Risk Factors Comparison 2025-03-20 to 2024-03-07 Form: 10-K

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Our business is subject to numerous risks. The following summary highlights some of the risks you should consider with respect to our business and prospects. This summary is not complete and the risks summarized below are not the only risks we face. You should review and consider carefully the risks and uncertainties described in the " Risk Factors " section of this Annual Report on Form 10- K, which includes a more complete discussion of the risks summarized below as well as a discussion of other risks related to our business and an investment in our common stock, as well as our other SEC filings. • We depend substantially on the success of the..... products and product candidates. • We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available, may require us to delay, scale back, or cease our product development programs or operations . • Our product candidates may have..... S. regulatory authorities for product approval . • We have incurred significant losses since inception and anticipate that we will continue to incur losses for the foreseeable future. ~~Our first commercial product, MARGENZA, launched in March 2021 and to date has not resulted in revenues sufficient for us to reach profitability.~~ Accordingly, we may never achieve or sustain profitability **.• Our** product candidates may have undesirable side effects which may delay or prevent further clinical development or marketing approval,or,if approval is received,require them to be taken off the market,require them to include safety warnings or otherwise limit their sales.• Our existing therapeutic collaborations are important to our business,and future collaborations may also be important to us.If we are unable to maintain any of these collaborations,or if these collaborations are not successful,our business could be adversely affected.• If clinical trials for our product candidates are prolonged,delayed or stopped for any reason,including for safety reasons or lack of efficacy,we may be unable to obtain regulatory approval and commercialize our product candidates on a timely basis,which would require us to incur additional costs and delay our receipt of any product revenue.• The results of previous clinical trials may not be predictive of future results,and interim ~~,immature,~~ or top line data may be subject to change or qualification based the complete analysis of data.In addition,the results of our current or planned clinical trials may not satisfy the requirements of the FDA or non- U.S.regulatory authorities for product approval . • We face significant competition and if our competitors continue to develop and market products that are more effective, safer or less expensive than our product ~~and our product~~ candidates, our current or future commercial opportunities may be negatively impacted. • We ~~use or may~~ use novel technologies in the development of our product candidates and the FDA and other regulatory authorities have not approved or may not approve products that utilize these technologies. • We may not be successful in our efforts to use and expand our technology platforms to build a pipeline of product candidates. We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success. • **Our** ~~Vobra duo, lorigerlimab, or any other~~ product ~~or product candidate~~ **candidates** ~~that we develop~~ **, if approved,** may fail to achieve or maintain market acceptance by physicians, patients, third- party payors and others in the medical community necessary for commercial success. • The manufacture of ~~vobra duo, lorigerlimab, and other products or~~ **our** product candidates, for ourselves and our collaborators, is complex, and we may encounter difficulties in production. There can be no assurance that we will be able to effectively manufacture clinical quantities of our product candidates in the future. Further, we have limited experience in large- scale commercial manufacturing, and there can be no assurance that we will be able to effectively manufacture commercial quantities of our products or product candidates for ourselves or our collaborators, if and when approved. • Our manufacturing ~~facilities~~ **facility** ~~are~~ **is** subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to our business if we fail to comply with the regulations or maintain the approvals ~~. • Public health crises such as pandemics or similar outbreaks may have a significant negative impact on our clinical trials, nonclinical studies, development, manufacturing and commercialization of our product candidates and other aspects of our business, staff, and operations~~ . • We have limited experience in launching and marketing **biopharmaceutical** ~~internally developed~~ products. If our ~~products~~ **product candidates** achieve regulatory approval and we are unable to ~~further~~ develop marketing and sales capabilities or enter into agreements with third parties to market and sell our products, ~~or our existing arrangements are not successful,~~ we may not be able to generate substantial product sales revenue. • Our future success depends on our ability to **attract or** retain key executives and to attract, retain and motivate qualified personnel. • Actual or anticipated changes to the laws ~~and~~ **,** regulations **, policies and governmental priorities,** governing the health care system may have a negative impact on cost and access to health insurance coverage and reimbursement of health care items and services. • Reimbursement decisions by third- party payors, including government payors, may have an adverse effect on pricing and market acceptance. • ~~If any product liability lawsuits are successfully brought against us or any of our collaborators, we may incur substantial liabilities and may be required to limit commercialization of our product candidates. •~~ Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish substantial rights. • We contract with, and may in the future contract with, third parties for components of the manufacturing of our ~~products and~~ product candidates, including our antibody drug conjugate candidates. Failure of third- party contractors to successfully perform their obligations could harm our ability to develop or commercialize our product or product candidates. • If our information technology systems or those third parties upon which we rely for our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences. • Our success depends significantly on our ability to operate without infringing the valid patents and other proprietary rights of third parties. • If we are unable to

obtain and enforce patent protection for our products and our product candidates and related technology, our business could be materially harmed. • We have been and may in the future be subject to securities litigation, which is expensive and could divert management attention and adversely impact our business. • Failure to successfully develop and commercialize companion diagnostics with third party contractors for use with our product candidates could harm our ability to commercialize our product candidates. ~~Risks Related to Our Business and the Development and Commercialization of Our Products and Product Candidates Our business depends on the successful development, regulatory approval and commercialization of our products and product candidates, including vobra duo and lorigerlimab. We have invested and will continue to invest a significant portion of our efforts and financial resources in the development of our product candidates, including vobra duo and lorigerlimab. The success of our products and product candidates depends on many factors, including but not limited to:~~ • successful enrollment in, and completion of..... reasons applicable to our product candidates. If any product liability lawsuits are successfully brought against us or any of our collaborators, we may incur substantial liabilities and may be required to limit commercialization of our products or product candidates. We face....., and reduce the competitiveness of our product candidates. Risks Related to Our Financial Position and Need for Additional Capital **Discovering,** ~~We are advancing our product candidates through clinical development and have commercialized MARGENZA in collaboration with Eversana. Developing~~ **developing** and commercializing pharmaceutical products, including conducting nonclinical studies and clinical trials, is expensive. In order to obtain ~~such~~ regulatory approval of product candidates, we will be required to conduct clinical trials for each indication for each of our product candidates. We will continue to require additional funding beyond what was raised in our public offerings and through our collaborations and license agreements to complete the development and commercialization of our product candidates and to continue to advance the development of our other product candidates. Due to worsening **and highly uncertain** global economic conditions, including high rates of inflation ~~and~~ **, fluctuating** interest rates and concerns of a recession **or economic volatility** in the United States or other major markets, the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide, and geopolitical instability, including **but not limited to** resulting from the ongoing conflicts between Russia and Ukraine ~~and Israel and Hamas~~ **, the regional conflict in the Middle East** and increasing tensions between China and Taiwan, such funding may not be available on acceptable terms or at all. Although it is difficult to predict our funding requirements, we anticipate that our cash, cash equivalents and marketable securities as of December 31, ~~2023~~ **2024** , combined with anticipated and potential collaboration payments, ~~product revenue,~~ contract manufacturing revenue, and royalties, should enable us to fund our operations into **the second half of** 2026. Such guidance does not reflect ~~anticipated expenditures related to the potential late- stage development of vobra duo in mCRPC~~ or further expansion of studies currently ongoing. Because development of our product candidates is uncertain, we are unable to estimate accurately the actual funds we will require to complete research, development and clinical testing to commercialize our product candidates. Our future funding requirements will depend on many factors, including but not limited to: • the number and characteristics of other product candidates and indications that we pursue; • the