽¹⁾	\$ 374,601	\$ 319,508	\$ 1,136,670	\$ 925,848
License and royalty revenues	4,133	438	6,130	16,582
Total revenues	\$ 378,734	\$ 319,946	\$ 1,142,800	\$ 942,430

(1) The Company's product revenue includes PYLARIFY and DEFINITY among other products. This category represents the delivery of physical goods. The Company applies the same revenue recognition policies and judgments for all its principal products.

The Company classifies its revenues into three product categories: Radiopharmaceutical Oncology, Precision Diagnostics, and Strategic Partnerships and Other Revenue. Radiopharmaceutical Oncology includes PYLARIFY and AZEDRA. In the first quarter of 2024, the Company discontinued the production of AZEDRA. Precision Diagnostics includes DEFINITY, TechnoLite and other diagnostic imaging products. Strategic Partnerships and Other Revenue primarily includes out-licensing arrangements and partnerships for the Company's biomarker solutions, digital solutions, and radiotherapeutic platforms, inclusive of two investigational stage diagnostic agents, MK-6240 and NAV-4694. On August 2, 2023, the Company sold its rights to the RELISTOR net sales royalty asset (the "RELISTOR royalty asset") under its license agreement with Bausch Health Companies, Inc. ("Bausch"); the Company retained the rights to future sales-based milestone payments.

Revenue by product category on a net basis is as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
PYLARIFY	\$ 259,756	\$ 215,428	\$ 791,881	\$ 621,419
Other radiopharmaceutical oncology	—	848	384	2,383
Total radiopharmaceutical oncology	259,756	216,276	792,265	623,802
DEFINITY	76,965	67,336	231,629	206,688
TechneLite	20,480	23,272	70,380	65,853
Other precision diagnostics	6,282	5,740	18,039	17,002
Total precision diagnostics	103,727	96,348	320,048	289,543
Strategic partnerships and other revenue	15,251	7,322	30,487	29,085
Total revenues	\$ 378,734	\$ 319,946	\$ 1,142,800	\$ 942,430

The Company is required to allocate a portion of its revenue received from commercial contracts to future reporting periods to the extent the Company had performance obligations that extended beyond one year. However, the Company's performance obligations are typically part of contracts that have an original expected duration of one year or less. As such, the Company is not disclosing the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period.

4. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability of fair value measurements, financial instruments are categorized based on a hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- *Level 1* — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- *Level 2* — Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- *Level 3* — Unobservable inputs that reflect a Company's estimates about the assumptions that market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available, including its own data.

Financial assets and liabilities measured at fair value on a recurring basis consist of money market funds, contingent consideration liabilities, and equity investments. The Company invests excess cash from its operating cash accounts in overnight investments and reflects these amounts in cash and cash equivalents in the condensed consolidated balance sheets at fair value using quoted prices in active markets for identical assets. Investment in equity securities resulting from the Perspective Therapeutics, Inc. ("Perspective") strategic agreements were recorded at fair value by the Company and are adjusted for price changes observable in the market each quarter. The Company recorded the contingent consideration liabilities resulting from the Progenics Acquisition at fair value based on inputs that are not observable in the market.

The tables below present information about the Company's assets and liabilities measured at fair value on a recurring basis:

September 30, 2024				
(in thousands)	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	\$ 669,158	\$ 669,158	\$ —	\$ —
Investment securities	158,791	158,791	—	—
Total assets	\$ 827,949	\$ 827,949	\$ —	\$ —
Liabilities:				
Contingent consideration liabilities	\$ 1,294	\$ —	\$ —	\$ 1,294
Total liabilities	\$ 1,294	\$ —	\$ —	\$ 1,294

December 31, 2023				
(in thousands)	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	\$ 574,131	\$ 574,131	\$ —	\$ —
Total assets	\$ 574,131	\$ 574,131	\$ —	\$ —
Liabilities:				
Contingent consideration liabilities	\$ 2,700	\$ —	\$ —	\$ 2,700
Total liabilities	\$ 2,700	\$ —	\$ —	\$ 2,700

During the three and nine months ended September 30, 2024, there were no transfers into or out of Level 3.

Perspective Therapeutics Inc. Equity Securities

At September 30, 2024, the Company held 11,677,339 shares of Perspective common stock ("Perspective Shares"). The Company accounts for its investment in Perspective Shares as an equity investment with a readily determinable fair value, as the securities are publicly traded on the New York Stock Exchange ("NYSE"). The fair value of the equity securities is based on its closing price on the NYSE at the end of the fiscal period and is classified within Level 1 of the fair value hierarchy because the equity securities are valued using quoted market prices. The fair value of the Perspective Shares as of September 30, 2024 was approximately \$155.9 million based on a closing market price of \$13.35 per share on September 30, 2024, resulting in an unrealized gain of \$39.5 million and \$77.6 million for the three and nine months ended September 30, 2024, respectively. See Note 19, "Acquisition of Assets" for further discussion of the Perspective transaction.

Radiopharm Theranostics Limited Equity Securities

At September 30, 2024, the Company held 149,625,180 shares of Radiopharm Theranostics Limited ("Radiopharm") common stock ("Radiopharm Shares"). The Company accounts for its investment in Radiopharm Shares as an equity investment with a readily determinable fair value, as the securities are publicly traded on the Australian Stock Exchange ("ASX"). The fair value of the equity securities is based on the closing price on the ASX at the end of the fiscal period and is classified within Level 1 of the fair value hierarchy because the equity securities are valued using quoted market prices. The fair value of the Radiopharm Shares as of September 30, 2024 was approximately \$2.9 million based on the converted closing market price of approximately \$0.02 per share on September 30, 2024, resulting in an unrealized loss on equity securities of \$ 2.1 million for the three and nine months ended September 30, 2024. See Note 19, "Acquisition of Assets" for further discussion of the Radiopharm transaction.

Contingent Consideration

The Company assumed contingent consideration liabilities related to a previous acquisition completed by Progenics in 2013 ("2013 Acquisition"). These contingent consideration liabilities include potential payments of up to \$70.0 million if the Company attains certain net sales targets primarily for AZEDRA and 1095 (also known as 131 I-MIP-1095) and a \$5.0 million 1095 commercialization milestone. Additionally, there is a potential payment of up to \$10.0 million for a commercialization milestone related to a prostate cancer product candidate the Company refers to as "1404" that was out-licensed to ROTOP Pharmaka GmbH. The Company's total potential payments related to the 2013 Acquisition are approximately \$85.0 million. The Company considers the contingent consideration liabilities relating to the 2013 Acquisition each a Level 3 instrument (one with significant unobservable

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inputs) in the fair value hierarchy. The estimated fair value of these was determined based on probability adjusted discounted cash flows and Monte Carlo simulation models that included significant estimates and assumptions pertaining to commercialization events and sales targets. The most significant unobservable inputs with respect to 1095 and 1404 are the probabilities of achieving regulatory approval of those development projects and subsequent commercial success.

Significant changes in any of the probabilities of success, the probabilities as to the periods in which sales targets and milestones will be achieved, discount rates or underlying revenue forecasts would result in a higher or lower fair value measurement. The Company records the contingent consideration liability at fair value with changes in estimated fair values recorded in general and administrative expenses in the condensed consolidated statements of operations. The Company can give no assurance that the actual amounts paid, if any, in connection with the contingent consideration liabilities, will be consistent with any recurring fair value estimate of such contingent consideration liabilities.

The following tables summarize quantitative information and assumptions pertaining to the fair value measurement of liabilities using Level 3 inputs at September 30, 2024.

(in thousands)	Fair Value at		Valuation Technique	Unobservable Input	Assumptions	
	September 30, 2024	December 31, 2023			September 30, 2024	December 31, 2023
Contingent consideration liability:						
1095 commercialization milestone	1,800	1,800	Probability adjusted discounted cash flow model			
				Period of expected milestone achievement	2026	2026
				Probability of success	40 %	40 %
				Discount rate	3.5 %	4.1 %
Net sales targets - AZEDRA and 1095	1,000	900	Monte Carlo simulation			
				Probability of success and sales targets	0% - 40%	0% - 40%
				Discount rate	15%	15%
Reduction due to partial settlement of 2013 Milestone Rights	(1,506)	—				
Total	\$ 1,294	\$ 2,700				

For those financial instruments with significant Level 3 inputs, the following table summarizes the activities for the periods indicated:

(in thousands)	Financial Liabilities	
	Nine Months Ended	
	September 30,	
	2024	2023
Fair value, beginning of period	\$ 2,700	\$ 111,600
Changes in fair value included in net income	100	(9,475)
Gain on partial buyout of 2013 Milestone Rights	(1,505)	—
Cash payments	(1)	(99,625)
Fair value, end of period	\$ 1,294	\$ 2,500

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The change in fair value of the contingent financial liabilities resulted in an increase of general and administrative expense of \$ 0.1 million for the nine months ended September 30, 2024 and was primarily due to the passage of time. In August 2024, the Company entered into a bill of sale with the holder of a significant portion of the contingent milestone rights related to the 2013 Acquisition (the "2013 Milestone Rights") to transfer their portion of the 2013 Milestone Rights back to the Company for \$1,000. This buyout resulted in a \$ 1.5 million decrease in general and administrative expense during the three months ended September 30, 2024 due to the reduction in outstanding 2013 Milestone Rights.

As of September 30, 2024, the carrying value of the Company's convertible debt was \$ 575.0 million and the fair value of the Company's convertible debt was estimated to be approximately \$892.4 million based on quoted market prices of the instrument and was classified as a Level 1 measurement within the fair value hierarchy.

5. Income Taxes

The Company calculates income taxes at the end of each reporting period based on the estimated effective tax rate for the full year, adjusted for any discrete events which are recorded in the period they occur. Cumulative adjustments to the tax provision are recorded in the reporting period in which a change in the estimated annual effective tax rate is determined. The Company's income tax expense and effective tax rate are presented below:

<u>(in thousands)</u>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Income tax expense	\$ 45,025	\$ 27,999	\$ 107,528	\$ 49,259
Effective tax rate	25.6 %	17.5 %	24.9 %	18.1 %

The increase in the effective income tax rate for the three and nine months ended September 30, 2024 is primarily due to a benefit recorded in the third quarter of 2023 related to the sale of the Company's RELISTOR royalty asset, which resulted in additional net operating losses becoming available for utilization under Internal Revenue Code Section 382. There was no such comparable amount recorded in 2024.

6. Inventory

Inventory consisted of the following:

<u>(in thousands)</u>	September 30, 2024	December 31, 2023
Raw materials	\$ 28,729	\$ 31,259
Work in process	21,178	13,807
Finished goods	20,928	18,963
Total inventory	<u>\$ 70,835</u>	<u>\$ 64,029</u>

Inventory costs associated with products that have not yet received regulatory approval are capitalized if the Company believes there is probable future commercial use of the product and future economic benefit of the asset. If future commercial use of the product is not probable, then inventory costs associated with such product are expensed during the period the costs are incurred. The Company has no inventory pending regulatory approval as of September 30, 2024. The majority of inventory on hand relates to in-house manufacturing of DEFINITY at the Company's North Billerica campus. With respect to the Company's products that are radiopharmaceuticals, due to the limited shelf life of such products, they are generally not held as finished goods.

7. Property, Plant and Equipment, Net

Property, plant and equipment, net, consisted of the following:

<u>(in thousands)</u>	September 30, 2024	December 31, 2023
Land	\$ 9,480	\$ 9,480
Buildings	81,940	73,441
Machinery, equipment and fixtures	105,900	102,576
Computer software	54,182	27,259
Construction in progress	35,177	40,964
	286,679	253,720
Less: accumulated depreciation and amortization	(117,167)	(107,023)
Total property, plant and equipment, net	<u>\$ 169,512</u>	<u>\$ 146,697</u>

Depreciation and amortization expense related to property, plant and equipment, net, was \$ 5.1 million and \$2.9 million for the three months ended September 30, 2024 and 2023, respectively, and \$15.1 million and \$9.6 million for the nine months ended September 30, 2024 and 2023, respectively.

During the nine months ended September 30, 2023, as a result of a decline in expected future cash flows related to the AZEDRA marketed intangible asset, the Company determined certain impairment triggers had occurred. The Company reviewed revised undiscounted cash flows that were estimated to be generated by the asset group as of June 30, 2023. Based on the undiscounted cash flow analysis, the Company determined that the asset group had net carrying values that exceeded their estimated undiscounted future cash flows. The Company then estimated the fair value of the asset group based on their discounted cash flows. The carrying value exceeded the fair value and as a result, the Company recorded a noncash impairment of \$6.0 million for the nine months ended September 30, 2023 in cost of goods sold in the condensed consolidated statements of operations.

On January 8, 2024, the Company entered into an agreement with Perspective to transfer the sublease for the property at 110 Clyde Rd, Somerset, New Jersey (the "Somerset Facility") and sell the associated assets at the Somerset Facility for \$8.0 million. The transfer of the sublease and completion of the asset sale occurred on March 1, 2024. The sale of assets resulted in a derecognition to the right-of-use asset of \$0.4 million, the lease liability of \$0.4 million and remaining property, plant and equipment of \$ 0.8 million. The Company also incurred commission expense of \$ 1.0 million related to the transaction. The Company recorded a gain of \$6.3 million for the nine months ended September 30, 2024 within operating income.

See Note 19, "Acquisition of Assets" for further discussion of the Perspective transaction.

Long-Lived Assets Held for Sale

During the first quarter of 2023, the Company committed to a plan to sell a portion of its land and buildings associated with its Billerica, Massachusetts campus. Effective March 16, 2023, the Company entered into a purchase and sale agreement with a prospective buyer. The assets were classified as held for sale and comprised entirely of property, plant and equipment, net. The Company determined that the fair value of the net assets being sold exceeded the carrying value as of September 30, 2024. The purchase price for the campus sale is \$10.0 million in cash. The transaction is expected to close in 2024.

8. Accrued Expenses, Other Liabilities and Other Long-Term Liabilities

Accrued expenses, other liabilities and other long-term liabilities are comprised of the following:

(in thousands)	September 30, 2024	December 31, 2023
Compensation and benefits	\$ 35,740	\$ 36,331
Freight, distribution and operations	83,735	67,529
Accrued rebates, discounts and chargebacks	21,924	16,070
Accrued professional fees	11,177	10,244
Accrued research and development expenses	7,048	3,258
Other	14,828	11,906
Total accrued expenses and other liabilities	<u>\$ 174,452</u>	<u>\$ 145,338</u>
Operating lease liabilities (Note 15)	\$ 53,915	\$ 54,453
Long-term contingent liabilities (Note 4)	1,294	2,700
Other long-term liabilities	6,784	6,168
Total other long-term liabilities	<u>\$ 61,993</u>	<u>\$ 63,321</u>

9. Asset Retirement Obligations

The Company considers its legal obligation to remediate its facilities upon a potential decommissioning of its radioactive-related operations as an asset retirement obligation. The Company has a production facility that manufactures and processes radioactive materials at its North Billerica, Massachusetts site. As of September 30, 2024, the asset retirement liability is measured at the present value of the asset retirement liability expected to be incurred and is approximately \$25.1 million.

The following table provides a summary of the changes in the Company's carrying value of asset retirement obligations:

(in thousands)	Amount
Balance at January 1, 2024	\$ 22,916
Accretion expense	321
Balance at September 30, 2024	<u>\$ 23,237</u>

The Company is required to provide the Massachusetts Department of Public Health financial assurance demonstrating the Company's ability to fund any decommissioning of its North Billerica, Massachusetts production facility in the event of any closure. The Company has provided this financial assurance in the form of a \$30.3 million surety bond.

10. Intangibles, Net

Intangibles, net, consisted of the following:

(in thousands)	September 30, 2024				
	Useful Lives (in years)	Amortization Method	Cost	Accumulated Amortization	Net
Trademarks	15 - 25	Straight-Line	\$ 13,540	\$ (12,326)	\$ 1,214
Customer relationships	15 - 25	Accelerated	157,950	(132,025)	25,925
Currently marketed products	9 - 15	Straight-Line	132,800	(49,344)	83,456
Licenses	11 - 16	Straight-Line	22,233	(11,895)	10,338
Developed technology	7 - 9	Straight-Line	55,982	(3,309)	52,673
Total			<u>\$ 382,505</u>	<u>\$ (208,899)</u>	<u>\$ 173,606</u>

December 31, 2023

(in thousands)	Useful Lives (in years)	Amortization Method	Cost	Accumulated Amortization	Net
Trademarks	15 - 25	Straight-Line	\$ 13,540	\$ (12,216)	\$ 1,324
Customer relationships	15 - 25	Accelerated	157,995	(117,574)	40,421
Currently marketed products	9 - 15	Straight-Line	132,800	(38,277)	94,523
Licenses	11 - 16	Straight-Line	22,233	(7,972)	14,261
Developed technology	9	Straight-Line	2,400	(944)	1,456
Total			<u>\$ 328,968</u>	<u>\$ (176,983)</u>	<u>\$ 151,985</u>

The Company recorded amortization expense for its intangible assets of \$ 11.9 million and \$11.7 million for the three months ended September 30, 2024 and 2023, respectively and \$32.0 million and \$35.1 million for the nine months ended September 30, 2024 and 2023, respectively.

In March 2023, the Company stopped all development activities in relation to a future indication associated with AZEDRA, which was classified as an in-process research and development ("IPR&D") intangible asset. The asset group, which consisted of the IPR&D asset and a currently marketed product (the "AZEDRA intangible asset group"), was assessed for impairment. The Company considered several factors in estimating the future projections of revenues and cash flows of the AZEDRA intangible asset group as part of the impairment testing. The Company concluded that the carrying amount exceeded the fair value of the AZEDRA intangible asset group, which had no value. The Company recorded a non-cash impairment charge of \$15.6 million in research and development expenses relating to the IPR&D asset and \$ 116.4 million in cost of goods sold relating to the currently marketed indication of AZEDRA in the consolidated statement of operations for the quarter ended March 31, 2023.

On August 2, 2023, the Company sold the right to its RELISTOR royalty asset under its license agreement with Bausch; the Company retained the rights to future sales-based milestone payments. The Company received an initial payment of approximately \$98.0 million in connection with the sale and has the right to receive an additional payment from the buyer of \$5.0 million if worldwide net sales of RELISTOR in 2025 exceed a specified threshold. The additional payment would be recognized upon achievement of the specified threshold. Decreases of \$63.6 million of license assets and \$17.5 million of associated accumulated amortization, as well as a gain of \$51.8 million were recorded as a result of the sale.

On August 15, 2023, the Company announced that it would discontinue the production and promotion of AZEDRA and would be winding down its Somerset Facility. The Company continued manufacturing AZEDRA until the first quarter of 2024 to provide doses of AZEDRA to then-current patients so they could complete their treatment regimen. No AZEDRA was manufactured after March 1, 2024, when the Company transferred the tangible assets and associated lease of its Somerset Facility to Perspective. See Note 7, "Property, Plant and Equipment, Net" for impairment analysis.

In February 2023, the Company entered into an agreement with the stockholders of Cerveau (the "Cerveau Stockholders") to purchase all of the outstanding capital stock of Cerveau (which holds the rights under a license agreement to develop and commercialize MK-6240) for approximately \$35.3 million. In May 2023, upon successful completion of a technology transfer, the Company paid \$ 10.0 million to the Cerveau Stockholders. This additional contingent payment was capitalized as part of the asset cost and increased the total value of the Company's customer relationship intangible assets. See Note 19, "Acquisition of Assets" for further discussion of the Cerveau acquisition.

In June 2024, the Company entered into an agreement with the stockholders of Meilleur ("Meilleur Stockholders") to purchase all of the outstanding capital stock of Meilleur (which holds the rights under a license agreement to develop and commercialize NAV-4694) for approximately \$32.9 million. The Company recorded a developed technology intangible asset of \$40.3 million as a result of the purchase price and the specific assets and liabilities of Meilleur that were acquired as part of the asset acquisition based on their value at the agreed upon closing date. In August 2024, upon successful completion of a technology transfer, the Company paid \$10.0 million to the Meilleur Stockholders. This additional contingent payment was capitalized as part of the asset cost and

increased the total value of the Company's developed technology intangible assets. See Note 19, "Acquisition of Assets" for further discussion of the Meilleur acquisition.

The below table summarizes the estimated aggregate amortization expense expected to be recognized on the above intangible assets:

(in thousands)	Amount	
Remainder of 2024	\$	11,843
2025		32,064
2026		32,861
2027		27,335
2028		23,850
2029 and thereafter		45,653
Total	\$	173,606

11. Long-Term Debt, Net, and Other Borrowings

The carrying value of the Company's long-term debt, net and other borrowings is as follows:

(in thousands)	September 30, 2024	December 31, 2023
Principal amount 2.625% Convertible Senior Notes due 2027	\$ 575,000	\$ 575,000
Unamortized debt issuance costs	(11,283)	(13,955)
Finance lease liabilities	1,609	1,448
Total	565,326	562,493
Less: current portion of long-term debt and other borrowings ⁽¹⁾	(564,713)	(823)
Total long-term debt, net and other borrowings	\$ 613	\$ 561,670

- (1) During the three months ended September 30, 2024, as discussed below, criteria were met for conversion of the 2.625% Convertible Senior Notes due 2027 (the "Notes") at the option of the holders of the Notes. As a result, under ASC 470, "Debt", the Company is required to classify the carrying value as current on the Company's condensed consolidated balance sheet at September 30, 2024. The maturity date of the Notes remains December 15, 2027.

2022 Revolving Facility

In December 2022, the Company entered into a \$ 350.0 million five-year revolving credit facility (the "2022 Revolving Facility"). Under the terms of the 2022 Revolving Facility, the lenders are committed to extending credit to the Company from time to time until December 2, 2027 consisting of revolving loans (the "Revolving Loans") in an aggregate principal amount not to exceed \$350.0 million (the "Revolving Commitment") at any time, including a \$20.0 million sub-facility for the issuance of letters of credit (the "Letters of Credit") and a \$ 10.0 million sub-facility for swingline loans (the "Swingline Loans"). The Revolving Loans, Letters of Credit, and the Swingline Loans, if used, are expected to be used for working capital and for other general corporate purposes.

The Revolving Loans bear interest, with pricing based from time to time at the Company's election, at (i) the secured overnight financing rate as published by the Federal Reserve Bank of New York on its website plus an applicable margin that ranges from 1.50% to 2.50% based on the Company's total net leverage ratio or (ii) the alternative base rate plus an applicable margin that ranges from 0.50% to 1.50% based on the Company's total net leverage ratio. The 2022 Revolving Facility also includes an unused commitment fee at a rate ranging from 0.15% to 0.35% per annum based on the Company's total net leverage ratio. Interest associated with the unused commitment is recorded to accrued expenses and other liabilities on the condensed consolidated balance sheet and paid out on a quarterly basis.

The Company is permitted to voluntarily prepay the Revolving Loans, in whole or in part, or reduce or terminate the Revolving Commitment, in each case, without premium or penalty. On any business day on which the total amount of outstanding Revolving Loans, Letters of Credit and Swingline Loans exceeds the total Revolving Commitment, the Company must prepay the Revolving Loans in an amount equal to such excess. The Company is not required to make mandatory prepayments under the 2022 Revolving Facility. As of September 30, 2024, there were no outstanding borrowings under the 2022 Revolving Facility.

The Company has the right to request an increase to the Revolving Commitment in an aggregate principal amount of up to the sum of \$ 335.0 million or consolidated earnings before interest, taxes, depreciation and amortization for the four consecutive fiscal

quarters most recently ended, plus additional amounts in certain circumstances (collectively, the “Incremental Cap”), minus certain incremental term loans made pursuant to specified incremental term loan commitments (“Incremental Term Loans”). The Company has the right to request Incremental Term Loans in an aggregate principal amount of up to the Incremental Cap less any incremental increases to the Revolving Commitment. Proceeds of Incremental Term Loans may be used for working capital and for other general corporate purposes and will bear interest at rates agreed between the Company and the lenders providing the Incremental Term Loans.

2022 Facility Covenants

The 2022 Revolving Facility contains a number of affirmative, negative and reporting covenants, as well as financial maintenance covenants pursuant to which the Company is required to be in quarterly compliance, measured on a trailing four quarter basis, with two financial covenants. The minimum interest coverage ratio must be at least 3.00 to 1.00. The maximum total net leverage ratio permitted by the financial covenant is 3.50 to 1.00.

The 2022 Revolving Facility contains usual and customary restrictions on the ability of the Company and its subsidiaries to: (i) incur additional indebtedness (ii) create liens; (iii) consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; (iv) sell certain assets; (v) pay dividends on, repurchase or make distributions in respect of capital stock or make other restricted payments; (vi) make certain investments; (vii) repay subordinated indebtedness prior to stated maturity; and (viii) enter into certain transactions with its affiliates.

Upon an event of default, the Administrative Agent will have the right to declare the loans and other obligations outstanding under the 2022 Revolving Facility immediately due and payable and all commitments immediately terminated.

The 2022 Revolving Facility is guaranteed by Lantheus Holdings, and certain subsidiaries of LMI, including Progenics and Lantheus Real Estate, and obligations under the 2022 Revolving Facility are generally secured by first priority liens over substantially all of the assets of each of LMI, Lantheus Holdings, and certain subsidiaries of LMI, including Progenics and Lantheus Real Estate (subject to customary exclusions set forth in the transaction documents) owned as of December 2, 2022 or thereafter acquired.

2.625% Convertible Senior Notes due 2027

On December 8, 2022, the Company issued \$575.0 million in aggregate principal amount of Notes, which includes \$75.0 million in aggregate principal amount of Notes sold pursuant to the full exercise of the initial purchasers' option to purchase additional Notes. The Notes were issued under an indenture, dated as of December 8, 2022 (the “Indenture”), among the Company, LMI (the “Guarantor”), a wholly owned subsidiary of the Company, as Guarantor, and U.S. Bank Trust Company, National Association, as Trustee. The net proceeds from the issuance of the Notes were approximately \$557.8 million after deducting the initial purchasers' discounts and offering expenses payable by the Company.

The Notes are senior unsecured obligations of the Company. The Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Guarantor. The Notes bear interest at a rate of 2.625% per year, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2023, and will mature on December 15, 2027 unless earlier redeemed, repurchased or converted in accordance with their terms. The initial conversion rate for the Notes is 12.5291 shares of the Company's common stock per \$1,000 in principal amount of Notes (which is equivalent to an initial conversion price of approximately \$79.81 per share of the Company's common stock, representing an initial conversion premium of approximately 42.5% above the closing price of \$56.01 per share of the Company's common stock on December 5, 2022). In no event shall the conversion rate per \$1,000 in principal amount of the Notes exceed 17.8539 shares of the Company's common stock. Prior to the close of business on the business day immediately preceding September 15, 2027, the Notes may be converted at the option of the holders only upon occurrence of specified events and during certain periods, and thereafter until the close of business on the business day immediately preceding the maturity date, the Notes may be converted at any time. The Company will satisfy any conversion by paying cash up to the aggregate principal amount of the Notes to be converted and by paying or delivering, as the case may be, cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock, at its election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of the Notes being converted. The Company may redeem for cash all or any portion of the Notes, at its option, on or after December 22, 2025 if the closing sale price per share of the Company's common stock exceeds 130% of the conversion price of the Notes for a specified period of time. The redemption price will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The Company evaluated the Notes upon completion of the sale and concluded on the following features:

- **Conversion Feature:** The Company determined that the conversion feature qualifies for the classification of equity. As a result, the conversion feature should not be bifurcated as a derivative instrument and the Notes were accounted for as a single liability.

- *Redemption Features:* The redemption features were reviewed within the Notes and the Company determined that the redemption features are closely related to the Notes and as such should not be separately accounted for as a bifurcated derivative instrument.
- *Additional Interest Features:* The Notes may result in additional interest if the Company fails to timely file any document that the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. The Company will pay additional interest on the notes at a rate equal to 0.25% to 0.50% per annum based on the principal amount of Notes outstanding for each day the Company failure to file has occurred or the Notes are not otherwise freely tradable. Further, if the Notes are assigned a restricted CUSIP number or the Notes are not otherwise freely tradable pursuant to Rule 144 under the Securities Act by holders other than Company affiliates or holders that were Company affiliates at any time during the three months immediately preceding as of the 385th day after the last date of original issuance of the Notes, the Company will pay additional interest on the Notes at a rate equal to (i) 0.25% to 0.50% per annum based on the principal amount of Notes outstanding for each day until the restrictive legend has been removed from the Notes, the Notes are assigned an unrestricted CUSIP and the Notes are freely tradable. The Company concluded that the interest feature is unrelated to the credit risk and should be bifurcated from the Notes, however, the Company assessed the probabilities of triggering events occurring under these features and does not expect to trigger the aforementioned events. These events will continue to be monitored to determine whether the interest feature will be bifurcated if it has value.

Holders of the Notes may require the Company to repurchase their Notes upon the occurrence of a fundamental change prior to the maturity at a repurchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of repurchase. In connection with certain triggering events, the Company will, under certain circumstances, increase the conversion rate for holders of the Notes who elect to convert their Notes in connection with such corporate events.

During the third quarter of 2024, the closing price of the Company's common stock exceeded 130% of the conversion price of the Notes for more than 20 trading days of the last 30 consecutive trading days of the quarter. As a result, the Notes are convertible at the option of the holders of the Notes during the fourth quarter of 2024, the quarter immediately following the quarter when the conditions are met, as stated in the terms of the Notes. In accordance with ASC 470-10, because the Notes are convertible, the Company reclassified the carrying value of the Notes from long-term debt, net and other borrowings to current portion of long-term debt, net and other borrowings on the Company's condensed consolidated balance sheet as of September 30, 2024.

As of September 30, 2024, the carrying value of the Notes was \$ 575.0 million, the Notes had an unamortized discount of zero, and the fair value of the liability was \$892.4 million. The Company recorded interest expense of approximately \$ 3.8 million and \$11.3 million related to the Notes for the three and nine months ended September 30, 2024, respectively. There were no conversions of Notes during the nine months ended September 30, 2024.

12. Derivative Instruments

The Company has used, but does not currently use, interest rate swaps to reduce the variability in cash flows associated with portions of the Company's interest payments on variable rate debt.

13. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss, net of tax of zero for the nine months ended September 30, 2024 and 2023 consisted of the following:

<u>(in thousands)</u>	<u>Foreign Currency Translation</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>
Balance at January 1, 2024	\$ (1,037)	\$ (1,037)
Other comprehensive loss before reclassifications	(129)	(129)
Balance at September 30, 2024	<u>\$ (1,166)</u>	<u>\$ (1,166)</u>
Balance at January 1, 2023	\$ (1,259)	\$ (1,259)
Other comprehensive income before reclassifications	224	224
Balance at September 30, 2023	<u>\$ (1,035)</u>	<u>\$ (1,035)</u>

14. Stock-Based Compensation

The following table presents stock-based compensation expense recognized in the Company's accompanying condensed consolidated statements of operations:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of goods sold	\$ 3,614	\$ 2,508	\$ 9,116	\$ 6,381
Sales and marketing	3,813	2,823	9,681	7,044
General and administrative	9,926	6,741	27,457	17,813
Research and development	3,013	1,904	7,975	5,097
Total stock-based compensation expense	\$ 20,366	\$ 13,976	\$ 54,229	\$ 36,335

15. Leases

Operating and finance lease assets and liabilities are as follows:

(in thousands)	Classification	September 30, 2024	December 31, 2023
Assets			
Operating	Other long-term assets	\$ 39,346	\$ 45,325
Finance	Property, plant and equipment, net	1,235	1,438
Total leased assets		\$ 40,581	\$ 46,763
Liabilities			
Current			
Operating	Accrued expenses and other liabilities	\$ 2,062	\$ 1,904
Finance	Current portion of long-term debt and other borrowings	996	823
Noncurrent			
Operating	Other long-term liabilities	53,915	54,453
Finance	Long-term debt, net and other borrowings	613	625
Total leased liabilities		\$ 57,586	\$ 57,805

On May 4, 2023, the Company entered into a modification to the operating lease (the "Bedford Lease") for office space in Bedford, Massachusetts (the "Existing Premises") that was executed in February 2022. The Bedford Lease commenced and was recorded in December 2022 for \$11.0 million and the initial term was set to expire in June 2031. The lease modification included a lease of additional office and laboratory space at the Bedford location (the "Additional Premises") for a term of 15 years and 4 months and extends the term of the lease for the Existing Premises to be coterminous with the term of the lease for the Additional Premises. As a result of the extended term for the Existing Premises, the Company recorded an additional right-of-use asset and liability of \$6.0 million in May 2023. The modification also contains a provision to convert the rent schedule of the Existing Premises from gross to triple net in 2024, which may result in an additional adjustment to the right-of-use asset and liability. In September 2023, the landlord provided notice to the Company that its renovations of the Additional Premises were completed. As a result of the notice, the Company recorded an additional right-of-use asset and liability of \$23.5 million as of September 1, 2023. To determine the value of the additional right-of-use asset and liability, the Company was required to calculate the discount rate of the lease modification. The discount rate was determined based on the expected lease term and by comparing interest rates in the market for similar borrowings with comparable credit quality of the Company. The lease for the Additional Premises allows for the extension of five years to begin immediately upon the expiration of the original term. On October 7, 2024, the Company executed a second amendment to the Bedford Lease for additional space.

On March 1, 2024, the Company transferred the sublease and completed the asset sale of the Somerset Facility. See Note 7, "Property, Plant and Equipment, Net" for further discussion on the sublease transfer.