scope, progress, timing, cost and results of research, nonclinical development, and clinical trials ~~, in particular, our planned potential registrational path trial for MCG018~~ ; • the costs, timing and outcome of seeking and obtaining FDA and non- U. S. regulatory approvals; • the costs associated with manufacturing our product candidates **as well as the costs of operation of our manufacturing facility; • the economic and other terms, timing of and success of our existing collaborations, and any collaboration, licensing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements** ; • the costs of establishing sales, marketing, and distribution capabilities; • our ability to maintain, expand, and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense and enforcement of any patents or other intellectual property rights; • our need and ability to hire additional management, scientific, and medical personnel; • the effect of competing products that may limit market ~~penetration~~ **potential** of our product candidates; • our need to implement additional internal systems and infrastructure, including financial and reporting systems; ~~and~~ • the economic and other terms, timing of and success of our existing collaborations, and any collaboration, licensing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements **; and • the costs of establishing sales, marketing, and distribution capabilities** . Until we can generate a sufficient amount of product revenue to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through a combination of public or private equity offerings, debt financings, strategic collaborations, and grant funding. If sufficient funds on acceptable terms are not available when needed, or at all, we could be forced to significantly reduce operating expenses and delay, scale back or eliminate one or more of our development programs or our business operations. We have incurred significant losses since inception and anticipate that we will continue to incur losses for the foreseeable future. **We** ~~Our first commercial product, MARGENZA, launched in March 2021 and has not resulted in revenues sufficient for us to reach profitability, to date, and we do not expect it to in the future. Accordingly, we~~ may never achieve or sustain profitability. We have incurred significant losses since our inception. As of December 31, ~~2023~~ **2024** , our accumulated deficit was approximately $ 1. ~~1~~ **2** billion. We expect to continue to incur losses for the foreseeable future, and we expect our accumulated deficit to increase as we continue our research and development of, and seek regulatory approvals for, our product candidates, manufacture product and product candidate inventory, prepare for and begin to commercialize any future approved products, and add infrastructure and personnel if needed to support our product development efforts and operations as a public company. The net losses and negative cash flows incurred to date, together with expected future losses, have had, and likely will continue to have, an adverse effect on our stockholders' deficit and working capital. The amount of future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue. Because of the numerous risks and uncertainties associated with pharmaceutical product development and commercialization, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. For example, our expenses could increase if we are required by the FDA to perform trials in

addition to those that we currently expect to perform, or if there are any delays in completing our currently planned clinical trials or in the development of any of our product candidates. Our expenses would significantly increase to the extent we build out a sales force and other commercially relevant functions to support the commercialization of any of our product candidates. To become and remain profitable, we must succeed in developing and commercializing products with significant market potential ~~. For example, revenues from MARGENZA are highly unlikely to be sufficient to enable us to reach profitability~~ . In order to commercialize any additional product candidates, we will need to be successful in a range of challenging activities for which we are only in the preliminary stages, including developing product candidates, obtaining regulatory approval for them, and manufacturing, marketing and selling approved products and product candidates for which we may obtain regulatory approval. We may never succeed in these activities and may never generate revenue from product sales that is significant enough to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become or remain profitable would depress our market value and could impair our ability to raise capital, expand our business, develop other product candidates, or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment. Our business could be adversely affected by economic downturns, inflation, increases in interest rates, **disruption in global supply chains,** natural disasters, political crises, geopolitical events, such as the ongoing military conflict in Ukraine, or other macroeconomic conditions, which have in the past and may in the future negatively impact our business and financial performance. The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including, among other things, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, supply chain shortages, increases in inflation rates, higher interest rates and uncertainty about economic stability. ~~The~~ **Over the past several years, the** Federal Reserve ~~recently~~ **has** raised interest rates multiple times in response to concerns about inflation and it may raise them again. Higher interest rates, coupled with reduced government spending and volatility in financial markets **,** may increase economic uncertainty and affect consumer spending. Similarly, the ongoing military conflicts between Russia and Ukraine, ~~Israel and Hamas~~ **the regional conflict in the Middle East** and increasing tensions between China and Taiwan have created extreme volatility in the global capital markets and is expected to have further global economic consequences, including disruptions of the global supply chain and energy markets. **Further, tariffs imposed by either the U. S. government or foreign governments could increase the cost of manufacturing our product candidates, although we are seeking alternative sources for certain components to mitigate supply risk.** Any such **or other** volatility ~~and~~ **or global market** disruptions may adversely affect our business or the third parties on whom we rely. If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financing more costly or more dilutive or more difficult to obtain in a timely manner or on favorable terms, if at all. Increased inflation rates can adversely affect us by increasing our costs, including labor and employee benefit costs. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these new securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available at all, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, ~~MARGENZA,~~ product candidates, or future revenue streams, or grant licenses on terms that are not favorable to us. We cannot assure you that we will be able to obtain additional funding if and when necessary. If we are unable to obtain adequate financing on a timely basis, we could be required to delay, scale back or eliminate one or more of our development programs or grant rights to develop and market ~~MARGENZA or~~ product candidates that we would otherwise prefer to develop and market ourselves. Our ability to use our net operating loss carryforwards and other tax attributes may be limited. **U. S.** ~~Our ability to utilize our~~ federal net operating ~~losses~~ -- **loss** (~~NOLs~~ - **NOL**) **carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such NOL carryforwards in a taxable year is limited to 80 % of taxable income in such year. In addition, our ability to utilize portions of our federal NOL carryforwards** and federal tax credits is currently limited, and may be limited further, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended. The limitations apply if an ownership change, as defined by Section 382, occurs. Generally, an ownership change occurs when certain shareholders increase their aggregate ownership by more than 50 percentage points over their lowest ownership percentage in a testing period, which is typically three years or since the last ownership change. We are already subject to Section 382 limitations due to acquisitions we made in 2002 and 2008. As of December 31, ~~2023~~ **2024** , we had federal and state NOL carryforwards of approximately $ ~~670~~ **554** . 0 million and federal research and development tax credits of approximately $ ~~94~~ **109** . ~~4~~ **0** million available. Future changes in stock ownership may also trigger an ownership change and, consequently, another Section 382 limitation **. Similar rules may apply under state tax laws. In addition, there may be other limitations under state law on our ability to utilize NOL carryforwards, including temporary suspensions or other limitations on the use of NOL carryforwards s to offset taxable income** . Any limitation may result in expiration of a portion of the net operating loss or tax credit carryforwards before utilization which would reduce our gross deferred income tax assets and corresponding valuation allowance. As a result, if we earn net taxable income, our ability to use our pre- change NOL carryforwards and tax credit carryforwards to reduce United States federal income tax may be subject to limitations, which could potentially result in increased future cash tax liability to us ~~,due to the trend toward managed healthcare,the increasing influence of various and evolving payor models and additional legislative proposals.Reimbursement decisions by third- party payors may have an adverse effect on pricing and market acceptance.If there is not sufficient reimbursement for our products,it is less likely that our products will be widely used.Market acceptance and sales of our product candidates,if approved for sale by the appropriate regulatory authorities,may depend on reimbursement policies and may be affected by future healthcare reform measures.Government authorities and third- party payors,such as~~