Other information related to leases were as follows:

	September 30, 2024	December 31, 2023
Weighted-average remaining lease term (Years):		
Operating leases	13.0	13.5
Finance leases	2.4	2.3
Weighted-average discount rate:		
Operating leases	7.5%	7.3%
Finance leases	7.4%	6.2%

16. Net Income Per Common Share

A summary of net income per common share is presented below:

(in thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 131,093	\$ 131,957	\$ 324,232	\$ 223,281
Basic weighted-average common shares outstanding	69,464	68,436	69,193	68,188
Effect of dilutive stock options	352	320	273	366
Effect of dilutive restricted stock	1,580	1,290	1,309	1,449
Effect of convertible notes	1,669	—	556	265
Diluted weighted-average common shares outstanding	73,065	70,046	71,331	70,268
Basic income per common share	\$ 1.89	\$ 1.93	\$ 4.69	\$ 3.27
Diluted income per common share	\$ 1.79	\$ 1.88	\$ 4.55	\$ 3.18
Antidilutive securities excluded from diluted net income per common share	144	435	855	422

Impact of the Convertible Notes

The Company considered whether the Notes are participating securities through the two-class method. Per the terms of the Notes' agreement, the Company determined that if a cash dividend is paid that is greater than the then stock price, the holder of Notes will receive cash on an if-converted basis. While this feature is considered to be a participating right, basic earnings per share is only impacted if the Company's earnings exceeds the current share price, regardless of whether such dividend is declared. During the three and nine months ended September 30, 2024 and 2023, no such dividend was declared. In addition, the Company is required to settle the principal amount of the Notes in cash upon conversion, and therefore, the Company uses the if-converted method for calculating any potential dilutive effect of the conversion option on diluted net income per share, if applicable, unless the application of the two-class method is dilutive. The conversion option has a dilutive impact on net income per share of Common Stock when the average price per share of the Company's common stock for a given period exceeds the conversion price of the Notes of \$79.81 per share. See Note 11, "Long-Term Debt, Net, and Other Borrowings" for further discussion on the Notes.

17. Other Income

Other income consisted of the following:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Foreign currency (gain) loss	\$ (46)	\$ 9	\$ 192	\$ 31
Tax indemnification income, net	—	3,672	—	3,344
Interest income	(9,801)	(4,540)	(27,273)	(12,090)
Gain on sale of RELISTOR licensed intangible asset associated with net sales royalties	—	(51,789)	—	(51,789)
Other	(106)	(1)	(704)	142
Total other income, net	<u>\$ (9,953)</u>	<u>\$ (52,649)</u>	<u>\$ (27,785)</u>	<u>\$ (60,362)</u>

18. Commitments and Contingencies

Legal Proceedings

From time to time, the Company is a party to various legal proceedings arising in the ordinary course of business. In addition, the Company has in the past been, and may in the future be, subject to investigations by governmental and regulatory authorities, which expose it to greater risks associated with litigation, regulatory or other proceedings, as a result of which the Company could be required to pay significant fines or penalties. The costs and outcome of litigation, regulatory or other proceedings cannot be predicted with certainty, and some lawsuits, claims, actions or proceedings may be disposed of unfavorably to the Company and could have a material adverse effect on the Company's results of operations or financial condition. In addition, intellectual property disputes often have a risk of injunctive relief which, if imposed against the Company, could materially and adversely affect its financial condition or results of operations. If a matter is both probable to result in material liability and the amount of loss can be reasonably estimated, the Company estimates and discloses the possible material loss or range of loss. If such loss is not probable or cannot be reasonably estimated, a liability is not recorded in its condensed consolidated financial statements.

As of September 30, 2024, the Company did not have any material ongoing litigation to which the Company was a party. On January 26, 2024, the Company was sued in the United States District Court for the District of Delaware by Advanced Accelerator Applications USA, Inc. and Advanced Accelerator Applications SA, each a Novartis entity, for patent infringement in response to the filing of the Company's Abbreviated New Drug Application and Paragraph IV certification in connection with PNT2003, consistent with the process established by the Hatch-Waxman Act. Because the outcome of litigation is uncertain, the Company cannot predict how or when this matter will ultimately be resolved.

19. Acquisition of Assets

On February 6, 2023, the Company acquired Cerveau. Cerveau holds the rights under a license agreement to develop and commercialize MK-6240, an investigational second-generation F 18-labeled positron emission tomography ("PET") imaging agent that targets Tau tangles in Alzheimer's disease. The Company determined that upon review of the Cerveau acquisition, the transaction did not meet the definition of a business combination and was therefore treated as an asset acquisition.

In February 2023, the Company made an upfront payment of approximately \$ 35.3 million to the Cerveau Stockholders and paid the Cerveau Stockholders an additional \$10.0 million in May 2023 upon the successful completion of a technology transfer. The Company could pay up to an additional \$51.0 million in milestone payments upon achievement of specified U.S. regulatory milestones related to MK-6240. The Cerveau Stockholders are also eligible to receive up to \$1.2 billion in sales milestone payments upon the achievement of specified annual commercial sales thresholds of MK-6240 in the event the Company pursues commercialization, as well as up to \$13.5 million in research revenue milestones upon achievement of specified annual research revenue thresholds. Additionally, the Company will pay to the Cerveau Stockholders up to double-digit royalty payments for research revenue and commercial sales. Research revenue is derived from existing partnerships with pharmaceutical companies that use MK-6240 in clinical trials. The purchase agreement pursuant to which the Company purchased Cerveau specified, among other things, that certain Cerveau Stockholders provide transition and clinical development services for a prescribed time following the closing of the transaction.

On January 8, 2024, the Company entered into an agreement with Perspective to participate in the next qualified financing to purchase the Perspective Shares. On January 22, 2024, the Company purchased 56,342,355 Perspective Shares, representing 11.39% of the outstanding Perspective Shares, at the fair market offering price of \$0.37 per share. Included within the agreement is a covenant which allows for the Company to designate one observer to Perspective's board of directors. The observer has the option to attend any or all board meetings in a nonvoting capacity and the right to receive any board materials, except under certain instances where

attorney-client privilege is necessary, where the material relates to a business or contractual relationship with the Company, to avoid bona fide conflict of interest, exposure of trade secrets or relating to a change of control transaction. The Company also purchased 60,431,039 Perspective Shares at a fair market purchase price of \$0.95 per share as an investor in a private placement transaction on March 6, 2024, which resulted in the Company holding a cumulative 19.90% of the outstanding Perspective Shares (or 17.35% on a fully diluted basis) after giving effect to the closing of the private placement transaction. The Company does not have the ability to exercise significant influence over operating and financial policies of Perspective because the Company's board observer has no voting rights and there is otherwise no participation in policy-making processes, no interchange of managerial personnel, and no sharing of technology between the Company and Perspective.

Also effective January 8, 2024, the Company obtained the following options and rights from Perspective for an aggregate upfront payment of \$28.0 million in cash:

- An exclusive option from Perspective to negotiate for an exclusive license under the rights of Perspective and its affiliates to Perspective's Pb212-VMT- α -NET, a clinical stage alpha therapy developed for the treatment of neuroendocrine tumors, to develop, manufacture, commercialize and otherwise exploit the VMT- α -NET Product.
- A right to co-fund the investigational new drug application ("IND") enabling studies for early-stage therapeutic candidates targeting prostate-specific membrane antigen and gastrin releasing peptide receptor and, prior to IND filing, a right to negotiate for an exclusive license to such candidates.
- A right of first offer and last look protections for any third party merger and acquisition transactions involving Perspective for a twelve-month period.

Costs of IPR&D projects acquired as part of an asset acquisition that have no alternative future use are expensed when incurred, and therefore, a charge of \$28.0 million was recognized in research and development expenses during the three months ended March 31, 2024.

Also effective January 8, 2024, the Company entered into an agreement with Perspective to transfer the Somerset Facility and the associated assets at the Somerset Facility for \$8.0 million. The transfer of the sublease and completion of the asset sale occurred on March 1, 2024 at which time the Company had no further continuing legal obligations related to the lease. See Note 7, "Property, Plant and Equipment, Net" for additional details.

On June 14, 2024 Perspective effected a 1-for-10 reverse stock split, after which the Company held 11,677,339 shares of Perspective's common stock.

On June 15, 2024, the Company entered into an agreement with Radiopharm Theranostics Limited ("Radiopharm") to acquire all of Radiopharm's rights to two licensed preclinical assets for an upfront payment of \$ 2.0 million. The Company acquired global exclusive rights to both an LRRC15-targeted monoclonal antibody referred to as DUNP19 and to a Trophoblast cell surface antigen 2 ("TROP2")-targeted nanobody. LRRC15 is a potential first-in-class, highly specific monoclonal antibody radio-conjugate with both Orphan Drug and Rare Pediatric Disease designations from the FDA for the treatment of osteosarcoma. The agent is designed to target the surrounding tumor micro-environment cells expressing the protein potentially treating a broad range of cancers. The TROP2-targeted nanobody radio-conjugate is designed to target TROP2, an intracellular calcium signal transducer that is overexpressed in various types of adenocarcinomas with minimal expression in normal tissues and is associated with tumor aggressiveness, poor prognosis and drug resistance.

In connection with this acquisition, the Company assumed the underlying license agreements related to the two preclinical assets, together with their respective milestone and royalty payment obligations. The Company could pay up to an additional \$20.0 million in milestone payments upon achievement of specified regulatory milestones. The Company could also pay up to an additional \$6.5 million in sales milestone payments upon the achievement of specified annual commercial sales thresholds in the event the Company pursues commercialization as well as royalty payments for commercial sales. Costs of IPR&D projects acquired as part of an asset acquisition that have no alternative future use are expensed when incurred, and therefore, a charge of \$2.0 million was recognized in research and development expenses during the nine months ended September 30, 2024 related to the Radiopharm transaction.

The Company also entered an agreement with Radiopharm to make an initial equity investment of approximately \$ 5.0 million to purchase 149,625,180 Radiopharm shares (the "Initial Shares") at the fair market offering price of \$ 0.03 per share upon the receipt of required approvals from Radiopharm's shareholders, which were obtained during the third quarter of 2024. Included within the agreement is an option for the Company to invest an additional \$5.0 million within six months of the issuance date of the Initial Shares on the same terms as the Company's initial purchase, which would result in the Company purchasing approximately an additional 149,925,040 Radiopharm shares. No additional shares were purchased under the option during the three months ended September 30, 2024.

On June 18, 2024, the Company acquired Meilleur, including its asset NAV-4694, an investigational F 18-labeled PET imaging agent that targets beta amyloids in Alzheimer's disease. The Company determined that upon review of the Meilleur acquisition, the transaction did not meet the definition of a business combination and is therefore treated as an asset acquisition.

The Company made an upfront payment of approximately \$32.9 million to the Meilleur Stockholders on June 18, 2024 and paid an additional \$10.0 million in August 2024 after the successful completion of a technology transfer. The Company could pay up to an additional \$ 43.0 million in milestone payments upon achievement of specified U.S. regulatory milestones related to NAV-4694. The Meilleur Stockholders are also eligible to receive up to \$830.0 million in sales milestone payments upon the achievement of specified annual commercial sales thresholds of NAV-4694 in the event the Company pursues commercialization as well as up to \$5.0 million in research milestones upon achievement of specified clinical studies at academic institutions thresholds. Research revenue is derived from existing partnerships with pharmaceutical companies and academic institutions that use NAV-4694 in clinical trials. Additionally, the Company could pay the Meilleur Stockholders up to double-digit royalty payments for research revenue and, in the event the Company pursues commercialization, commercial sales. Certain Meilleur Stockholders are providing transition and clinical development services for a prescribed time following the closing of the transaction for a fair market value fee.

On June 27, 2024, the Company announced it had acquired from Life Molecular Imaging Ltd. ("Life Molecular Imaging") the global rights to RM2, a gastrin-releasing peptide receptor ("GRPR")-targeting agent, including the associated novel, clinical-stage radiotherapeutic and radiodiagnostic pair, referred to as 177Lu-DOTA-RM2 and 68Ga-DOTA-RM2, for an upfront payment of \$35.0 million plus a \$1.0 million payment made prior to the acquisition. The Company could pay up to an additional 132.5 million Euros in regulatory milestone payments upon achievement of clinical trial thresholds and approvals in different regions. The Company could pay up to 280.0 million Euros in sales milestone payments upon the achievement of specified annual commercial sales threshold of RM2 in the event the Company pursues commercialization. Additionally, the Company could pay up to 25.0 million Euros for collaboration payments inclusive of all costs including employee costs, payments due to certain universities, out-of-pocket expenses and services costs, as well as up to 5.0 million Euros for any additional development services performed by Life Molecular Imaging through July 3, 2026. Costs of IPR&D projects acquired as part of an asset acquisition that have no alternative future use are expensed when incurred, and therefore, a charge of \$36.0 million was recognized in research and development expenses during the nine months ended September 30, 2024 related to the Life Molecular Imaging acquisition. Global rights are exclusive for therapeutic fields in all countries and diagnostic fields in the Americas and co-exclusive with Life Molecular Imaging for diagnostic fields outside of the Americas.

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

Cautionary Note Regarding Forward-Looking Statements

Some of the statements contained in this Quarterly Report on Form 10-Q ("Form 10-Q") are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements, including, in particular, statements about our plans, strategies, prospects and industry estimates are subject to risks and uncertainties. These statements identify prospective information and can generally be identified by words such as "believes," "can," "commitment," "could," "designed," "estimates," "expects," "generate," "impact," "increasing," "intends," "launch," "likely," "long-term," "maintain," "may," "pipeline," "plans," "potential," "predict," "remain," "seek," "should," "sustain," "target," "will," "would" and similar expressions, or by express or implied discussions regarding potential marketing approvals or new indications for the collaborations, product candidates or approved products described in this Form 10-Q, or regarding potential future revenues from such collaborations, product candidates and approved products. Examples of forward-looking statements include statements we make relating to our outlook and expectations including, without limitation, in connection with: (i) continued market expansion and penetration for our established commercial products, particularly PYLARIFY and DEFINITY, in a competitive environment in which other imaging agents have been approved and are being commercialized, and our ability to clinically and commercially differentiate our products; (ii) our ability to have third parties manufacture our products and our ability to manufacture DEFINITY in our in-house manufacturing facility; (iii) the global availability of Molybdenum-99 ("Mo-99") and other raw material and key components; (iv) our strategies, future prospects, and our projected growth, including revenue related to our collaboration agreements with POINT Biopharm Global Inc. ("POINT"), including our ability to obtain U.S. Food and Drug Administration ("FDA") approval for PNT2002 and PNT2003; (v) our ability to satisfy our obligations under our existing clinical development partnerships using MK-6240 or NAV-4694 as a research tool and under the license agreements through which we have rights to MK-6240 and NAV-4694, and to further develop and commercialize MK-6240 and NAV-4694 as approved products; (vi) our ability to successfully execute on our agreements with Perspective Therapeutics, Inc. ("Perspective"), including finalizing the license agreements in the event we exercise our options to do so, the value of our current and any future equity interest in Perspective, and Perspective's ability to successfully develop its alpha-particle therapy and innovative platform technology; (vii) our ability to successfully identify strategic transaction opportunities, such as our investment in Radiopharm Theranostics Limited ("Radiopharm") common stock, and the value of such current and any future equity interests; (viii) the efforts and timing for clinical development, regulatory approval, adequate coding, coverage and payment and successful commercialization of our product candidates and new clinical applications and territories for our products, in each case, that we or our strategic partners may undertake; and (ix) our ability to identify and acquire or in-license additional diagnostic and therapeutic product opportunities in oncology, Alzheimer's disease and other strategic areas and continue to grow and advance our pipeline of products. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, such statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. These statements are neither statements of historical fact nor guarantees or assurances of future performance. The matters referred to in the forward-looking statements contained in this Form 10-Q may not in fact occur. We caution you, therefore, against relying on any of these forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2023, and in Part II, Item 1A, "Risk Factors" in this Form 10-Q.

Any forward-looking statement made by us in this Form 10-Q speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Available Information

Our global Internet site is www.lantheus.com. We routinely make available important information, including copies of our Form 10-K, Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"), free of charge on our website at investor.lantheus.com. We recognize our website as a key channel of distribution to reach public investors and as a means of disclosing material non-public information to comply with our disclosure obligations under SEC Regulation FD. Information contained on our website shall not be deemed incorporated into, or to be part of this Form 10-Q, and any website references are not intended to be made through active hyperlinks.

Our reports filed with, or furnished to, the SEC are also available on the SEC's website at www.sec.gov, and for Form 10-Ks and Form 10-Qs, in an iXBRL (Inline Extensible Business Reporting Language) format. iXBRL is an electronic coding language used to create interactive financial statement data over the Internet. The information on our website is neither part of nor incorporated by reference into this Form 10-Q.

The following discussion and analysis of our financial condition and results of operations should be read together with the condensed consolidated financial statements and the related notes included in Item 1 of this Form 10-Q as well as the other factors described in Part I, Item 1A. "Risk Factors" in our Form 10-K for the year ended December 31, 2023, and in Part II, Item 1A. "Risk Factors" in this Form 10-Q.

Overview

Our Business

We are the leading radiopharmaceutical-focused company, delivering life-changing science to enable clinicians to Find, Fight and Follow disease to deliver better patient outcomes. We classify our products in three categories: Radiopharmaceutical Oncology, Precision Diagnostics, and Strategic Partnerships and Other Revenue. Our Radiopharmaceutical Oncology products help healthcare professionals ("HCPs") Find, Fight and Follow cancer. Our leading Precision Diagnostic products assist HCPs to Find and Follow diseases, with a focus in cardiology. Our Strategic Partnerships focus on enabling precision medicine through the use of biomarker solutions, digital solutions, and radiotherapeutic platforms.

Our commercial products are used by cardiologists, internal medicine physicians, nuclear medicine physicians, oncologists, radiologists, sonographers, technologists, and urologists working in a variety of clinical settings. We believe that our diagnostic products provide information that enables HCPs to better detect and characterize, or rule out, disease, with the potential to achieve better patient outcomes, reduce patient risk, and limit overall costs.

We produce and market our products throughout the United States (the "United States" or the "U.S."), selling primarily to hospitals, independent diagnostic testing facilities, and radiopharmacies. We sell our products outside the U.S. through a combination of direct distribution in Canada and third-party distribution relationships in Europe, Canada, Australia, Asia-Pacific, Central America, and South America.

Our executive offices are located in Bedford, Massachusetts, with additional offices in North Billerica, Massachusetts; Montreal, Canada; and Lund, Sweden.

Recent Developments

Exclusive License for RM2

On June 27, 2024, we announced we had acquired from Life Molecular Imaging Ltd. ("Life Molecular Imaging") the global rights to Life Molecular Imaging's clinical stage RM2, a gastrin-releasing peptide receptor ("GRPR")-targeting agent, including the associated novel, clinical-stage radiotherapeutic and radiodiagnostic pair, previously referred to as 177Lu-DOTA-RM2 and 68Ga-DOTA-RM2 (and which we now refer to as LNTH-2402 and LNTH-2401, respectively), for an upfront payment of \$35.0 million plus a \$1.0 million payment made prior to the acquisition, and potential regulatory milestone payments plus royalties (the "Life Molecular Asset Purchase"). GRPR is a member of the bombesin G protein-coupled receptor family, which has been found to be overexpressed in multiple cancers, including prostate, breast and lung. First-in-human dosimetry showed a favorable safety and dosimetry profile and confirmed preclinical data demonstrating dose-dependent efficacy of LNTH-2402. We intend to begin a Phase 1/2a study with LNTH-2402 in prostate cancer patients in 2025. We expect LNTH-2401 could be used as a companion diagnostic.

For more information, see Note 19, "Acquisition of Assets" in our condensed consolidated financial statements herein.

Acquisition of NAV-4694

On June 18, 2024, we acquired Meilleur, including its asset NAV-4694, an investigational F 18-PET imaging agent that targets beta amyloids in Alzheimer's disease. Under the terms of the agreement, we paid the stockholders of Meilleur ("Meilleur Stockholders") an upfront payment of \$32.9 million and expects to pay additional development and commercial milestone payments. Additionally, we will pay double-digit royalty payments for research revenue and, in the event we pursue commercialization, commercial sales. Research revenue is derived from existing partnerships with pharmaceutical companies and academic institutions that use NAV-4694 in clinical trials. Pursuant to the terms of the Meilleur stock purchase agreement, certain Meilleur Stockholders are providing transition and clinical development services for a prescribed time following the closing of the transaction.

In 2023, Meilleur announced its collaboration with the National Institute on Aging-sponsored study called the Consortium for Clarity in AD/AD Research Through Imaging ("CLARiTI") that enables the consortium to use NAV-4694 in its investigation of Alzheimer's disease and related dementias.

For more information, see Note 19, "Acquisition of Assets" in our condensed consolidated financial statements herein.

Exclusive License for Radiopharm Theranostics Limited

On June 15, 2024, we entered into an agreement with Radiopharm to acquire all of Radiopharm's global, exclusive rights to two licensed preclinical assets for an upfront payment of \$2.0 million (the "Radiopharm Asset Purchase"). We acquired global, exclusive rights to both a Trophoblast cell surface antigen 2 ("TROP2")-targeted nanobody, a preclinical stage therapy and to a monoclonal antibody that targets LRRC15, a preclinical therapeutic candidate targeting osteosarcoma. In connection with this acquisition, we are assuming the underlying license agreements related to the two preclinical assets, together with their respective milestone and royalty payment obligations.

For more information, see Note 19, "Acquisition of Assets" in our condensed consolidated financial statements herein.

Chief Executive Officer Succession

On March 1, 2024, Brian Markison, our then Chair of the Board, became our Chief Executive Officer ("CEO"), and Mary Anne Heino, our then CEO, retired and became the Chair of the Board. As part of this leadership transition, Mr. Markison assumed the role of Executive Chair of the Board as of January 23, 2024 until the effectiveness of his CEO appointment in March, and Board Member Julie McHugh became Lead Independent Director.

Strategic Agreements with Perspective Therapeutics, Inc.

On January 8, 2024, we entered into multiple strategic agreements with Perspective, a radiopharmaceutical company that is pursuing advanced treatment applications for cancers throughout the body. Under the agreements, we obtained an option to exclusively license Perspective's Pb212-VMT- α -NET, a clinical stage alpha therapy in development for the treatment of neuroendocrine tumors, and an option to co-develop certain early-stage therapeutic candidates targeting prostate cancer using Perspective's innovative platform technology for an aggregate upfront payment of \$28.0 million. We also agreed to purchase up to 19.99% of Perspective's outstanding shares of common stock ("Perspective Shares"), subject to Perspective's completion of a qualified third-party financing transaction and certain other closing conditions. In addition, Perspective agreed to acquire the assets and associated lease of our Somerset Facility.

On January 22, 2024, we purchased 56,342,355 Perspective Shares at a purchase price of \$0.37 per share in a private placement transaction for approximately \$20.8 million, representing 11.39% of the outstanding Perspective Shares. The agreement also provided us with certain pro rata participation rights to maintain our ownership position in Perspective in the event that Perspective makes any public or non-public offering of any equity or voting securities, subject to certain exceptions.

On March 1, 2024, we transferred the fixed assets and associated lease of our Somerset Facility to Perspective, and the parties entered into a transition services arrangement pursuant to which we will provide Perspective certain services relating to final disposal of radioactive waste and certain other related services.

On March 6, 2024, we exercised our right to purchase additional Perspective Shares and purchased 60,431,039 shares at a price of \$0.95 per share. The total consideration for this additional purchase was approximately \$57.4 million, resulting in Lantheus Alpha holding approximately 19.90% of the outstanding Perspective Shares (or 17.35% on a fully diluted basis) as of March 6, 2024.

On June 14, 2024, Perspective effected a 1-for-10 reverse stock split, after which we held 11,677,339 Perspective Shares.

For more information, see Note 19, "Acquisition of Assets" in our condensed consolidated financial statements herein.

Exclusive License for PNT2002 and PNT2003

On December 20, 2022, we announced the closing of a set of strategic collaborations with POINT, in which we were granted a license to exclusive worldwide rights (excluding Japan, South Korea, China (including Hong Kong, Macau, and Taiwan), Singapore and Indonesia) to co-develop and commercialize POINT's PNT2002 and PNT2003 product candidates. PNT2002 is a PSMA-targeted radiopharmaceutical therapy in development for the treatment of metastatic castration-resistant prostate cancer ("mCRPC"). PNT2003 is a somatostatin receptor ("SSTR") therapy with non-carrier added lutetium-177, which is in registration to treat patients with SSTR-positive neuroendocrine tumors.

On December 27, 2023, Eli Lilly and Company acquired POINT. The acquisition has not impacted the status of the license agreements related to these product candidates or the work being performed in connection with those license agreements and our collaboration with POINT.

PNT2002

With respect to PNT2002, POINT is generally responsible for funding and development activities required for FDA approval, including generating all clinical and nonclinical data, analysis and other information, and we are responsible for preparing for and

seeking regulatory approval, as well as performing and funding all future development and commercialization following such approval. POINT will be responsible for all manufacturing of PNT2002, subject to certain exceptions described in the license and collaboration agreement between our subsidiary, Lantheus Two and POINT, dated November 11, 2022 (the “PNT2002 License Agreement”).

In April 2023, we announced with POINT that the FDA had granted Fast Track designation for PNT2002. Fast Track is a process designed to facilitate the development and expedite the review of drugs to treat serious conditions and address unmet needs.

On December 18, 2023, we announced positive topline results from the Phase 3 registrational clinical trial for PNT2002 (“SPLASH”). SPLASH is designed to evaluate the efficacy and safety of PNT2002 in patients with mCRPC who have progressed following treatment with an androgen receptor pathway inhibitor (“ARPI”). The SPLASH trial met its primary endpoint, demonstrating a median radiographic progression-free survival (“rPFS”) per blinded independent central review of 9.5 months for patients treated with PNT2002, compared to 6.0 months for patients treated with ARPI in the control arm, a statistically significant 29% reduction in the risk of radiographic progression or death (hazard ratio (“HR”) 0.71; $p=0.0088$). At the time of the analysis, interim overall survival (“OS”) results were immature (46% of protocol pre-specified target OS events reached), and the HR was 1.11. On September 15, 2024, we presented additional clinical data from initial topline results of SPLASH during the European Society of Medical Oncology Congress 2024. We recently completed the second interim analysis for SPLASH at 75% of protocol pre-specified target OS events reached. The results for both rPFS and OS did not materially change from the interim analysis that was performed at 46% of pre-specified OS events. The OS results and hazard ratio in the intention-to-treat population remain confounded by the overwhelming number of patients who crossed over to receive PNT2002. Crossover adjusted analyses were post-hoc, and we are continuing to review the data and perform additional subset analyses in collaboration with our partner that may be compelling to the FDA in preparation for an interaction on our path forward.

PNT2002 demonstrated a favorable safety profile with grade ≥ 3 treatment-emergent adverse events (“TEAEs”) per Common Terminology Criteria for Adverse Events, serious TEAEs, and TEAEs leading to discontinuation occurring at lower rates in the PNT2002 arm than in the control arm (30.1%, 17.1%, and 1.9% versus 36.9%, 23.1%, and 6.2%, respectively).

The open-label study randomized 412 patients with PSMA-expressing mCRPC who had progressed on ARPI therapy and either refused or were not eligible for chemotherapy, in a 2:1 randomization ratio. At the time of the analysis, 84.6% of patients who experienced progressive disease in the control arm subsequently crossed over to receive PNT2002. SPLASH was conducted across the U.S., Canada, Europe, and the United Kingdom. Eighty percent of SPLASH patients resided in North America and approximately ten percent of all participants were Black or African American.

We have established an Expanded Access Program, (“EAP”), for PNT2002, and the first patients began treatment during the first quarter of 2024. EAPs, which are also referred to as compassionate use programs, provide a potential pathway for patients with serious or life-threatening conditions to gain access to an investigational drug for treatment outside of a clinical trial.

In June of 2024, Endocyte, Inc., Novartis and Purdue Research Foundation sued POINT and Eli Lilly and Co alleging that POINT’s manufacturing and sale of PNT2002 infringes an Endocyte patent that discloses PSMA-binding conjugates useful for delivery targeted therapeutic, diagnostic and imaging agents, including radiopharmaceuticals.

PNT2003

With respect to PNT2003, POINT is responsible for curating all data, analysis and other information necessary for regulatory approval, and supporting us in the preparation of regulatory filings. We are responsible for preparing for and seeking regulatory approval of all such applications, as well as performing and funding all future development and commercialization following such approval. POINT will be responsible for all manufacturing of PNT2003, subject to certain exceptions described in the license and collaboration agreement between our subsidiary, Lantheus Three and POINT, dated November 11, 2022 (the “PNT2003 License Agreement”).

On January 11, 2024, we announced that our Abbreviated New Drug Application (“ANDA”) for PNT2003 had been accepted for filing by the FDA. On January 26, 2024, we were sued in the District Court for the District of Delaware by Advanced Accelerator Applications USA, Inc. and Advanced Accelerator Applications SA, each a Novartis entity, for patent infringement in response to our ANDA filing and Paragraph IV certification, consistent with the process established by the Hatch-Waxman Act. Under the terms of the Hatch-Waxman Act, FDA approval of our ANDA filing could be subject to a stay of up to 30-months. If our filing is stayed for the full 30-month period and we are successful in obtaining FDA approval, pending successful resolution of the Hatch-Waxman litigation, we would expect to launch PNT2003 in 2026, although there can be no assurance of that approval or timing. Based on the most recent update to the FDA’s online paragraph IV database listings, we believe we are the first applicant to have filed a substantially complete ANDA for Lutetium Lu 177 Dotatate containing a Paragraph IV certification under the provisions of the Hatch-Waxman Act. As the first applicant, if our ANDA is approved, we believe we will be eligible for 180 days of generic marketing exclusivity in the U.S.

For more information, see Note 19, "Acquisition of Assets" in our condensed consolidated financial statements included herein.

MK-6240

On February 6, 2023, we acquired Cerveau. Cerveau holds the rights under a license agreement to develop and commercialize MK-6240, an investigational second-generation F 18-labeled PET imaging agent that targets Tau tangles in Alzheimer's disease. Under the terms of the purchase agreement, we paid the stockholders of Cerveau ("Cerveau Stockholders") an upfront payment of \$35.3 million in February 2023 and an additional \$10.0 million in May 2023 upon the successful completion of a technology transfer. The Cerveau Stockholders are also eligible to receive additional development and, in the event the Company pursues commercialization, commercial milestone payments. We will pay double-digit royalty payments for research revenue and commercial sales. Research revenue is derived from existing partnerships with pharmaceutical companies that use MK-6240 in clinical trials and includes milestone and dose-related payments. Pursuant to the terms of the purchase agreement for Cerveau, certain Cerveau Stockholders are providing transition and clinical development services for a prescribed time following the closing of the transaction.

In September 2023, MK-6240 was granted Fast Track designation by the FDA. In February 2024, we announced the inclusion of MK-6240 in the National Institute on Aging-sponsored study called CLARiTI that enables the consortium to use MK-6240 in its investigation of Alzheimer's disease and related dementias. The CLARiTI study will involve all 37 Alzheimer's Disease Research Centers in the United States and will recruit 2,000 subjects and collect their imaging and blood-based biomarker data to generate etiologic profiles for cases of mixed dementia.

Recently, we held a pre-NDA meeting with the FDA and we expect to submit an NDA for MK-6240 in 2025, but we can provide no assurance that we will meet that expected timeline, that our NDA will be accepted by the FDA, that MK-6240 will be approved by the FDA or, if approved, that we will be successful in commercialization.

For more information, see Note 19, "Acquisition of Assets" in our condensed consolidated financial statements included herein.

Sale of RELISTOR Licensed Intangible Asset Associated with Net Sales Royalties

On August 2, 2023, we sold the right to our RELISTOR royalty asset, which is classified as a licensed intangible asset; we retained the rights to future sales-based milestone payments. We received an initial payment of approximately \$98.0 million in connection with the sale and we have the right to receive an additional payment from the buyer of \$5.0 million if worldwide net sales of RELISTOR in 2025 exceed a specified threshold. The additional payment would be recognized upon achievement of the specified threshold. Decreases of \$63.6 million of license assets and \$17.5 million of associated accumulated amortization, as well as a gain of \$51.8 million were recorded as a result of the sale. During the fourth quarter of 2023, the Company earned a \$15.0 million sales-based milestone payment.

For more information, see Note 10, "Intangibles, Net" in our condensed consolidated financial statements included herein.

Discontinuation of AZEDRA

On August 15, 2023, we announced that we would discontinue the production and promotion of AZEDRA and wind down our Somerset Facility. We continued manufacturing AZEDRA during the first quarter of 2024, to provide doses of AZEDRA to then-current patients so they could complete their treatment regimen. No AZEDRA was manufactured after March 1, 2024, when we transferred the assets and associated sublease of our Somerset Facility to Perspective.

For more information, see Note 10, "Intangibles, Net" in our condensed consolidated financial statements included herein.