~~private health insurers and health maintenance organizations,decide which drugs they will reimburse and establish payment levels and,in some cases,utilization management strategies,such as tiered formularies and prior authorization.We cannot be certain that reimbursement will be available for our products or any products that we develop.Also,we cannot be certain that reimbursement policies will not reduce the demand for,or the price paid for,our products.Our ability to commercialize our products may depend,in part,on the extent to which reimbursement for the products will be available from government authorities and third- party payors.If reimbursement for our products is not available or is available on a limited basis,or if the reimbursement amount for our products is inadequate to support a product' s price,we may not be able to successfully commercialize any of our approved products.There is uncertainty related to third- party payor coverage and reimbursement of newly approved products.In the United States,for example,principal decisions about reimbursement for new products are typically made by CMS,an agency within HHS.CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare,and private third- party payors often follow CMS' s decisions regarding coverage and reimbursement to a substantial degree.However,one third- party payor' s determination to provide coverage for a product candidate does not assure that other payors will also provide coverage for the product candidate.Further,no uniform policy for coverage and reimbursement exists in the United States,and coverage and reimbursement can differ significantly from payor to payor.As a result,the coverage and reimbursement determination process is often time- consuming and costly.This process may require us to provide scientific and clinical information to support the coverage or reimbursement of our products to each third- party payor separately,with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.As federal and state governments implement additional health care cost containment measures,including measures to lower prescription drug pricing,we cannot be sure that our products and our product candidates,if approved,will be covered,or remain covered,by private or public payors,and if covered,whether the reimbursement will be perceived by product purchasers as adequate.Health reform actions by federal and state governments and health plans may put additional downward pressure on pharmaceutical pricing and health care costs,which could negatively impact coverage and reimbursement for our product or our product candidates,if approved,our revenue,and our ability to compete with other marketed products and to recoup the costs of our research and development.Increasingly,third- party payors are requiring that biopharmaceutical manufacturers provide them with discounts from list prices and are challenging the prices charged for medical products.Further,such payors are increasingly challenging the price,examining the medical necessity and reviewing the cost effectiveness of medical products.There may be especially significant delays in obtaining coverage and reimbursement for newly approved drugs.Third- party payors may limit coverage to specific product candidates on an approved list,known as a formulary,which might not include all FDA- approved drugs for a particular indication.We may need to conduct expensive pharmaco- economic studies to demonstrate the medical necessity and cost effectiveness of our products.Nonetheless,our products may not be considered medically necessary or cost effective.We cannot be sure that coverage and reimbursement will be available for any approved product that we commercialize and,if reimbursement is available,what the level of reimbursement will be.Further,coverage policies and third- party payor reimbursement rates may change at any time.Even if favorable coverage and reimbursement status is attained,less favorable coverage policies and reimbursement rates may be implemented in the future.Additionally,we or our collaborators may develop companion diagnostic tests for use with our product candidates where appropriate.We or our collaborators will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we may seek for our product candidates.While we have not yet developed any companion diagnostic tests for our product candidates,if we do,there is significant uncertainty regarding our ability to obtain coverage and adequate reimbursement for the same reasons applicable to our product candidates.If any product liability lawsuits are successfully brought against us or any of our collaborators,we may incur substantial liabilities and may be required to limit commercialization of our~~ products or product candidates.We face an inherent risk of product liability lawsuits related to the sale of our products to,use of our products by,and testing of our product candidates in,seriously ill patients.Product liability claims may be brought against us or our collaborators by participants enrolled in our clinical trials,patients,health care providers or others using,administering or selling any of our approved products.If we cannot successfully defend ourselves against any such claims,we may incur substantial liabilities.Regardless of their merit or eventual outcome,liability claims may result in:• decreased demand for our **current or** future approved products;• injury to our reputation;• withdrawal of clinical trial participants;• termination of clinical trial sites or entire trial programs;• increased regulatory scrutiny;• significant litigation costs;• substantial monetary awards to or costly settlement with patients or other claimants;• product recalls or a change in the indications for which they may be used;• loss of revenue;• diversion of management and scientific resources from our business operations;and • the inability to commercialize our product candidates.With respect to **vobra duo,lorigerlimab,and any of our other products** ~~our~~ **or** product candidates that **are** ~~may receive approval~~ **approved** for commercial sale ~~or our partners' products~~ ,we are,and will be,highly dependent upon physician and patient perceptions of us and the safety and quality of our products.We could be adversely affected if we are subject to negative publicity.We could also be adversely affected if any of our products or any similar products distributed by other companies prove to be,or are asserted to be,harmful to patients.Because of our dependence upon consumer perceptions,any adverse publicity associated with illness or other adverse effects resulting from patients' use or misuse of our products or any similar products distributed by other companies could have a material adverse impact on our financial condition or results of operations.As of December 31, ~~2024~~ **2023** ,we hold $ 20 ~~.0~~ million in product liability insurance coverage in the aggregate,with a per incident limit of $ 20 ~~.0~~ million,which may not be adequate to cover all liabilities that we may incur.We may need to increase our insurance coverage when we begin the commercialization of **additional** product candidates.Insurance coverage is becoming increasingly expensive.As a result,we may be unable to maintain or obtain sufficient insurance at a reasonable cost to protect us against losses that could have a material adverse effect on our business.A successful product liability claim or series of claims brought against us,particularly if judgments exceed any insurance coverage we may have,could decrease our cash resources and adversely affect our business,financial condition and

results of operation.Even if we and our collaborators obtain regulatory approvals to market our current and any future approved products,we and our collaborators will remain subject to extensive ongoing regulatory obligations and oversight,including post-approval requirements,that could result in significant additional expense and could negatively impact our and our collaborators' ability to commercialize our current and any future approved products.We and our collaborators are subject to extensive ongoing obligations and continued regulatory review from applicable regulatory agencies with respect to any product obtaining regulatory approval, **including vobra duo,lorigerlimab,and our other products and product candidates** ,such as continued adverse event reporting requirements and post- marketing commitments,all of which may result in significant expense and limit our and our collaborators' ability to commercialize our current and any future approved products **.For example,the FDA' s approval of MARGENZA included a requirement that we provide to the FDA the data from the final overall survival endpoint from our SOPHIA study,which we reported in September 2021.Moreover,in connection with MARGENZA' s approval,the labeling and advertising and promotion of MARGENZA are subject to additional regulatory requirements,which could entail significant expense and could negatively impact the potential commercialization of MARGENZA.To the extent other product candidates or those of our partners are approved by the FDA,we or our collaborators may be subject to similar post- marketing obligations** .We and the manufacturers of our current and any future approved products are also required,or will be required,to comply with cGMP regulations,which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation.Further,regulatory agencies must approve these manufacturing facilities before they can be used to manufacture our **products and** product candidates,and these facilities are subject to ongoing regulatory inspections.In addition,regulatory agencies subject an approved product,its manufacturer and the manufacturer' s facilities to continual review and inspections,including periodic unannounced inspections.The subsequent discovery of previously unknown problems with our current or any future approved products,including adverse events of unanticipated severity or frequency,or problems with the facilities where our current or any future approved products are manufactured,may result in restrictions on the marketing of our current or any such future approved products,up to and including withdrawal of the affected product from the market.If our manufacturing facilities,our collaborators' manufacturing facilities,or those of our respective suppliers,fail to comply with applicable regulatory requirements,such noncompliance could result in regulatory action and additional costs to us.Failure to comply with applicable FDA and other regulatory requirements may subject us to administrative or judicially imposed sanctions,including: **notices or Warning Letters by the FDA or other regulatory agencies;** • issuance of Form FDA 483 notices or Warning Letters by the FDA or other regulatory agencies;• imposition of