Key Factors Affecting Our Results

Our business and financial performance have been, and continue to be, impacted by the following:

Continued Growth of PYLARIFY

PYLARIFY, an F 18-labeled PET imaging agent targeting PSMA, was approved by the FDA in May 2021 and commercially launched in the U.S. in June 2021. PYLARIFY is indicated for PET imaging of PSMA-positive lesions in men with prostate cancer with suspected metastasis who are candidates for initial definitive therapy and in men with suspected recurrence based on elevated PSA levels. Both the National Comprehensive Cancer Center guidelines and the Society for Nuclear Medicine and Molecular Imaging appropriate use criteria note that PSMA PET imaging agents, including PYLARIFY, can be used for patient selection for PSMA-targeted radioligand therapy. PYLARIFY is available through a diverse, multi-partner network of PET manufacturing facilities ("PMFs"), including both commercial and academic partners.

The successful growth of PYLARIFY is dependent on our ability to sustain PYLARIFY as the leading PSMA PET imaging agent in an increasingly competitive marketplace. PYLARIFY's competition includes two commercially available gallium-68-based PSMA imaging agents, an approved fluorine-18-based PSMA imaging agent, and other non-PSMA-based imaging agents commonly referred to as conventional imaging. We previously hired additional employees to assist us with the commercialization of PYLARIFY, including in Sales, Marketing, Reimbursement, Quality, and Medical Affairs, and we will continue to make commercial investments necessary to drive PYLARIFY awareness and adoption. We believe that PYLARIFY currently has the largest dedicated field-based commercial team in the PSMA PET imaging agent space. Continued growth and revenue contribution from PYLARIFY will also depend on our ability to differentiate PYLARIFY, including through flexible and dependable access to PYLARIFY, a best in class customer experience, and through long-term strategic partnerships.

Our Healthcare Procedure Coding System code, which enables streamlined billing, went into effect as of January 1, 2022. In addition, effective January 1, 2022, the Centers for Medicare and Medicaid Service ("CMS") granted Transitional Pass-Through Payment ("TPT Status") in the hospital outpatient setting for PYLARIFY, enabling traditional Medicare fee-for-service to provide separate payment for PYLARIFY in addition to the payment for the PET/CT procedure in that setting. TPT Status for PYLARIFY will expire on December 31, 2024.

In November 2024, CMS released the final rule for its calendar year 2025 Medicare Hospital Outpatient Prospective Payment System or OPps which recognizes the value and need for broad access to diagnostic radiopharmaceuticals. The rule provides separate payment for those diagnostic radiopharmaceuticals with per day costs greater than \$630. When implemented on January 1, 2025, CMS will maintain separate payment for PYLARIFY after the expiration of transitional pass-through for the approximately 20% of patients with traditional Medicare fee-for-service insurance coverage who are treated in the hospital outpatient setting. The calendar year 2025 payment rate for PYLARIFY is listed in Addendum B of the final rule and is equal to the current PYLARIFY payment rate.

Our plan to successfully grow PYLARIFY includes conveying its commercial and clinical value, expanding its use in appropriate new patient populations, and through strategic partnerships and collaborations, including outside of the U.S. Internationally, we previously licensed exclusive rights to Curium to develop and commercialize piflufolastat F 18 in Europe. In July 2023, Curium announced that it received marketing authorization from the European Commission for piflufolastat F 18, which is being commercialized in the EU under the brand name PYLCLARI. We have entered into multiple strategic collaborations with pharmaceutical companies in connection with the development of PSMA-targeted therapeutics. Additional information on collaborations using PYLARIFY are described further under Part I, Item 1. "Business - Strategic Partnerships and Other Revenue – Oncology" in our Form 10-K for the year ended December 31, 2023.

In connection with the acquisition of Progenics in June 2020, we issued contingent value rights (each a "CVR") tied to the financial performance of PYLARIFY. We paid \$99.6 million to the CVR holders during May 2023 in full satisfaction of our obligations under the CVRs.

Continued Growth of DEFINITY

We believe we will be able to increase use of DEFINITY through continued education of physicians and HCPs about the benefits of ultrasound enhancing agents in suboptimal echocardiograms. The U.S. market currently has three echocardiography ultrasound enhancing agents approved by the FDA; we estimate that DEFINITY will continue to hold at least an 80% share of the U.S. segment for ultrasound enhancing agents in echocardiography procedures.

As we continue to expand our microbubble franchise, our activities include:

- *Expansion of Label* – In March 2024, we received FDA approval for our supplemental new drug application for the use of DEFINITY in pediatric patients with suboptimal echocardiograms. The FDA decision was based on usage data from three pediatric clinical trials conducted with DEFINITY.
- *Patents* – We continue to actively pursue additional patents in connection with DEFINITY, both in the U.S. and internationally. In the U.S. for DEFINITY, we have Orange Book-listed method-of-use patents, as well as additional manufacturing patents that are not Orange Book-listed.
- *VIALMIX RFID* – DEFINITY is activated through the use of devices branded as VIALMIX RFID. The activation rate and time are controlled by VIALMIX RFID through the use of radio-frequency identification technology ("RFID") to ensure reproducible activation of DEFINITY. The RFID tag, which is affixed to the vial label, enables the DEFINITY vial to be appropriately activated with the VIALMIX RFID activation device.

Expansion of Strategic Partnerships and Other Revenue

We continue to seek ways to further increase the overall value of our portfolio of products and product candidates. We are evaluating a number of different opportunities to collaborate, in-license or acquire additional products, product candidates, businesses

and technologies to drive our future growth. In particular, we are focused on late-stage radiopharmaceutical therapeutic and diagnostic product opportunities in oncology, neurology, and other strategic areas that will complement our existing portfolio.

Our Strategic Partnerships and Other Revenue category includes our Strategic Partnerships, Digital Solutions, and Biomarker Solutions businesses and is focused on enabling precision medicine with biomarker and digital solutions.

- *Strategic Partnerships* – We seek to monetize our assets through our Strategic Partnerships business, by optimizing core assets geographically and by driving value through non-core assets. For example, we licensed the commercialization rights for piflufolastat F 18 in Europe to Curium and for flurpiridaz, a fluorine-18-based PET Myocardial Perfusion Imaging agent designed to assess blood flow to the heart in patients suspected of coronary artery disease, to GE Healthcare Limited (“GE Health”). In September, GE Health announced that it had received FDA approval of Flyrcado (Flurpiridaz F-18) for coronary artery disease diagnosis.
- *Digital Solutions* – Our Digital Solutions are designed to enhance imaging value and the throughput, reproducibility and reliability of image analysis, as well as to inform treatment selection and response to therapy. We offer our Digital Solutions to HCPs for clinical use and to pharmaceutical companies for development purposes, and in some cases, we also obtain clinical imaging data that we may use to further develop artificial intelligence solutions. Our Digital Solutions include artificial intelligence medical device software, such as aPROMISE and Automated Bone Scan Index (“aBSI”), both of which are FDA cleared and CE marked.
 - aPROMISE, which is also known as PYLARIFY AI in the U.S., is designed to allow healthcare professionals and researchers to perform standardized quantitative assessment of PSMA PET/computed tomography (“CT”) images in prostate cancer, including those images obtained by using PYLARIFY. In June 2024, we announced that aPROMISE was available on the syngo.via platform, from Siemens Healthineers, via its OpenApps Digital Marketplace.
 - aBSI automatically calculates the disease burden of prostate cancer by detecting and classifying bone scan tracer uptakes as metastatic or benign lesions using an artificial neural network. The software is currently used as one of the correlative objectives of the DORA trial, an open-labeled, randomized, Phase 3 study of docetaxel versus docetaxel in combination with radium-223 (Ra-223) in subjects with mCRPC.
- *Biomarker Solutions* – We use our Biomarker Solutions business to offer our Biomarker and Microbubble Platforms to pharmaceutical and start-up companies to support their research and development of therapeutic drugs and devices. The strategic goal of our Biomarker Solutions business is to gain early access to innovation, de-risk the development, generate data, embed our technologies in the clinical ecosystem and establish the clinical utility of product candidates and research tools in our pipeline. Our biomarkers are intended to support patient selection and the monitoring of disease progression. For example, piflufolastat F 18 is currently being used by Curium Pharma and Regeneron Pharmaceuticals in their respective prostate cancer therapeutic drug development programs, and was also used in the development of PNT2002. MK-6240 is a widely utilized tau PET tracer in Alzheimer’s disease studies with over 100 ongoing academic and industry clinical trials, many for late-stage therapeutic candidates. NAV-4694 is being used in academic and industry sponsored studies.

With respect to our Microbubble Platform, we generally enter into collaborations with partners seeking to include our microbubble as part of a kit used with our partner’s medical device for therapeutic applications. In these collaborations, our microbubble is generally intended to be used as a vehicle to deliver a therapeutic drug.

Global Mo-99 Supply

We currently have Mo-99 supply agreements with Institute for Radioelements (“IRE”), running through December 31, 2025, with auto-renewal provisions that are terminable upon notice of non-renewal, and with NTP Radioisotopes (“NTP”), acting for itself and on behalf of its subcontractor, the Australian Nuclear Science and Technology Organisation (“ANSTO”), running through December 31, 2024.

Although we believe we have the most globally diverse Mo-99 supply with IRE in Belgium, NTP in South Africa, and ANSTO in Australia, we still face supplier and logistical challenges in our Mo-99 supply chain. When one supplier experiences outages, we generally rely on Mo-99 supply from the other suppliers to limit the impact of the outages. We believe we effectively manage these various supply chain challenges, but depending on reactor and processor schedules and operations, at times we have not been able to fill some or all of the demand for our TechneLite generators on certain manufacturing days. A prolonged disruption of service from one of our three Mo-99 processing sites or one of their main Mo-99-producing reactors could have a negative effect on our business, results of operations, financial condition and cash flows.

Inventory Supply & Third Party Suppliers

We obtain a substantial portion of our imaging agents from third-party suppliers. Jubilant HollisterStier (“JHS”) is currently a significant supplier of DEFINITY and our sole source manufacturer of NEUROLITE, CARDIOLITE and evacuation vials, the latter being an ancillary component for our TechneLite generators. Our manufacturing and supply agreement with JHS (the “JHS MSA”)

runs through December 31, 2027 and can be further extended by mutual agreement of the parties. The JHS MSA requires us to purchase from JHS specified percentages of our total requirements for DEFINITY, as well as specified quantities of NEUROLITE, CARDIOLITE and evacuation vial products, each year during the contract term. Either party can terminate the JHS MSA upon the occurrence of certain events, including the material breach or bankruptcy of the other party.

In 2021, we completed the construction of a specialized in-house manufacturing facility at our North Billerica campus to produce DEFINITY. On February 22, 2022, we received FDA approval of our supplemental new drug application ("NDA") authorizing commercial manufacturing of DEFINITY at our new facility. We believe this investment provides supply chain redundancy, improved flexibility and reduced costs in a potentially more price competitive environment.

Radiopharmaceuticals are decaying radioisotopes with half-lives ranging from a few hours to several days. Radiopharmaceutical finished goods, such as doses of PYLARIFY, cannot be kept in inventory because of their limited shelf lives and are subject to just-in-time manufacturing, processing and distribution, with PYLARIFY manufactured at multiple PMF manufacturing sites across the U.S. and our TechnoLite generators and Xenon manufactured at our facilities in North Billerica, Massachusetts.

Research and Development Expenses

To ensure we remain the leading radiopharmaceutical-focused company, we have historically made and will continue to make substantial investments in new product development and lifecycle management for existing products, including:

- For PYLARIFY, we are conducting a clinical trial to determine whether PYLARIFY can detect the presence or absence of additional prostate cancer lesions in patients with favorable intermediate-risk prostate cancer, as well as how it may change the patient's intended management. We also continue to support investigator sponsored research with the potential to expand the clinical utility of PYLARIFY.
- For PNT2002 and PNT2003, we were granted a license to exclusive worldwide rights (excluding certain countries) for \$260.0 million in upfront payments during the fourth quarter of 2022 and will potentially make additional payments as described below. We also filed an ANDA for PNT2003 as described further in the section entitled "Exclusive License for PNT2002 and PNT2003" above.
- For MK-6240, we acquired the right to the investigational asset for an upfront payment of \$35.3 million in February 2023 and an additional \$10.0 million in May 2023 upon the successful completion of a technology transfer and will potentially make additional milestone and royalty payments. We recently held a pre-NDA meeting with the FDA and are expecting to submit an NDA for MK-6240 in 2025.
- For NAV-4694, we acquired the rights to the investigational asset for an upfront payment of \$32.9 million and will potentially make additional milestone and royalty payments.
- For LNTH-1363S, in collaboration with Ratio Therapeutics, we completed a Phase 1 study to evaluate the pharmacokinetics, biodistribution, and radiation dosimetry in adult healthy volunteers. We initiated a Phase 1/2a study in patients in 2024.
- For RM2, we acquired global rights for an upfront payment of \$35.0 million plus a \$1.0 million payment made prior to the acquisition, and will potentially make additional milestone and royalty payments. We plan to initiate a Phase 1/2a study in prostate cancer patients in 2025.
- For TROP2 and LRRC15, we acquired the rights to the preclinical assets and the underlying license agreements for \$2 million and will potentially make additional milestone and royalty payments.

See Note 19, "Acquisition of Assets" in our condensed consolidated financial statements herein for additional information on potential milestone and royalty payments related to the product candidates listed above.

PNT2002

Under the terms of the PNT2002 License Agreement, Lantheus Two paid POINT an upfront payment of \$250.0 million, and could pay up to an additional \$281.0 million in milestone payments upon the achievement of specified U.S. and ex-U.S. regulatory milestones. POINT is also eligible to receive up to \$1.3 billion in sales milestone payments upon the achievement of specified annual sales thresholds of PNT2002. In addition, after Lantheus Two achieves \$500.0 million in cumulative gross profit, POINT is eligible to receive royalty payments of twenty percent of net sales of PNT2002. Prior to achieving that financial recoupment threshold, POINT is eligible to receive royalty payments of twenty percent on that portion of annual net sales of PNT2002 that generate annual gross profit in excess of specified levels.

PNT2003

Under the terms of the PNT2003 License Agreement, Lantheus Three paid POINT an upfront payment of \$10.0 million, and could pay up to an additional \$34.5 million in milestone payments upon the achievement of specified U.S. and ex-U.S. regulatory milestones. POINT is also eligible to receive up to \$275.0 million in sales milestone payments upon the achievement of specified

annual sales thresholds of PNT2003. In addition, POINT is eligible to receive royalty payments of fifteen percent of net sales of PNT2003.

Our investments in these additional clinical activities and lifecycle management opportunities will increase our operating expenses and impact our results of operations and cash flow, and we can give no assurances as to whether any of our clinical development candidates or lifecycle management opportunities will be successful.

Results of Operations

The following is a summary of our consolidated results of operations:

(in thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	Change \$	Change %	2024	2023	Change \$	Change %
Revenues	\$ 378,734	\$ 319,946	\$ 58,788	18.4 %	\$ 1,142,800	\$ 942,430	\$ 200,370	21.3 %
Cost of goods sold	136,608	119,995	16,613	13.8 %	403,054	462,756	(59,702)	(12.9)%
Gross profit	242,126	199,951	42,175	21.1 %	739,746	479,674	260,072	54.2 %
Operating expenses								
Sales and marketing	43,719	37,399	6,320	16.9 %	134,300	106,472	27,828	26.1 %
General and administrative	40,516	35,741	4,775	13.4 %	135,820	85,163	50,657	59.5 %
Research and development	24,148	14,450	9,698	67.1 %	132,773	60,883	71,890	118.1 %
Total operating expenses	108,383	87,590	20,793	23.7 %	402,893	252,518	150,375	59.6 %
Gain on sale of assets	—	—	—	N/A	6,254	—	6,254	N/A
Operating income	133,743	112,361	21,382	19.0 %	343,107	227,156	115,951	51.0 %
Interest expense	4,903	5,054	(151)	(3.0)%	14,624	14,978	(354)	(2.4)%
Investment in equity securities - unrealized gain	(37,325)	—	(37,325)	N/A	(75,492)	—	(75,492)	N/A
Other income	(9,953)	(52,649)	42,696	(81.1)%	(27,785)	(60,362)	32,577	(54.0)%
Income before income taxes	176,118	159,956	16,162	10.1 %	431,760	272,540	159,220	58.4 %
Income tax expense	45,025	27,999	17,026	60.8 %	107,528	49,259	58,269	118.3 %
Net income	<u>\$ 131,093</u>	<u>\$ 131,957</u>	<u>\$ (864)</u>	<u>(0.7)%</u>	<u>\$ 324,232</u>	<u>\$ 223,281</u>	<u>\$ 100,951</u>	<u>45.2 %</u>

Comparison of the Periods Ended September 30, 2024 and 2023

Revenues

We classify our revenues into three product categories: Radiopharmaceutical Oncology, Precision Diagnostics, and Strategic Partnerships and Other Revenue. Radiopharmaceutical Oncology consists of PYLARIFY and AZEDRA. In the first quarter of 2024, the Company discontinued the production of AZEDRA. Precision Diagnostics includes DEFINITY, TechneLite and other diagnostic imaging products. Strategic Partnerships and Other Revenue primarily includes out-licensing arrangements and partnerships for our biomarker, digital solutions and radiotherapeutic platforms, inclusive of MK-6240 and NAV-4694.