fines and other civil penalties;• criminal prosecutions;• injunctions,suspensions or revocations of regulatory approvals;• suspension of any ongoing clinical trials;• total or partial suspension of manufacturing;• delays in commercialization;• refusal by the FDA to approve pending applications or supplements to approved applications submitted by us;• refusals to permit drugs to be imported into or exported from the United States;• restrictions on operations,including costly new manufacturing requirements;and • product recalls or seizures.The policies of the FDA and other regulatory agencies may change and additional government regulations may be enacted that could prevent or delay regulatory approval of **vobra duo,** our **other** product candidates **or of MARGENZA in any additional indications or territories** ,or further restrict or regulate post- approval activities.We cannot predict the likelihood,nature or extent of adverse government regulation that may arise from future legislation or administrative action,either in the United States or abroad.If we are not able to maintain regulatory compliance,we or our collaborators might not be permitted to market our current or any future approved products and our business would suffer.We and / or our collaboration partners may never obtain approval or commercialize our products outside of the United States,which would limit our ability to realize their full market potential.In order to market any products outside of the United States,we and our current and potential collaboration partners must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy.Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries,and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country.Approval procedures vary among countries and may require additional nonclinical studies or clinical trials or additional administrative review periods,which could result in significant delays,difficulties and costs for us.In addition,our failure to obtain regulatory approval in any country may delay or have negative effects on the process for regulatory approval in other countries.Further,even if a product candidate receives regulatory approval outside of the United States,the collaborator may not commercialize the product or may not commercialize the product effectively. **For example,our partner Zai Lab obtained regulatory approval of MARGENZA in China,but did not commercialize the product and in November 2023 provided notice of termination of the agreement.Although we obtained FDA approval of MARGENZA in December 2020,we do not have any Company products or product candidates being commercialized in any international market.** If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals,our target market will be reduced and our ability to realize the full market potential of our products will be harmed.Inadequate funding ~~or government efficiency initiatives~~ for the FDA and other government agencies could ~~reduce agency staffing or~~ hinder ~~agency~~ **their** ability to hire and retain key leadership and other personnel,prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely,which could negatively impact **our business.The ability of the FDA to review and approve new products can be affected by a variety of factors,including government budget and funding levels,ability to hire and retain key personnel and accept the payment of user fees,and statutory,regulatory and policy changes.Average review times at the agency have fluctuated in recent years as a result.In addition,government funding of other government agencies on which our operations may rely,including those that fund research and development activities is subject to the political process,which is inherently fluid and unpredictable.Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and / or approved by necessary government agencies,which would adversely**

affect our business.For example,over the past decade,the U.S.government has shut down several times and certain regulatory agencies,such as the FDA,have had to furlough critical FDA,and other government employees and pause or stop critical activities.If a prolonged government shutdown occurs,it could significantly impact the ability of the FDA to timely review and process our regulatory submissions,which could have a material adverse effect on our business.Certain of our contracts include government contractor requirements.Laws and regulations affecting government contracts may make it more costly and difficult for us to successfully conduct our business.We must comply with numerous laws and regulations relating to the procurement,formation,administration and performance of government contracts.Failure to comply with these laws could result in significant civil and criminal penalties.Among the most significant government contracting regulations that may affect our business are:the Federal Acquisition Regulation (FAR) and NIH- NIAID- specific regulations supplemental to the FAR,which comprehensively regulate the procurement,formation,administration and performance of government contracts;business ethics and public integrity obligations,which govern conflicts of interest and the hiring of former government employees,restrict the granting of gratuities and funding of lobbying activities and incorporate other requirements such as the Anti- Kickback Act,the Procurement Integrity Act,and the False Claims Act;export and import control laws and regulations;and laws,regulations and executive orders restricting the use and dissemination of sensitive information we may receive pursuant to our performance of the government contract.U.S.government agencies routinely audit and investigate government contractors for compliance with applicable laws and standards.If we are audited,such audit could result in disallowance of expected cost reimbursement,or if such audit were to uncover improper or illegal activities,we could be subject to civil and criminal penalties,administrative sanctions,including suspension or debarment from government contracting and significant reputational harm.Changes in U.S.tax law may have a material adverse effect on our business,financial condition and results of operations,and changes in international trade relations may have a material adverse effect on the commercialization of some or all of our product candidates.Changes in laws and policy relating to taxes may have an adverse effect on our business,financial condition and results of operations.Recent tax reforms in the United States have resulted in significant changes to preexisting U.S.tax rules and regulations.These changes may trigger an adverse effect on our business,financial conditions and results of operations.Additionally,the U.S.government may seek to implement more protective trade measures with countries in which we plan to conduct business in,with great deal of uncertainty regarding trade policies,tariffs and government regulations,which if altered could have the potential to create a significant adverse effect on trade between the United States and other countries.Overall,changes in international trade relations,such as the imposition of or increase in tariffs or other trade barriers,could materially and adversely impact our costs,the ability to make sales of our product candidates to any of our significant customers in other countries,and reduce the competitiveness of our . Risks Related to Our Dependence on Third Parties We have limited capabilities for drug development and have little to no internal capability for sales, marketing or distribution. We have entered into collaborations with other companies that we believe can provide such capabilities, including our agreements with, for example, Gilead Sciences, Inc, and Incyte Corporation. These current collaborations also have provided us with important funding for our development programs and technology platforms and we expect to receive additional funding under these collaborations in the future. Our existing therapeutic collaborations, and any future collaborations we enter into, may pose a number of risks, including the following: • collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations; • collaborators may not perform their obligations as expected; • collaborators may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities; • collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing; • collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours; • product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates; • a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products; • disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays in payment, or non- payment, of royalties, milestones or other monies owed, delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time- consuming and expensive; • collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation; • collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and • collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates. For example, each of our collaboration and license agreements may be terminated for convenience upon the completion of a specified notice period. If our ~~therapeutic~~ collaborations do not result in the successful development and commercialization of products or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. All of the risks

relating to product development, regulatory approval and commercialization described in this Annual Report on Form 10- K also apply to the activities of our program collaborators. Additionally, subject to its contractual obligations to us, if one of our collaborators is involved in a business combination, the collaborator might de- emphasize or terminate the development or commercialization of ~~MARGENZA or~~ any product candidate licensed to it by us ~~. For example, in November 2023 Zai Lab provided notice of termination of our collaboration agreement with respect to MARGENZA~~ . If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators. **We** ~~For vobra duo, lorigerlimab, and our other product candidates, we~~ may in the future decide to collaborate with additional pharmaceutical and biotechnology companies for development and potential commercialization **, if approved, our product candidates** . We face significant competition in seeking appropriate collaborators. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator' s resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator' s evaluation of a number of factors. These factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative products, product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time- consuming to negotiate and document. ~~In addition, there have been a significant number of business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.~~ If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of ~~vobra duo, lorigerlimab, or~~ **our** ~~our other~~ product candidates, reduce or delay one or more of our other development programs, delay the commercialization of a product candidate or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop ~~vobra duo, lorigerlimab, or~~ **our** ~~our other~~ product candidates or bring them to market or continue to develop our technology platforms and our business may be materially and adversely affected. We may also be restricted under collaboration agreements from entering into additional agreements on certain terms with potential collaborators. Most of our existing therapeutic collaborations contain a restriction on our engaging in activities that are the subject of the collaboration with third parties for specified periods of time. We ~~contract with, and may in the future contract with, third parties for components of the manufacturing of our products and our product candidates, including our antibody drug conjugate candidates. Failure of third- party contractors to successfully perform their obligations could harm our ability to develop or commercialize our product or product candidates. We~~ currently have one cGMP manufacturing facility located in Rockville, Maryland in compliance with cGMP to support future clinical and commercial production of our and our collaborators' product candidates. We manufacture drug substance lots at this facility that we use for clinical trials of our and our collaborators' product candidates. We will continue to rely on third parties for bioconjugation to produce ADCs and for fill finish activities, neither of which our cGMP manufacturing facility can currently accommodate. We ~~also have the capability to manufacture commercial supply of MARGENZA. Although we believe we currently have capacity to produce most or all of the material required for our and our collaborators' clinical trials and for the commercial supply of MARGENZA, we may not be able to do so in the future and may continue to rely on arrangements with third parties. We~~ have entered into agreements with contract manufacturing organizations in the past to supplement our clinical supply and internal capacity as we ~~commercialize MARGENZA and~~ advance ~~vobra duo, lorigerlimab and other~~ product candidates in our pipeline. In addition, in the future, we may use third parties for the manufacture of some or all components of our product candidates for clinical testing, including antibody drug conjugates, as well as for commercial manufacture of some of our product candidates that receive marketing approval and that are not manufactured by us or one of our third- party collaborators. We may be unable to reach agreement with any of these contract manufacturers, or to identify and reach arrangements on satisfactory terms with other contract manufacturers, to manufacture any of our product candidates. Additionally, the facilities used by any contract manufacturer to manufacture any of our product candidates must be the subject of a satisfactory inspection before the FDA and other regulatory authorities approve a BLA or marketing authorization for the product candidate manufactured at that facility. We will depend on these third- party manufacturing partners for compliance with the FDA' s requirements for the manufacture of our finished products. If our manufacturers cannot successfully manufacture material that conforms to our specifications and the FDA and other regulatory authorities' cGMP requirements, our product candidates will not be approved or, if already approved, may be subject to recalls. Reliance on third- party manufacturers entails risks to which we would not be subject if we manufactured products or product candidates ourselves, including: • the possibility of a breach of the manufacturing agreements by the third parties because of factors beyond our control; • the possibility of termination or nonrenewal of the agreements by the third parties before we are able to arrange for a qualified replacement third- party manufacturer; and • the possibility that we may not be able to secure a manufacturer or manufacturing capacity in a timely manner and on satisfactory terms in order to meet our manufacturing needs. Any of these factors could adversely impact the ~~commercialization~~ **development** of ~~our products or~~ **our** product candidates, delay approval of our product candidates, or cause us to incur higher costs or prevent us from commercializing our products or product candidates successfully. Furthermore, if contract manufacturers fail to deliver the required ~~commercial~~ quantities of finished product on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement manufacturers capable of production at a substantially equivalent cost, in substantially

equivalent volumes and quality and on a timely basis, we would likely be unable to meet ~~demand~~ **expectations** for our ~~products and~~ **clinical development needs, which** ~~could~~ **would** ~~lose potential revenue.~~ **delay our ability to execute and complete clinical trials** It may take several years to establish an alternative source of supply for our ~~products or~~ product candidates and to have any such new source approved by the FDA or any other relevant regulatory authorities. We plan to develop, or engage third parties to develop, companion diagnostics for our product candidates where appropriate. At least in some cases, the FDA and similar regulatory authorities outside the United States may request or require the development and regulatory approval of a companion diagnostic as a condition to approving one or more of our product candidates. We do not have experience or capabilities in developing or commercializing diagnostics and are relying, and in the future plan to continue to rely, in large part on third parties to perform these functions. In most cases, we will likely outsource the development, production and commercialization of companion diagnostics to third parties. By outsourcing these companion diagnostics to third parties, we become dependent on the efforts of our third party contractors to successfully develop and commercialize these companion diagnostics. Our contractors: • may not perform their obligations as expected; • may encounter production difficulties that could constrain the supply of the companion diagnostic; • may have difficulties gaining acceptance of the use of the companion diagnostic in the clinical community; • may not commit sufficient resources to the marketing and distribution of such product; and • may terminate their relationship with us. If any companion diagnostic for use with one of our product candidates fails to gain market acceptance, our ability to derive revenues from sales of such product candidate could be harmed. If our third- party contractors fail to commercialize such companion diagnostic, we may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with such product candidate or do so on commercially reasonable terms, which could adversely affect and delay the development or commercialization of such product candidate. Independent clinical investigators and CROs that we engage to conduct our clinical trials may not devote sufficient time or attention to our clinical trials or be able to repeat their past success. We expect to continue to depend on independent clinical investigators and CROs to conduct our clinical trials ~~, including future trials for vobra duo, lorigerlimab and other product candidates~~ . CROs may also assist us in the collection and analysis of data. There is a limited number of third-party service providers that specialize or have the expertise required to achieve our business objectives. Identifying, qualifying and managing performance of third- party service providers can be difficult, time consuming and cause delays in our development programs. These investigators and CROs **are not and** will not be our employees and we will not be able to control, other than by contract, the amount of resources, including time, which they devote to our product candidates and clinical trials. If independent investigators or CROs fail to devote sufficient resources to the development of our product candidates, or if their performance is substandard, it may delay or compromise the prospects for approval and commercialization of any product candidates that we develop. In addition, the use of third- party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. Further, the FDA requires that we comply with standards, commonly referred to as current Good Clinical Practice (GCP) for conducting, recording and reporting clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial subjects are protected. Failure of clinical investigators or CROs to meet their obligations to us or comply with GCP procedures could adversely affect the clinical development of our product candidates and harm our business. Commercialization collaborations will be important to our business. If we are unable to maintain commercialization collaborations, or if commercialization collaborations are not successful, our business could be adversely affected. We have limited capabilities for drug commercialization, with little to no internal capability for sales, marketing or distribution. **We** ~~For example, we are a party to a collaboration with Eversana to support the commercialization of MARGENZA in the United States, and we~~ may enter into commercial collaborations in the future for ~~our~~ **any approved** products or our product candidates. **Any** ~~Our existing commercialization collaboration, and any~~ future commercialization collaborations we enter into ~~,~~ may pose a number of risks, including the following: • collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations; • collaborators may not pursue commercialization our products or any product candidates that achieve regulatory approval or may elect not to continue commercialization based on clinical trial results, changes in the collaborators' strategic focus or other factors that divert resources or create competing priorities; • collaborators could independently commercialize products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully commercialized under terms that are more economically attractive than ours; • collaborators with marketing and distribution rights to our products or our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products; • disagreements with collaborators, including disagreements on contract interpretation, commercialization strategy or tactics, might cause delays or termination of the commercialization of products or product candidates, might lead to additional responsibilities for us with respect to our products or product candidates, or might result in litigation or arbitration, any of which would be time- consuming and expensive; • collaborators may not properly utilize our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation; • collaborators may violate, or be investigated for potentially violating, health care compliance and related laws and regulations, which may expose us to litigation, enforcement actions or inquiries, or other potential liability; and • collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further commercialization of our products or applicable product candidates. All of the risks relating to commercialization, and health care legal compliance described in this Annual Report on Form 10- K also apply to the commercialization activities of our collaborators. Additionally, subject to its contractual obligations to us, if one of our collaborators is involved in a business combination, the collaborator might de-emphasize or terminate the development or commercialization of a product ~~or product~~ candidate ~~MARGENZA~~ licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult ~~to attract new collaborators. For~~