Revenues are summarized by product category on a net basis as follows:

(in thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	Change \$	Change %	2024	2023	Change \$	Change %
PYLARIFY	\$ 259,756	\$ 215,428	\$ 44,328	20.6 %	\$ 791,881	\$ 621,419	\$ 170,462	27.4 %
Other radiopharmaceutical oncology	—	848	(848)	(100.0)%	384	2,383	(1,999)	(83.9)%
Total radiopharmaceutical oncology	259,756	216,276	43,480	20.1 %	792,265	623,802	168,463	27.0 %
DEFINITY	76,965	67,336	9,629	14.3 %	231,629	206,688	24,941	12.1 %
TechneLite	20,480	23,272	(2,792)	(12.0)%	70,380	65,853	4,527	6.9 %
Other precision diagnostics	6,282	5,740	542	9.4 %	18,039	17,002	1,037	6.1 %
Total precision diagnostics	103,727	96,348	7,379	7.7 %	320,048	289,543	30,505	10.5 %
Strategic partnerships and other revenue	15,251	7,322	7,929	108.3 %	30,487	29,085	1,402	4.8 %
Total revenues	\$ 378,734	\$ 319,946	\$ 58,788	18.4 %	\$ 1,142,800	\$ 942,430	\$ 200,370	21.3 %

The increase in revenues for the three and nine months ended September 30, 2024, is primarily driven by an increase in PYLARIFY and DEFINITY sales volumes, as well as revenue generated from sales for investigational use of NAV-4694 resulting from the acquisition of Meilleur in June 2024. The increase in revenues were offset for the nine months ended September 30, 2024, when compared to the same period of 2023, by a decrease in net sales royalties in 2024 primarily due to the sale of the rights to our RELISTOR net sales royalties. Net sales royalties related to RELISTOR were recorded in Strategic Partnerships and Other Revenue prior to August 2, 2023.

Rebates and Allowances

Estimates for rebates and allowances represent our estimated obligations under contractual arrangements with third parties. Rebate accruals and allowances are recorded in the same period the related revenue is recognized, resulting in a reduction to revenue and the establishment of a liability which is included in accrued expenses. These rebates and allowances result from performance-based offers that are primarily based on attaining contractually specified sales volumes and growth, Medicaid rebate programs for our products, administrative fees of group purchasing organizations, and certain distributor related commissions. The calculation of the accrual for these rebates and allowances is based on an estimate of the third-party's expected purchases and the resulting applicable contractual rebate to be earned over a measurement period.

An analysis of the amount of, and change in, reserves is summarized as follows:

(in thousands)	Rebates and Allowances
Balance, January 1, 2024	\$ 16,070
Provision related to current period revenues	42,793
Payments or credits made during the period	(36,939)
Balance, September 30, 2024	\$ 21,924

Gross Profit

The increase in gross profit for the three months ended September 30, 2024, as compared to the prior year period, is primarily due to the increase in PYLARIFY and DEFINITY sales volumes, as well as milestone revenue related to an out-licensed asset from Progenics.

The increase in gross profit for the nine months ended September 30, 2024, as compared to the prior year period, is primarily due to the impairment of the AZEDRA marketed intangible asset, which was recorded in 2023 and not in 2024, and an increase in PYLARIFY and DEFINITY sales volumes, partially offset by the decrease of the RELISTOR net royalty sales due to the sale of the rights to the royalties in August 2023.

Sales and Marketing

Sales and marketing expenses consist primarily of salaries and other related costs for personnel in field sales, marketing, and customer service functions. Other costs in sales and marketing expenses include the development of advertising and promotional material, business analytics, professional services, market research and market access, and sales meetings.

Sales and marketing expenses increased \$6.3 million and \$27.8 million for the three and nine months ended September 30, 2024, respectively, as compared to the prior year periods. This was primarily driven by our investment in sales and marketing efforts, including an expansion of our PYLARIFY sales force, functional support, and brand strategy intended to support and expand adoption of PYLARIFY and launch planning for new assets.

General and Administrative

General and administrative expenses consist of salaries and other related costs for personnel in executive, finance, legal, information technology and human resource functions. Other costs included in general and administrative expenses are professional fees for information technology services, external legal fees, consulting and accounting services as well as bad debt expense, certain facility and insurance costs, including director and officer liability insurance.

General and administrative expenses increased \$4.8 million and \$50.7 million for the three and nine months ended September 30, 2024, respectively, as compared to prior year periods. This was primarily driven by investment in technology, higher stock compensation, increased headcount and employee-related costs, and higher professional fees, primarily related to business development activity.

Research and Development

Research and development expenses relate primarily to the development of new products to add to our portfolio and costs related to our medical affairs, medical information and regulatory functions.

Research and development expenses increased \$9.7 million for the three months ended September 30, 2024 as compared to the prior year period. This was primarily driven by increased employee-related costs resulting from an increase in headcount as well as an increase in project costs, including research and development expenses related to our acquisition of the rights to develop and commercialize NAV-4694 through our acquisition of Meilleur in June 2024.

Research and development expenses increased \$71.9 million for the nine months ended September 30, 2024 as compared to the prior year period. This was primarily driven by in-process research and development ("IPR&D") expense of \$36.0 million related to the Life Molecular Asset Purchase, \$2.0 million related to the Radiopharm Asset Purchase, and an upfront option payment of \$28.0 million to Perspective. In addition, there was an increase in employee-related costs resulting from an increase in headcount and increased project costs, including MK-6240 research and development expenses. This increase was offset, in part, by a non-cash impairment charge in the prior year associated with an IPR&D asset of \$15.6 million and lower clinical expenses related to our Phase 2 study for 1095.

Interest Expense

Interest expense decreased by approximately \$0.2 million and \$0.4 million for the three and nine months ended September 30, 2024, respectively, as compared to the prior year period.

Investment in Equity Securities - Unrealized Gains

Investment in equity securities - unrealized gain increased \$37.3 million and \$75.5 million for the three and nine months ended September 30, 2024, respectively, primarily due to a \$39.5 million and \$77.6 million increase in fair value of our investment in shares of Perspective's common stock for the three and nine months ended September 30, 2024, respectively. This was partially offset by a \$2.1 million decrease in fair value of our investment in shares of Radiopharm during the same periods.

Income Tax Expense

Our effective tax rate for each reporting period is presented as follows:

	Nine Months Ended September 30,	
	2024	2023
Effective tax rate	24.9%	18.1%

Our effective tax rate for the nine months ended September 30, 2024 differs from the U.S. statutory rate of 21% primarily due to state income taxes, partially offset by the income tax benefits associated with stock compensation deductions.

The increase in the effective income tax rate for the nine months ended September 30, 2024 is primarily due to a benefit recorded in the nine months ended September 30, 2023 related to the sale of the Company's RELISTOR royalty asset, which resulted in additional net operating losses becoming available for utilization under Internal Revenue Code Section 382. There was no such comparable amount recorded in 2024.

Liquidity and Capital Resources

Cash Flows

The following table provides information regarding our cash flows:

(in thousands)	Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 387,020	\$ 192,973
Net cash (used in) provided by investing activities	\$ (219,413)	\$ 18,008
Net cash used in financing activities	\$ (14,877)	\$ (12,612)

Net Cash Provided by Operating Activities

Net cash provided by operating activities of \$387.0 million in the nine months ended September 30, 2024 was primarily comprised of net income adjusted for the net effect of non-cash items such as unrealized gain on investment in equity securities, charges incurred in connection with the Perspective IPR&D exclusive license options, charges related to Radiopharm's licensed assets, charges related to Life Molecular Imaging's RM2 license, depreciation, amortization and accretion expense, and stock-based compensation expense. The primary working capital sources of cash is attributable to the timing of payments to large vendors. The primary working capital uses of cash were an increase in trade receivables associated primarily with the increase in PYLARIFY revenues, and an increase in inventory related to the timing of batch processes.

Net cash provided by operating activities of \$193.0 million in the nine months ended September 30, 2023 was primarily comprised of net income adjusted for the net effect of non-cash items such as impairment of long-lived assets, depreciation, amortization and accretion expense, gain on the sale of the RELISTOR royalty asset, and stock-based compensation expense. The primary working capital sources of cash were the timing of payments to large vendors. The primary working capital uses of cash were a decrease to accruals related to the CVR payment, an increase in trade receivables associated primarily with the increase in PYLARIFY revenues, and an increase in inventory related to the timing of batch processes.

Net Cash (Used in) Provided by Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2024 was driven by an upfront option payment of \$28.0 million to Perspective, \$36.0 million of payments for the Life Molecular Imaging asset purchase, \$42.9 million payments to the Meilleur Stockholders for the acquisition of Meilleur, \$2.0 million for the Radiopharm asset purchase, \$83.2 million for the purchase of equity securities, and \$35.3 million of capital expenditures, partially offset by net cash proceeds of \$8.0 million from the sale of the Somerset Facility sublease and associated assets.

Net cash provided by investing activities during the nine months ended September 30, 2023 was due to the net cash proceeds of \$98.0 million from the sale of RELISTOR royalty asset offset by \$45.3 million for our asset acquisition of Cerveau and \$34.5 million of capital expenditures.

Net Cash Used in Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2024 is primarily attributable to the payments for minimum statutory tax withholding related to net share settlement of equity awards of \$21.7 million offset by proceeds of \$7.2 million from stock option exercises.

Net cash used in financing activities during the nine months ended September 30, 2023 is primarily attributable to the payments for minimum statutory tax withholding related to net share settlement of equity awards of \$13.6 million and the CVR initial valuation as of the acquisition date of \$3.7 million, offset by proceeds of \$3.5 million from stock option exercises.

External Sources of Liquidity

In December 2022, we entered into a \$350.0 million five-year revolving credit facility (the "2022 Revolving Facility"). The terms of the 2022 Revolving Facility are set forth in the Credit Agreement, dated as of December 2, 2022, by and among us, the lenders from time to time party thereto and Citizens Bank, N.A., as administrative agent and collateral agent (the "2022 Credit Agreement"). We have the right to request an increase to the 2022 Revolving Facility or request the establishment of one or more new incremental term loan facilities, in an aggregate principal amount of up to \$335.0 million or consolidated earnings before interest, taxes, depreciation and amortization for the four consecutive fiscal quarters most recently ended, plus additional amounts, in certain circumstances.

Under the terms of the 2022 Revolving Facility, the lenders thereunder agreed to extend credit to us from time to time until December 2, 2027 consisting of revolving loans in an aggregate principal amount not to exceed \$350.0 million at any time. The 2022 Revolving Facility includes a \$20.0 million sub-facility for the issuance of letters of credit (the "Letters of Credit"). The 2022 Revolving Facility includes a \$10.0 million sub-facility for swingline loans (the "Swingline Loans"). The Letters of Credit, Swingline Loans and the borrowings under the 2022 Revolving Facility are expected to be used for working capital and other general corporate purposes.

Please refer to Note 11, "Long-Term Debt, Net, and Other Borrowings" in our condensed consolidated financial statements for further details on the 2022 Revolving Facility.

As of September 30, 2024, we were in compliance with all financial and other covenants under the 2022 Credit Agreement.

On December 8, 2022, we issued \$575.0 million in aggregate principal amount of 2.625% Convertible Senior Notes due 2027 (the "Notes"), which includes \$75.0 million in aggregate principal amount of Notes sold pursuant to the full exercise of the initial purchasers' option to purchase additional Notes. The Notes were issued under the Indenture. The net proceeds from the issuance of the Notes were approximately \$557.8 million, after deducting the initial purchasers' discounts and offering expenses payable by us.

On August 2, 2023, we sold the right to our RELISTOR royalty asset under our license agreement with Bausch Health Companies, Inc.; we retained the rights to future sales-based milestone payments. We received an initial payment of approximately \$98.0 million in connection with the sale and have the right to receive an additional \$5.0 million payment if worldwide net sales of RELISTOR in 2025 exceed a specified threshold. The additional payment would be recognized upon achievement of the specified threshold. Following such sale, we no longer receive tiered, sales-based royalties on worldwide net sales of RELISTOR related to the second quarter of 2023 and subsequent quarters.

Our ability to fund our future capital needs will be affected by our ability to continue to generate cash from operations and may be affected by our ability to access the capital markets, money markets or other sources of funding, as well as the capacity and terms of our financing arrangements.

We may from time to time repurchase or otherwise retire our debt and take other steps to reduce our debt or otherwise improve our balance sheet. These actions may include prepayments of our term loans or other retirements or refinancing of outstanding debt, privately negotiated transactions or otherwise. The amount of debt that may be retired, if any, could be material and would be decided at the sole discretion of our Board of Directors and will depend on market conditions, our cash position, and other considerations.

Funding Requirements

Our future capital requirements will depend on many factors, including:

- The level of product sales and the pricing environment of our currently marketed products, particularly PYLARIFY and DEFINITY, as well as any additional products that we may market in the future;
- Revenue mix shifts and associated volume and selling price changes that could result from additional competition or changes in customers' product demand;

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- The continued costs of the ongoing commercialization of our products;
- Our investment in the further clinical development and commercialization of products and development candidates, as well as whether we exercise our option and co-development rights under the Perspective agreements;
- The costs of acquiring or in-licensing, developing, obtaining regulatory approval for, and commercializing, new products, businesses or technologies, including any potential related milestone or royalty payments, together with the costs of pursuing opportunities that are not eventually consummated;
- The costs of investing in our facilities, equipment and technology infrastructure;
- The costs and timing of establishing or amending manufacturing and supply arrangements for commercial supplies of our products and raw materials and components;
- Our ability to have products manufactured and released from manufacturing sites in a timely manner in the future, or to manufacture products at our in-house manufacturing facilities in amounts sufficient to meet our supply needs;
- The costs of further commercialization of our existing products, particularly in international markets, including product marketing, sales and distribution and whether we obtain local partners to help share such commercialization costs;
- The legal costs relating to maintaining, expanding and enforcing our intellectual property portfolio, pursuing insurance or other claims and defending against product liability, regulatory compliance, intellectual property or other claims, including the patent infringement claim related to the filing of our ANDA for PNT2003;
- The cost of interest on any additional borrowings which we may incur under our financing arrangements; and
- The impact of sustained inflation on our costs of goods sold and operating expenses.

Disruption in our financial performance could occur if we experience significant adverse changes in product or customer mix, broad economic downturns, sustained inflation, adverse industry or company conditions or catastrophic external events, including pandemics such as COVID-19, natural disasters and political or military conflict. If we experience one or more of these events in the future, we may be required to further implement expense reductions, such as a delay or elimination of discretionary spending in all functional areas, as well as scaling back select operating and strategic initiatives.

As discussed in Note 11, "Long-Term Debt, Net, and Other Borrowings" in our condensed consolidated financial statements, during the third quarter of 2024, the Notes became convertible for the fourth quarter of 2024, the quarter immediately following the quarter when conditions for conversion are met, at the option of the holder of the Notes, as stated in the terms of the Notes. We reclassified the carrying value of the Notes from long-term debt, net and other borrowings to current portion of long-term debt, net and other borrowings on our condensed consolidated balance sheet as of September 30, 2024, in accordance with accounting guidance.

If our capital resources become insufficient to meet our future capital requirements, including payments we may be required to make upon conversion of the Notes, we would need to finance our cash needs through public or private equity offerings, debt financings, assets securitizations, sale-leasebacks or other financing or strategic alternatives, to the extent such transactions are permissible under the covenants of our 2022 Credit Agreement. Additional equity or debt financing, or other transactions, may not be available on acceptable terms, if at all. If any of these transactions require an amendment or waiver under the covenants in our 2022 Credit Agreement, which could result in additional expenses associated with obtaining the amendment or waiver, we will seek to obtain such a waiver to remain in compliance with those covenants. However, we cannot provide assurance that such an amendment or waiver would be granted, or that additional capital will be available on acceptable terms, if at all.

At September 30, 2024, our only current committed external source of funds is our borrowing availability under our 2022 Revolving Facility. We had \$866.4 million of cash and cash equivalents as of September 30, 2024. Our 2022 Revolving Facility contains a number of affirmative, negative, reporting and financial covenants, in each case subject to certain exceptions and materiality thresholds. Incremental borrowings under the 2022 Revolving Facility may affect our ability to comply with the covenants including the financial covenants restricting consolidated net leverage and interest coverage. Accordingly, we may be limited in utilizing the full amount of our 2022 Revolving Facility as a source of liquidity.

Based on our current operating plans, we believe our balance of cash and cash equivalents, along with cash generated by ongoing operations and continued access to our 2022 Revolving Facility, will be sufficient to satisfy our cash requirements over the next twelve months and beyond.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect our reported assets and liabilities, revenues and expenses, and other financial information. Actual results may differ materially from these estimates under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

There have been no significant changes to our critical accounting policies or in the underlying accounting assumptions and estimates used in such policies in the nine months ended September 30, 2024. For further information, refer to our summary of significant accounting policies and estimates in our Form 10-K for the year ended December 31, 2023.

Off-Balance Sheet Arrangements

We are required to provide the Massachusetts Department of Public Health financial assurance demonstrating our ability to fund any decommissioning of our North Billerica, Massachusetts production facility in the event of any closure. We have provided this financial assurance in the form of a \$30.3 million surety bond.

We have not engaged in any other off-balance sheet arrangements, including structured finance, special purpose entities or variable interest entities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk, see Part II, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk," of our Form 10-K for the year ended December 31, 2023. Our exposures to market risk have not changed materially since December 31, 2023.

Equity Investment Risk

As of September 30, 2024, our recorded carrying value of investments in equity securities was \$158.8 million, comprised of our equity investments in Perspective and Radiopharm, and is recorded at fair value, subject to market price volatility. We record our equity investments in public companies at fair value and adjust our equity investments in public companies for observable price changes or impairments. Valuations of public companies are variable and subject to change in share price at the applicable measurement period.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's CEO and Chief Financial Officer ("CFO"), its principal executive officer and principal financial officer, respectively, has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of the period covered by this report.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to certain legal proceedings is included in Note 18, "Commitments and Contingencies", to the condensed consolidated financial statements contained in Part I, Item 1. Financial Statements of this Form 10-Q and is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in our Form 10-K for the year ended December 31, 2023, except as set forth below:

Risks Related to Our Portfolio of Commercial Products

Our ability to continue to grow PYLARIFY as a commercial product is dependent on (A) the ability of PMFs to manufacture PYLARIFY to meet product demand, (B) our ability to obtain and maintain adequate coding, coverage and payment for PYLARIFY, (C) our ability to promote PYLARIFY to customers and to maintain PYLARIFY as the leading PSMA PET imaging agent, including after the potential expiration of TPT Status at the end of 2024 and (D) our ability to clinically and commercially differentiate PYLARIFY from other products.

To manufacture PYLARIFY, we assembled and qualified a nationwide network of PMFs with radioisotope-producing cyclotrons that make F 18, which has a 110-minute half-life, so PYLARIFY is manufactured and distributed rapidly to end-users. Because each of the PMFs manufacturing these products is deemed by the FDA to be a separate manufacturing site, each has to be separately approved by the FDA. Although PYLARIFY is broadly available across the U.S., we continue to seek qualification for additional PMFs in 2024 and can give no assurance that the FDA will continue to approve PMFs in accordance with our expansion to meet increasing demand. If FDA approval of manufacturing sites is delayed or withdrawn, our business, results of operations, financial condition and cash flows could be adversely affected.

Obtaining adequate coding, coverage and payment for PYLARIFY is critical, including not only coverage from Medicare, Medicaid and other government payors, as well as private payors, but also appropriate payment levels to adequately cover our customers' costs of using PYLARIFY in PET/CT imaging procedures. The HCPCS code for PYLARIFY, which enables streamlined billing, went into effect as of January 1, 2022. In addition, effective January 1, 2022, CMS granted TPT Status for PYLARIFY, enabling traditional Medicare to provide an incremental payment for PET/CT scans performed with PYLARIFY in the hospital outpatient setting. TPT Status for PYLARIFY is expected to expire on December 31, 2024. After TPT Status expires, under current Medicare rules, PYLARIFY would not be separately reimbursed in the hospital outpatient setting but rather would be bundled into the facility payment a hospital receives for a PET/CT imaging procedure, and the facility payment may not always adequately cover the total cost of the procedure with PYLARIFY. Other competitive PSMA PET imaging agents will continue to have TPT after December 31, 2024 which could result in PYLARIFY customers choosing to prescribe and use a competitor's PSMA PET imaging agent instead of PYLARIFY.

In November 2024, CMS released the final rule for its calendar year 2025 Medicare Hospital Outpatient Prospective Payment System ("OPPS"), which recognizes the value and need for broad access to diagnostic radiopharmaceuticals. The rule provides separate payment for those diagnostic radiopharmaceuticals with per day costs greater than \$630. When implemented on January 1, 2025, CMS will maintain separate payment for PYLARIFY after the expiration of transitional pass-through for the approximately 20% of patients with traditional Medicare fee-for-service insurance coverage who are treated in the hospital outpatient setting. The calendar year 2025 payment rate for PYLARIFY is listed in Addendum B of the final rule and is equal to the current PYLARIFY payment rate. However, we can give no assurance that such rule will remain in effect, that such payment will remain the same or that legislative changes removing such a separate payment for diagnostic radiopharmaceuticals would not be adopted.

In addition, if other government payors or private payors do not provide adequate reimbursement for the use of PYLARIFY, our business, results of operations, financial condition and cash flows could be adversely affected. We plan to continue our advocacy efforts with CMS and private payors so that PYLARIFY customers will have appropriate and adequate reimbursement following the expiration of TPT Status. CMS has finalized its proposal for separate payment for diagnostic radiopharmaceuticals over a certain per day cost threshold based on mean unit costs, which would allow continued separate payment for PYLARIFY. We will continue to work with coalition partners to support using average selling price to calculate payment for diagnostic radiopharmaceuticals in future years similar to the way Medicare OPPS currently pays for other drugs, biologics, and therapeutic radiopharmaceuticals. However, we can give no assurances that we will be successful in those efforts or that the availability of TPT Status for other diagnostic radiopharmaceuticals will not impact clinical decision making regarding which product to use, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

The successful growth of PYLARIFY is also dependent on our ability to promote PYLARIFY to customers, to clinically and commercially differentiate PYLARIFY from other products on the market and to maintain PYLARIFY as the leading PSMA PET imaging agent in a competitive environment in which other PSMA PET imaging agents have been approved, for which discounts related to those other agents may be offered to customers and for which TPT Status will extend beyond December 31, 2024. PYLARIFY currently competes with two commercially available Ga-68-based PSMA PET imaging agents from Telix Pharmaceuticals Limited and Novartis AG and an F 18 PSMA PET imaging agent from Blue Earth, as well as other non-PSMA PET imaging agents. Continued growth and revenue contribution from PYLARIFY will also depend on our ability to differentiate

PYLARIFY in light of the potential loss of TPT Status, including through flexible and dependable access to PYLARIFY nationally, a best in class customer experience and through long-term strategic contracts. To the extent we are not successful in these efforts and we lose market share to existing or future competitors (including during any period of time in which our TPT Status has expired but TPT Status for a later-approved competitive products still exists), such loss of market share could have an adverse impact on our business, results of operations, financial condition and cash flows.

Our success in growing PYLARIFY also depends, in part, on our successfully establishing the use of PYLARIFY for approved indications and potentially for additional indications, including for patient selection for PSMA-targeted therapeutics, and for new patient populations, such as patients with favorable intermediate-risk prostate cancer. For example, we believe the approval of PLUVICTO for the treatment of adult patients with PSMA-positive mCRPC who have already been treated with other anticancer treatments (androgen receptor pathway inhibition and taxane-based chemotherapy) created a new addressable market for the use of PSMA PET imaging in patient selection for PSMA-targeted therapy. However, the prescribing information for PLUVICTO specifies that a PSMA-11 based PSMA PET imaging agent be used for patient selection, and PYLARIFY is not a PSMA-11 based imaging agent. While we note that FDA-approved labels for F 18-based and PSMA-11 based PSMA PET imaging agents have generally been treated as a class of drugs, including by the National Comprehensive Cancer Center in its guidelines and the Society for Nuclear Medicine and Molecular Imaging in its appropriate use criteria, we can give no assurances that PLUVICTO prescribing information will be expanded to incorporate F 18-based PSMA PET imaging agents like PYLARIFY, or how current clinical practice may evolve. In addition, we are conducting a clinical trial to determine whether PYLARIFY can detect the presence or absence of additional prostate cancer lesions in patients with favorable intermediate-risk prostate cancer, as well as how it may change the patient's intended management, but cannot predict whether the outcome of this clinical trial will support such a use for PYLARIFY. To the extent we are unsuccessful in establishing the use of PYLARIFY for approved or new indications or in new patient populations, such lack of success could have an adverse impact on our business, results of operations, financial condition and cash flows.

We depend on some of our PMF partners to generate sales, accept, produce and deliver orders and report and collect payments on our behalf for PYLARIFY.

PYLARIFY is sold in the U.S. to hospitals, independent imaging centers and government facilities and sales are generated through an internal PYLARIFY sales team, as well as a sales team at some of our PMF partners. We generally do not use group purchasing arrangements to sell PYLARIFY and require each customer to enter into a contract directly with us or our PMFs. Our ability to continue to successfully grow PYLARIFY depends, in part, on our ability, and the ability of some of our PMF partners on our behalf, to continue to enter into commercially beneficial arrangements directly with the hospitals, independent imaging centers and government facilities that we serve. Any delay or inability to enter into these arrangements, including our ability to negotiate favorable financial terms in these agreements, could have an adverse impact on our business, results of operations, financial condition and cash flows.

In addition to depending in part on some of our PMF partners to generate sales, we also depend on some of our PMF partners to accept, produce and deliver orders, invoice customers and to report and collect payments. To the extent our PMF partners are unsuccessful in generating sales, accepting, producing and delivering orders, invoicing customers or in reporting or collecting payments on our behalf, such an event could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We and our PMF partners also use third-party software to accept orders placed by customers and to record shipping and administrative status of orders. To the extent we are unable to accept orders or access, verify or reconcile ordering, shipping or administrative data, such event could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We face significant competition in our business and may not be able to compete effectively.

The markets for our products are highly competitive and continually evolving. Our principal competitors for our current commercial products and leading clinical development candidates include large, global companies that are more diversified than we are and that have substantial financial, manufacturing, sales and marketing, distribution and other resources:

- For PYLARIFY, our competitors currently include approved imaging agents from Telix Pharmaceuticals Limited, Novartis AG, and Blue Earth, a subsidiary of Bracco.
- For DEFINITY, our competitors currently include GE Healthcare and Bracco.
- For a number of our radiopharmaceutical commercial products, our competitors currently include Curium, GE Healthcare, Bracco and Jubilant Life Sciences, an affiliate of JHS and Jubilant Radiopharma, and potentially BWXT Medical.

- For PNT2002, our principal competitors may include Novartis AG; Telix Pharmaceuticals Limited; and Curium, each of which has commercialized products or product candidates in advanced clinical stage of development.
- For PNT2003, our principal competitors may include Novartis AG; ITM Radiopharma; Curium and RayzeBio (acquired by Bristol Myers Squibb), each of which has commercialized products or product candidates pending FDA approval or in advanced clinical stage of development.
- For MK-6240 and NAV-4694, our principal competitors may include Eli Lilly and Company, GE Healthcare, Life Molecular Imaging and Aprinolia Therapeutics, each of which has commercialized products or product candidates in advanced clinical stage of development and other companies that may have product candidates in development.
- For LNTH-1363S, our principal competitors may include Sofie Bioscience; GE Healthcare; and Novartis AG, each of which has product candidates in clinical stage of development.
- For RM2, our principal competitors may include Novartis AG; Clarity Pharma; and Orano Med, each of which has product candidates in clinical stage of development.

We cannot anticipate the actions of our current or future competitors in the same or competing modalities, such as significant price reductions on products that are competitive with our own, development of new products that are more cost-effective or have superior performance than our current products or potential future products or the introduction of generic versions after our proprietary products lose their patent protection. In addition, distributors of our products could attempt to shift end-users to competing diagnostic modalities and products, or bundle the sale of a portfolio of products, in either case to the detriment of our specific products. Our current or future products could be rendered obsolete or uneconomical as a result of these activities.

Further, the radiopharmaceutical industry continues to evolve strategically, with several market participants recently acquired by larger companies that may have more significant resources than ours. In addition, the supply-demand dynamics of the industry are complex because of large market positions of some participants, legacy businesses, government subsidies (in particular, relating to the manufacture of radioisotopes), and group purchasing arrangements and there are often limited sources available for isotopes and raw materials used in the manufacturing of our product and product candidates. We cannot predict what impact new owners and new operators may have on the strategic decision-making of our competitors, customers and suppliers, and such decision-making could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Risks Related to Reimbursement and Regulation

Many of our customers are highly dependent on payments from third-party payors, including government sponsored programs, particularly Medicare, in the U.S. and other countries in which we operate, and reductions in third party coverage and reimbursement rates for our products (or services provided with our products) could adversely affect our business and results of operations.

A substantial portion of our revenue depends on the extent to which the costs of our products purchased by our customers (or services provided with our products) are reimbursed by third party payors, including Medicare, Medicaid, other U.S. government sponsored programs, non-U.S. governmental payors and private payors. These third-party payors exercise significant control over patient access and increasingly use their enhanced bargaining power to secure discounted rates and impose other requirements that may reduce demand for our products. Our customers' ability to obtain adequate reimbursement for products and services from these third-party payors affects the selection of products they purchase and the prices they are willing to pay. If Medicare and other third party payors do not provide adequate reimbursement for the costs of our products (or services provided using our products), deny the coverage of the products (or those services), or reduce current levels of reimbursement, healthcare professionals may not prescribe our products and providers and suppliers may not purchase our products.

In addition, demand for new products may be limited unless we obtain favorable reimbursement (including coding, coverage and payment) from governmental and private third party payors at the time of the product's introduction, which will depend, in part, on our ability to demonstrate that a new agent has a positive impact on clinical outcomes. Third-party payors continually review their coverage policies for existing and new products and procedures and can deny coverage for products or procedures that include the use of our products or revise payment policies such that payments do not adequately cover the cost of our products. Even if third-party payors make coverage and reimbursement available, that reimbursement may not be adequate or these payors' reimbursement policies may have an adverse effect on our business, results of operations, financial condition and cash flows.

For example, effective January 1, 2022, the CMS granted TPT Status in the hospital outpatient setting for PYLARIFY, enabling traditional Medicare to provide an incremental payment for PET/CT scans performed with PYLARIFY in that setting. TPT Status for PYLARIFY is expected to expire December 31, 2024. After TPT Status expires, under current Medicare rules, PYLARIFY would not be separately reimbursed in the hospital outpatient setting but rather would be bundled into the facility

payment a hospital receives for a PET/CT imaging procedure, and the facility payment may not always cover the total cost of the procedure. Certain competitor PSMA PET products will continue to have TPT Status after PYLARIFY's TPT Status expires and this could impact our customer's prescribing habits. In November 2024, CMS released the final rule for its calendar year 2025 Medicare Hospital OPPIs, which recognizes the value and need for broad access to diagnostic radiopharmaceuticals. The rule provides separate payment for those diagnostic radiopharmaceuticals with per day costs greater than \$630. When implemented on January 1, 2025, CMS will maintain separate payment for PYLARIFY after the expiration of transitional pass-through for the approximately 20% of patients with traditional Medicare fee-for-service insurance coverage who are treated in the hospital outpatient setting. The calendar year 2025 payment rate for PYLARIFY is listed in Addendum B of the final rule and is equal to the current PYLARIFY payment rate. However, we can give no assurance that such rule will remain in effect, that such payment will remain the same or that legislative changes removing such a separate payment for diagnostic radiopharmaceuticals would not be adopted, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Over the past several years, Medicare has implemented numerous changes to payment policies for imaging procedures in both the hospital setting and non-hospital settings (which include physician offices and freestanding imaging facilities). Some of these changes have had a negative impact on utilization of imaging services. Examples of these changes include:

- Reducing payments for certain imaging procedures when performed together with other imaging procedures in the same family of procedures on the same patient on the same day in the physician office and free-standing imaging facility setting;
- Making significant revisions to the methodology for determining the practice expense component of the Medicare payment applicable to the physician office and free-standing imaging facility settings which has resulted in reduced payments for certain services;
- Revising payment policies and reducing payment amounts for imaging procedures performed in the hospital outpatient settings; and
- Reducing prospective payment levels for applicable diagnosis-related groups in the hospital inpatient setting.

In the physician office and free-standing imaging facility setting, services provided using our products are reimbursed under the Medicare physician fee schedule. Payment rates under the Medicare physician fee schedule are regularly subject to updates to effectuate various policy goals of CMS and Congress. For example, in 2022, CMS reduced Medicare fee schedule payments rates in the agency's final rulemaking, while a larger cut was put forth in the proposed rulemaking earlier that year. For 2023, CMS had finalized a reduction in the Medicare fee schedule payments rates, which was revised by Congress, pursuant to the Consolidated Appropriations Act, 2023, to a lesser reduction. Additionally, since 2019, fee schedule payments have been adjusted for certain physicians based on their performance under a consolidated measurement system (that measures performance with respect to quality, resource utilization, meaningful use of certified electronic health records technology, and clinical practice improvement activities). From 2019 through payment year 2024, physicians may be eligible for a bonus based on the use of certain alternative payment models designated as "advanced" by CMS. The ongoing and future impact of these changes cannot be determined at this time.