~~example, Zai Lab provided notice of termination of our collaboration agreement, in November 2023 with respect to MARGENZA and tebotelimab, and we may be unable~~ to attract new collaborators for the products in the covered territory or elsewhere. We may also be restricted under commercialization collaboration agreements from entering into future agreements on certain terms with potential collaborators. ~~For example, our collaboration with Eversana contains a restriction on our engaging in activities that are the subject of the collaboration with third parties for specified periods of time among other conditions.~~ Commercialization collaborations are complex and time- consuming to negotiate and document ~~. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators~~ . If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the commercialization of a product or product candidate, reduce the scope of any sales or marketing activities, or increase our expenditures and undertake or commercialization activities at our own expense. If in the future we elect to fund and undertake commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations to commercialize our product candidates and do not have sufficient funds or expertise to undertake the necessary commercialization activities, we may not be able to commercialize our product candidates or bring them to market or continue and our business may be materially and adversely affected. **If our information technology systems, or those third parties with whom we work, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.** In the ordinary course of our business, we and the third parties ~~upon which~~ **with whom** we ~~rely~~ **work** , process, collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) proprietary, confidential, and sensitive data, including personal data (such as health- related data), intellectual property, trade secrets and any other sensitive data the we may process, e. g., business plans, transactions, financial information, etc. (collectively, sensitive information). Cyber- attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer " hackers, " threat actors, " hacktivists, " organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services. We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social- engineering attacks (including through deep fakes and the use of Artificial Intelligence (AI)), which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by AI, and other similar threats. Severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. We rely on third- **parties** ~~party service providers and technologies~~ to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, encryption and authentication technology, employee email, content delivery to customers, and other functions. Our ability to monitor these third parties' information security practices is limited, as is our ability to determine whether these third parties may not have adequate information security measures in place. If ~~our~~ **the** third- ~~party service providers~~ **parties with whom we work** experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third- party service providers fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third- party partners' supply chains have not been compromised. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our products. We may expend significant resources or modify our business

activities (including our clinical trial activities) to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and sensitive information. Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may prevent or cause customers to stop using our products, deter new customers from using our products, and negatively impact our ability to grow and operate our business. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. ~~An~~ **In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive** information ~~security training program is in place to educate~~ **about us from public sources, data brokers,** ~~our~~ **or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive information of the Company could be leaked, disclosed, or revealed as a result of or in connection with our employees',** personnel **' s, or vendors' use of generative AI technologies** ~~on information security and data protection measures. The program is managed by information security personnel~~ . Risks Related to Our Intellectual Property Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. Third parties may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our future approved products or impair our competitive position ~~. For example, certain patents held by third parties cover Fc engineering methods and mutations in Fc regions to enhance the binding of Fc regions to Fc receptors on immune cells. Although we believe that these patents are not infringed, and / or are invalid and / or unenforceable, if a court should find that they cover our products, such as MARGENZA or enoblituzumab, and we are unable to invalidate such patents, or if licenses for them are not available on commercially reasonable terms, our business could be harmed, perhaps materially~~ . Third parties could possess patents that we may ultimately be found to infringe, or such third- party patents could issue in the future. Third parties may have or may obtain valid and enforceable patents or proprietary rights that could block us from developing product candidates using our technology. Our failure to obtain a license to any technology that we require may materially harm our business, financial condition and results of operations. Moreover, our failure to maintain a license to any technology that we require may also materially harm our business, financial condition, and results of operations. Furthermore, we would be exposed to a threat of litigation. In the ~~pharmaceutical~~ **biopharmaceutical** industry, significant litigation and other proceedings regarding patents, patent applications, trademarks and other intellectual property rights have become commonplace. The types of situations in which we may become a party to such litigation or proceedings include: • we or our collaborators may initiate litigation or other proceedings against third parties seeking to invalidate the patents held by those third parties or to obtain a judgment that our products or processes do not infringe those third parties' patents; • if our competitors file patent applications that claim technology also claimed by us or our licensors, we or our licensors may be required to participate in interference, opposition or other proceedings to determine the priority of invention, which could jeopardize our patent rights and potentially provide a third party with a dominant patent position; • if third parties initiate litigation claiming that our processes or products infringe their patent or other intellectual property rights, we and our collaborators will need to defend against such proceedings; and • if a license to necessary technology is terminated, the licensor may initiate litigation claiming that our processes or products infringe or misappropriate their patent or other intellectual property rights and / or that we breached our obligations under the license agreement, and we and our collaborators would need to defend against such proceedings. These lawsuits would be costly and could affect our results of operations and divert the attention of our management and scientific personnel. There is a risk that a court would decide that we or our collaborators are infringing the third party' s patents and would order us or our collaborators to stop the activities covered by the patents. In that event, we or our collaborators may not have a viable alternative to the technology protected by the patent and may need to halt work on the affected product candidate or cease commercialization of an approved product. In addition, there is a risk that a court will order us or our collaborators to pay the other party damages. An adverse outcome in any litigation or other proceeding could subject us to significant liabilities to third parties and require us to cease using the technology that is at issue or to license the technology from third parties. We may not be able to obtain any required licenses on commercially acceptable terms or at all. Any of these outcomes could have a material adverse effect on our business. The pharmaceutical and biotechnology industries have produced a significant number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products, methods of use, or processes. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform or predictable. If we are sued for patent infringement, we would need to demonstrate that our products, methods, or processes either do not infringe the patent claims of the relevant patent or that the patent claims are invalid, and we may not be able to do so. Proving invalidity is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and divert management' s time and attention in pursuing these proceedings, which