We believe that Medicare changes to payment policies for imaging procedures applicable to non-hospital settings will continue to result in certain physician practices ceasing to provide these services and a further shifting of where certain medical imaging procedures are performed, from the physician office and free-standing imaging facility settings to the hospital outpatient setting. Changes applicable to Medicare payment in the hospital outpatient setting could also influence the decisions by hospital outpatient physicians to perform procedures that involve our products. Within the hospital outpatient setting, CMS payment policy is such that the use of many of our products are not separately payable by Medicare, although certain new drug products are eligible for separate (incremental) payment for the first three years after approval. Changes to the Medicare hospital outpatient prospective payment system payment rates, including reductions implemented for certain hospital outpatient sites, could influence the decisions by hospital outpatient physicians to perform procedures that involve our products and the risks discussed above with respect to separate payment for diagnostic radiopharmaceuticals in the hospital outpatient setting could also impact clinical decision-making.

We also believe that all of these changes and their resulting pressures may incrementally reduce the overall number of diagnostic medical imaging procedures performed. These changes overall could slow the acceptance and introduction of next-generation imaging equipment into the marketplace, which, in turn, could adversely impact the future market adoption of certain of our imaging agents already in the market or currently in development. We expect that there will continue to be proposals to reduce or limit Medicare and Medicaid payment for diagnostic services, which could impact our current or potential future diagnostic and other types of products and have a material adverse effect on our business, results of operations, financial condition and cash flows.

We also expect increased regulation and oversight of advanced diagnostic testing in which our products are used, although the timing of such regulation is uncertain after a recent pause by CMS. Under section 218(b) of the Protecting Access to Medicare Act, beginning January 1, 2020, a professional who is ordering advanced diagnostic imaging services (which include MRI, CT, nuclear medicine (including PET) and other advanced diagnostic imaging services that the Secretary of HHS may specify, but not currently including echocardiography) must consult a qualified clinical decision support mechanism, as identified by HHS, to determine whether the ordered service adheres to specified appropriate use criteria ("AUC") developed or endorsed by CMS-qualified "provider led entities". Medicare claims for such services must include information indicating whether services ordered would adhere to specified applicable AUC. Denial of claims for failure to include AUC consultation information on the claim form was set to begin on January 1, 2022, but was not implemented by CMS. In the CY 2024 Physician Fee Schedule Final Rule, CMS determined that it was not feasible to fully operationalize the AUC program consistent with the statute within the required time frame. Accordingly, the agency finalized an indefinite pause to the AUC program and the rescission of the regulations promulgated thus far to implement the AUC program. While it is unclear when CMS will resume implementation of the AUC program, to the extent that these types of changes have the effect of reducing the aggregate number of diagnostic medical imaging procedures performed in the U.S., our business, results of operations, financial condition and cash flows could be adversely affected.

Medicare coverage of PET radiopharmaceuticals has been the subject of a large number of National Coverage Determinations ("NCDs") by CMS since 2000. Specific indications for PET imaging were covered, some through Coverage with Evidence Development. CMS's longtime policy, however, was that a particular use of PET scans is not covered unless an NCD specifically provided that such use was covered. Effective March 7, 2013, CMS revised its policy through an NCD to allow local Medicare Administrative Contractors ("MACs") to determine coverage within their respective jurisdictions for PET using radiopharmaceuticals for their FDA-approved labeled indications for oncologic imaging. Effective January 1, 2022, non-coverage in the absence of an NCD has also been removed for non-oncologic indications of PET radiopharmaceuticals, allowing MACs to determine coverage for these indications within their respective jurisdictions. To the extent that CMS or the MACs impose more restrictive coverage, our business, results of operations, financial condition and cash flows could be adversely affected.

Risks Related to Our Business Operations and Financial Results

We may not be able to hire or retain the number of qualified personnel, particularly scientific, medical and sales personnel, required for our business, which would harm the expansion of our internal research and development capabilities, sales of our products and approval timelines for and commercialization of our product candidates and limit our ability to grow.

Competition in our industry for highly skilled scientific, healthcare and sales personnel is intense and we may compete with larger pharmaceutical companies that likely will have access to greater financial resources than we do. As we expand our product candidate pipeline and develop and expand our internal research and development capabilities, we will need to continue to hire additional scientific, medical and regulatory personnel. In addition, similar to our approach with the launch and continued growth of PYLARIFY, as we commercialize additional products, we will need to hire additional employees to assist us with such commercialization, including in sales, marketing, reimbursement, quality and medical affairs. Although we have not had any material difficulty in the past in hiring or retaining qualified personnel, if we are unable to retain our existing personnel, or attract and train additional qualified personnel, either because of competition in our industry for these personnel or due to insufficient financial resources, then timelines for the approval and commercialization of our product candidates could be impacted, our growth could be limited and it could have a material adverse effect on our business.

We, or our business partners, may be subject to claims that we, or our partners, have infringed, misappropriated or otherwise violated the patent or other intellectual property rights of a third party. The outcome of any of these claims is uncertain and any unfavorable result could adversely affect our business, financial condition and results of operations.

We, or our business partners, may be subject to claims by third parties that we, or our partners, have infringed, misappropriated or otherwise violated third-party intellectual property rights. We are aware of intellectual property rights held by third parties that relate to products or technologies we are developing. For example, we are aware of other groups investigating PSMA or related compounds and monoclonal antibodies directed at PSMA, and PSMA-targeted imaging agents and therapeutics, and of patents held, and patent applications filed, by these groups in those areas. While the validity of these issued patents, the patentability of pending patent applications and the applicability of any of them to our products and programs are uncertain, if asserted against us or our partners, any related patent or other intellectual property rights could adversely affect our ability to commercialize our products.

We may be subject to litigation over infringement claims regarding the products we manufacture or distribute or intend to manufacture or distribute. For example, on January 26, 2024, we were sued in the United States District Court for the District of Delaware by Advanced Accelerator Applications USA, Inc. and Advanced Accelerator Applications SA, each a Novartis entity, for patent infringement in response to the filing of our ANDA for PNT2003 and Paragraph IV certification, consistent with the process established by the Hatch-Waxman Act. This type of litigation can be costly and time consuming and could divert management's

attention and resources, generate significant expenses, damage payments (potentially including treble damages) or restrictions or prohibitions on our use of our technology, which could adversely affect our business, results of operations, financial condition and cash flows. In addition, if we are found to be infringing on proprietary rights of others, we may be required to develop non-infringing technology, obtain a license (which may not be available on reasonable terms, or at all), make substantial one-time or ongoing royalty payments, or cease making, using and/or selling the infringing products, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Similarly, in June of 2024, Endocyte, Inc., Novartis and Purdue Research Foundation sued POINT and Eli Lilly and Co alleging that POINT's manufacturing and sale of PNT2002 infringes an Endocyte patent that discloses PSMA-binding conjugates useful for delivery targeted therapeutic, diagnostic and imaging agents, including radiopharmaceuticals. While we have not been named as a party to the lawsuit, if POINT is found to be infringing on proprietary rights of Endocyte, it could prevent or result in a delay in our development and commercialization of PNT2002 or otherwise have an adverse effect on our business, results of operations, financial condition and cash flows.

We may not, or may take longer to, realize the expected benefits and opportunities related to, investments we have made to develop diagnostic product candidates to be used in diagnosing, staging and monitoring Alzheimer's disease.

On July 15, 2024, we announced that we acquired Meilleur, which holds the rights under a license agreement to develop and commercialize NAV-4694, an investigational next-generation F 18-labeled PET imaging agent that targets Beta Amyloid in Alzheimer's disease. NAV-4694 is currently in Phase 3 development and is also being used in academic and industry sponsored studies.

Previously, we acquired MK-6240, which is an investigational next-generation F 18-labeled PET imaging agent that targets Tau tangles. Recently, we held a pre-NDA meeting with the FDA and we expect to submit an NDA for MK-6240 in 2025, but we can provide no assurance that we will meet that expected timeline, that our NDA will be accepted by the FDA, that MK-6240 will be approved by the FDA based on the data submitted or, if approved, that we will be successful in commercializing MK-6240.

While we believe that both MK-6240, as a Tau imaging agent, and NAV-4694, as a Beta Amyloid imaging agent, have the potential to play an important role in diagnosing, staging and monitoring Alzheimer's disease, we can give no assurance that we will be successful with continued development, regulatory approval and commercialization of these product candidates or that disagreements with the counterparties to our license agreements for MK-6240 and NAV-4694 or the former stockholders of the companies we acquired who could receive future milestone and royalty-based payments will not arise over proprietary rights, contract interpretation or the preferred course of product research, development or marketing that might cause delays or termination of the license agreements, or might result in litigation or arbitration, which could be time-consuming and expensive.

Risks Related to Our Capital Structure

The conditional conversion feature of the 2.625% Convertible Senior Notes due 2027, if triggered, may adversely affect our financial condition and operating results.

On December 8, 2022, we issued \$575.0 million in aggregate principal amount of 2.625% Convertible Senior Notes due 2027 (the "Notes"), which included \$75.0 million in aggregate principal amount of Notes sold pursuant to the full exercise of the initial purchasers' option to purchase additional Notes. The Notes were issued under an indenture, dated as of December 8, 2022 (the "Indenture"), among Lantheus Holdings, LMI, and U.S. Bank Trust Company, National Association ("U.S. Bank"), as Trustee. Prior to the close of business on the business day immediately preceding September 15, 2027, the Notes may be converted at the option of the holders upon occurrence of specified events and during certain periods, and thereafter until the close of business on the business day immediately preceding the maturity date, the Notes may be converted at any time. For example, holders could elect to convert their Notes during a calendar quarter if the trading price of our common stock was greater than or equal to 130% of the conversion price of the Notes (initially \$79.81 per share) for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter. During the third quarter of 2024, the closing price of the Company's common stock exceeded 130% of the conversion price of the Notes for more than 20 trading days of the last 30 consecutive trading days of the quarter. As a result, the Notes are convertible at the option of the holders of the Notes during the fourth quarter of 2024, the quarter immediately following the quarter when the conditions are met, as stated in the terms of the Notes. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by arranging for one or more financial institutions to take the Notes from converting holders and pay such holders in accordance with the Indenture, we would be required to settle any converted principal amount of such Notes through the payment of cash and by paying or delivering, at our election, cash, shares of our common stock, or a combination of cash and shares, with respect to the remainder of our conversion obligation in excess of the aggregate principal amount of the Notes being converted, which could adversely affect our liquidity. Even if holders do not elect to convert their Notes, we reclassified the carrying value of the Notes as a current rather than long-term liability in accordance with accounting guidance.

This has resulted in a material reduction of our net working capital and requires us to maintain total liquidity in excess of the principal balance of the Notes and any contingent liabilities due within twelve months and could require us to seek to increase the amount of our 2022 Revolving Credit Facility or seek alternative financing arrangements. In addition, our issuance of additional shares of common stock, if we elect to settle our conversion obligation in excess of the aggregate principal amount of the Notes being converted in shares of common stock (whether in whole or in part), will dilute the ownership interests of our existing common stockholders, including any holders of the Notes who have previously received shares of our common stock upon conversion of their Notes.

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

Repurchases

The following table presents information with respect to purchases of common stock we made during the three months ended September 30, 2024. In December 2022, in connection with the issuance of the Notes, our Board of Directors authorized the repurchase of up to \$150.0 million in aggregate amount of our common stock under certain circumstances, of which \$75.0 million were repurchased in December 2022. As of December 31, 2023, the authorization for share buyback expired and no additional shares may be purchased under the program following the expiration date. The 2015 Equity Incentive Plan, adopted by us on June 24, 2015, as amended on April 26, 2016 and as further amended on April 27, 2017, April 24, 2019, April 28, 2021, April 28, 2022 and April 25, 2024 (the "2015 Plan"), provides for the withholding of shares to satisfy tax withholding obligations and the exercise price of stock options. It does not specify a maximum number of shares that can be withheld for this purpose. The shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item 2.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
July 2024*	5,981	\$ 122.89	—	—
August 2024*	3,007	\$ 97.60	—	—
September 2024*	2,636	\$ 107.51	—	—
Total	11,624		—	—

* Reflects shares withheld to satisfy tax withholding amounts due from employees related to the receipt of stock which resulted from the exercise or vesting of equity awards.

Dividend Policy

We did not declare or pay any dividends, and we do not currently intend to pay dividends in the foreseeable future. We currently expect to retain future earnings, if any, for the foreseeable future, to finance the growth and development of our business and to repay indebtedness. Our ability to pay dividends is restricted by our financing arrangements. See Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-External Sources of Liquidity" for further information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

On August 12, 2024, Robert Marshall, our CFO and Treasurer, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, providing for the potential sale of up to 20,000 shares of our common stock between November 15, 2024 and March 17, 2025.

Item 6. Exhibits

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	INCORPORATED BY REFERENCE			
		FORM	FILE NUMBER	EXHIBIT	FILING DATE
10.1*+	Eighth Amendment to Lantheus Holdings, Inc. 2015 Equity Incentive Plan				
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a).				
31.2*	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a).				
32.1**	Certification pursuant to 18 U.S.C. Section 1350.				
101.INS*	Inline XBRL Instance Document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

* Filed herewith.

** Furnished herewith.

+ Indicates management contract or compensatory plan or arrangement.

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.

LANTHEUS HOLDINGS, INC.

By: /s/ BRIAN MARKISON
Name: Brian Markison
Title: *Chief Executive Officer*
(Principal Executive Officer)
Date: November 6, 2024

LANTHEUS HOLDINGS, INC.

By: /s/ ROBERT J. MARSHALL, JR.
Name: Robert J. Marshall, Jr.
Title: *Chief Financial Officer and Treasurer*
(Principal Financial Officer)
Date: November 6, 2024

**Eighth Amendment to
Lantheus Holdings, Inc.
2015 Equity Incentive Plan**

This Amendment (this "*Amendment*") to the Lantheus Holdings, Inc. 2015 Equity Incentive Plan, as in effect from time to time (the "*Plan*"), is dated as of October 22, 2024.

WHEREAS, pursuant to Section 3.2 of the Plan, the Talent and Compensation Committee (the "*Committee*") has the authority to interpret the terms of the Plan; and

WHEREAS, pursuant to Section 16.2 of the Plan, the Committee desires to amend Section 3.1 of the Plan to reflect the Committee's interpretation thereof;

NOW THEREFORE, it is hereby acknowledged and agreed that:

1. *Defined Terms.* Capitalized terms used herein, but not otherwise defined herein, have their respective meanings ascribed to them in the Plan.

2. *Amendment.* Section 3.1 of the Plan shall be, and is, hereby amended and restated in its entirety as follows:

Committee Members. The Plan shall be administered by a Committee comprised of no fewer than two members of the Board who are appointed by the Board to administer the Plan. To the extent deemed necessary by the Board, or as may be required by any applicable securities or tax laws, The NASDAQ Global Market, each Committee (as defined in clauses (i) or (ii) of the definition thereof) member shall satisfy the requirements for (i) an "independent director" under rules adopted by The NASDAQ Global Market or other principal exchange on which the Common Stock is then listed, (ii) a "nonemployee director" for purposes of Rule 16b-3 under the Exchange Act and (iii) an "outside director" under Section 162(m) of the Code. Notwithstanding the foregoing, the mere fact that a Committee (as defined in clauses (i) or (ii) of the definition thereof) member shall fail to qualify under any of the foregoing requirements shall not invalidate any Award made by the Committee (as defined in clauses (i) or (ii) of the definition thereof) which Award is otherwise validly made under the Plan. Neither the Company nor any member of the Committee shall be liable for any action or determination made in good faith by the Committee with respect to the Plan or any Award thereunder to the fullest extent permitted by law and the Company's certificate of incorporation and bylaws.

3. *Reference to and Effect on the Plan.* Except as specifically amended hereby, the Plan shall remain in full force and effect and otherwise unmodified. All references in the Plan to the "Plan" shall mean the Plan as amended hereby.

4. *Effectiveness.* This Amendment is effective as of the date first written above.

* * *

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Markison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lantheus Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ BRIAN MARKISON

Name:

Brian Markison

Title:

Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert J. Marshall, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lantheus Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ ROBERT J. MARSHALL, JR.

Name: Robert J. Marshall, Jr.

Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Brian Markison, the Chief Executive Officer, and Robert J. Marshall, Jr., the Chief Financial Officer, of Lantheus Holdings, Inc. (the "Company"), hereby certify, that, to their knowledge:

1. The Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2024

/s/ BRIAN MARKISON

Name: Brian Markison
Title: Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2024

/s/ ROBERT J. MARSHALL, JR.

Name: Robert J. Marshall, Jr.
Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.