could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non- infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may incur substantial monetary damages, encounter significant delays in bringing our product candidates to market and be precluded from manufacturing or selling our product candidates. The cost of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the cost of such litigation and proceedings more effectively than we can because of their substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. Patent litigation and other proceedings may also absorb significant management time. Issued patents may be challenged, narrowed, invalidated or circumvented. In addition, court decisions may introduce uncertainty in the enforceability or scope of patents owned by biotechnology companies. The legal systems of certain countries do not favor the aggressive enforcement of patents, and the laws of foreign countries may not allow us to protect our inventions with patents to the same extent as the laws of the United States. Patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Publications of discoveries in scientific literature lag behind actual discoveries, thus we cannot be certain that we were the first to make the inventions claimed in our issued patents or pending patent applications, or that we were the first to file for protection of the inventions set forth in our patents or patent applications. As a result, we may not be able to obtain or maintain protection for certain inventions. Therefore, the enforceability and scope of our patents in the United States and in foreign countries cannot be predicted with certainty and, as a result, any patents that we own or license may not provide sufficient protection against competitors. We may not be able to obtain or maintain patent protection from our pending patent applications, from those we may file in the future, or from those we may license from third parties. Moreover, even if we can obtain patent protection, it may be of insufficient scope to achieve our business objectives. Our strategy depends on our ability to identify and seek patent protection for our discoveries. This process is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions where protection may be commercially advantageous. Despite our efforts to protect our proprietary rights, unauthorized parties may be able to obtain and use information that we regard as proprietary. The issuance of a patent does not ensure that a court or agency finds or will find the patent valid or enforceable, so even if we obtain patents, they may not be valid or enforceable against third parties. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our own patented product and practicing our own patented technology. Third parties may also seek to market biosimilar versions of any approved products. Alternatively, third parties may seek approval to market their own products, which are similar to or otherwise competitive with our products. In these circumstances, we may need to defend and / or assert our patents, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or agency with jurisdiction may find our patents invalid and / or unenforceable. Even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives. The patent position of pharmaceutical or biotechnology companies, including ours, is generally uncertain and involves complex legal and factual considerations. The standards which the ~~United States Patent and Trademark Office (~~USPTO ~~)~~ and its foreign counterparts use to grant patents are not always applied predictably or uniformly and can change. There is also no uniform, worldwide policy regarding the subject matter and scope of claims granted or allowable in pharmaceutical or biotechnology patents. The laws of some foreign countries do not protect proprietary information to the same extent as the laws of the United States, and many companies have encountered significant problems and costs in protecting their proprietary information in these foreign countries. Outside the United States, patent protection must be sought in individual jurisdictions, further adding to the cost and uncertainty of obtaining adequate patent protection outside of the United States. Accordingly, we cannot predict whether additional patents protecting our technology will issue in the United States or in foreign jurisdictions, or whether any patents that do issue will have claims of adequate scope to provide competitive advantage. Moreover, we cannot predict whether third parties will be able to successfully obtain claims or the breadth of such claims. The allowance of broader claims may increase the incidence and cost of patent interference proceedings, opposition proceedings, and / or reexamination proceedings, the risk of infringement litigation, and the vulnerability of the claims to challenge. On the other hand, the allowance of narrower claims does not eliminate the potential for adversarial proceedings and may fail to provide a competitive advantage. Our issued patents may not contain claims sufficiently broad to protect us against third parties with similar technologies or products or provide us with any competitive advantage. We may become involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful. Even after they have been issued, our patents and any patents which we license may be challenged, narrowed, invalidated or circumvented. If our patents are invalidated or otherwise limited or will expire prior to the commercialization of ~~our~~ **any** approved ~~products and~~ product candidates, other companies may be better able to develop products that compete with ours, which could adversely affect our competitive business position, business prospects and financial condition. The following are examples of litigation and other adversarial proceedings or disputes that we could become a party to involving our patents or patents licensed to us: • we or our collaborators may initiate litigation or other proceedings against third parties to enforce our patent rights; • third parties may initiate litigation or other proceedings seeking to invalidate patents owned by or licensed to us or to obtain a declaratory judgment that their product or technology does not infringe our patents or patents licensed to us; • third parties may initiate opposition, reexamination or inter partes review proceedings challenging the validity or scope of our patent rights, requiring us or our collaborators and / or licensors to participate in such proceedings to defend the validity and scope of our patents; • there may be a challenge or dispute regarding inventorship or ownership of patents currently identified as being owned by or licensed

to us; • the USPTO may initiate an interference between patents or patent applications owned by or licensed to us and those of our competitors, requiring us or our collaborators and / or licensors to participate in an interference proceeding to determine the priority of invention, which could jeopardize our patent rights; or • third parties may seek approval to market biosimilar versions of our future approved products prior to expiration of relevant patents owned by or licensed to us, requiring us to defend our patents, including by filing lawsuits alleging patent infringement. These lawsuits and proceedings would be costly and could affect our results of operations and divert the attention of our managerial and scientific personnel. There is a risk that a court or administrative body would decide that our patents are invalid or not infringed by a third party' s activities, or that the scope of certain issued claims must be further limited. An adverse outcome in a litigation or proceeding involving our own patents could limit our ability to assert our patents against these or other competitors, affect our ability to receive royalties or other licensing consideration from our licensees, and may curtail or preclude our ability to exclude third parties from making, using and selling similar or competitive products. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition. The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example: • others may be able to develop a platform that is similar to, or better than, ours in a way that is not covered by the claims of our patents; • others may be able to make compounds that are similar to our product candidates but that are not covered by the claims of our patents; • we might not have been the first to make the inventions covered by patents or pending patent applications; • we might not have been the first to file patent applications for these inventions; • any patents that we obtain may not provide us with any competitive advantages or may ultimately be found invalid or unenforceable; or • we may not develop additional proprietary technologies that are patentable. If we fail to comply with our obligations under our intellectual property licenses with third parties, we could lose license rights that are important to our business. We are currently party to various intellectual property license agreements. These license agreements impose, and we expect that future license agreements may impose, various diligence, milestone payment, royalty, insurance and other obligations on us. For example, we entered into patent and know- how license agreements that grant us the right to use certain technologies related to biological manufacturing to manufacture our clinical product candidates. These licenses typically include an obligation to pay yearly maintenance payments and royalties on sales and may also include upfront and milestone payments. If we fail to comply with our obligations under the licenses, the licensors may have the right to terminate their respective license agreements, in which event we might not be able to market any product that is covered by the agreements. Termination of the license agreements or reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms, which could adversely affect our competitive business position and harm our business. If we are unable to protect the confidentiality of our proprietary information, the value of our technology and products could be adversely affected. In addition to patent protection, we also rely on other proprietary rights, including protection of trade secrets, and other proprietary information. To maintain the confidentiality of trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and others upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual' s relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also provide that any inventions conceived by the individual while rendering services to us shall be our exclusive property. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. Thus, despite such agreement, such inventions may become assigned to third parties. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know- how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a license to that intellectual property from that individual, or a third party or from that individual' s assignee. Such assignment or license may not be available on commercially reasonable terms or at all. Adequate remedies may not exist in the event of unauthorized use or disclosure of our proprietary information. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, others may independently discover or develop our trade secrets and proprietary information, and the existence of our own trade secrets affords no protection against such independent discovery. As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously or concurrently employed at research institutions and / or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers, or that patents and applications we have filed to protect inventions of these employees, even those related to one or more of our product candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and / or applications will be due to the USPTO and various foreign patent offices at various points over the lifetime of our patents and / or applications. We have systems in place to remind us to pay these fees, and we rely on our outside counsel or our agents to

pay these fees when due. Additionally, the USPTO and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on our business. In addition, we may be responsible for the payment of patent fees for patent rights that we license from other parties. If any licensor of these patents does not itself elect to make these payments, and we fail to do so, we may be liable to the licensor for any costs and consequences of any resulting loss of patent rights. If we do not obtain protection under the Hatch- Waxman Amendments and similar foreign legislation for extending the term of patents covering each of our product candidates, our business may be materially harmed. Depending upon the timing, duration and conditions of FDA marketing approval of our product candidates, one or more of our U. S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch- Waxman Amendments. The Hatch- Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced, possibly materially. Risks Related to Legal Compliance Matters We are subject to the U. S. Foreign Corrupt Practices Act and other anti- corruption laws. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures, and legal expenses, which could adversely affect our business, results of operations and financial condition. Our operations are subject to anti- corruption laws, including the U. S. Foreign Corrupt Practices Act ,(FCPA) , and other anti- corruption laws that apply in countries where we do business. The FCPA and these other laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We and our commercial partners operate in a number of jurisdictions that pose a risk of potential FCPA violations, and we participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under the FCPA or other anti- corruption laws. There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti- corruption laws. If we violate provisions of the FCPA or other anti- corruption laws or are subject to an investigation or audit pursuant to these laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures and legal expenses, which could have an adverse impact on our business, financial condition and results of operations. If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected. Our research and development involves, and may in the future involve, the use of potentially hazardous materials and chemicals. Our operations may produce hazardous waste products. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by local, state and federal laws and regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations and fire and building codes, including those governing laboratory procedures, exposure to blood- borne pathogens, use and storage of flammable agents and the handling of biohazardous materials. Although we maintain workers' compensation insurance as prescribed by the States of Maryland and California to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations. We and our collaborators are subject to various healthcare laws, and our failure, or the failure of our collaborators, to comply with those laws could result in significant penalties and adversely affect our business, operations and financial condition. In the United States, our operations, and those of our collaborators, are subject to regulation by various local, state, federal authorities in addition to the FDA, including but not limited to, CMS, other divisions of HHS (such as the Office of Inspector General, Office for Civil Rights and the Health Resources and Service Administration), the U. S. Department of Justice (DOJ) and individual U. S. Attorney offices within the DOJ, and state and local governments. We and our collaborators are or may be subject to broadly applicable " fraud and abuse " laws, such as false claims, anti- kickback laws, transparency laws, and privacy and security laws. Federal false claims laws, including the federal civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or knowingly making, or causing to be made, a false statement to get a claim paid. The federal healthcare program anti- kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are several statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Failure to meet all of the requirements of a particular

applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal anti- kickback statute. Instead, the legality of the arrangement will be evaluated on a case- by- case basis based on a cumulative review of all of its facts and circumstances. Our practices, or those of our collaborators, may not in all cases meet all of the criteria for protection under a statutory exception or regulatory safe harbor. Additionally, the intent standard under the federal anti- kickback statute and the criminal healthcare fraud statutes (discussed below) was amended by the ACA to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA codified case law that a claim including items or services resulting from a violation of the federal anti- kickback statute constitutes a false or fraudulent claim for purposes of the federal civil false claims act. The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) which prohibits, among other things, knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e. g., public or private), willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false, fictitious or fraudulent statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal anti- kickback statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, under the federal Physician Payment Sunshine Act provisions of the ACA, covered manufacturers of drugs, devices, biological and medical supplies for which payment is available under a federal health care program (with certain exceptions) are subject to annual federal reporting and disclosure requirements with regard to payments or other transfers of value made to physicians defined to include doctors, dentists, optometrists, podiatrists and chiropractors, other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals as well as information regarding certain ownership and investment interests held by physicians and their immediate family members. Most states also have statutes or regulations similar to the federal anti- kickback law and federal false claims laws, which may apply to items such as pharmaceutical products and services reimbursed by private insurers. Some state laws also prohibit certain gifts to healthcare providers, require pharmaceutical companies to report payments to healthcare professionals, and / or require companies to adopt compliance programs or codes of conduct. ~~Over~~ **HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2019, or HITECH, and** ~~the~~ **their** ~~past few years~~ **respective implementing regulations** , **impose obligations on " covered entities, " including certain healthcare providers, health plans, and healthcare clearinghouses, as well as their respective " business associates " that create, receive, maintain or transmit individually identifiable health information for or on behalf of** a **covered entity** ~~number of pharmaceutical~~ and ~~other~~ - **their subcontractors** ~~healthcare companies have been prosecuted under these laws for a variety of promotional and marketing activities, such as: providing free trips, free goods, improper consulting fees and grants and other monetary benefits to prescribers; reporting to pricing services inflated average wholesale prices~~ that ~~were then used~~ - **use, disclose, access, or otherwise process individually identifiable health** ~~by federal programs to set reimbursement rates; engaging in off- label promotion; and submitting inflated best price~~ information **, with respect** to **safeguarding** ~~the Medicaid Rebate Program to reduce liability for Medicaid rebates. At such time as we or our collaborators market MARGENZA or any of our future approved products and these~~ -- **the privacy** ~~products are paid for by governmental programs~~ , **security** ~~it is possible that some of our business activities could also be subject to challenge under one or more of these " fraud~~ and ~~abuse " laws~~ **transmission of individually identifiable health information** . Further, in order to distribute products commercially in the United States, we or our collaborators must also comply with state laws that require the registration of manufacturers and wholesale distributors of pharmaceutical products in a state, including, in certain states, manufacturers, and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Some states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Several states have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, track, and report gifts, compensation and other remuneration made to physicians and other healthcare providers, clinical trials and other activities, and / or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical companies for use in sales and marketing, and to prohibit certain other sales and marketing practices. If our operations, or those of our collaborators marketing, distributing or commercializing any of our products on our behalf, are found to be in violation of any of the federal and state healthcare laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including without limitation, significant civil, criminal and / or administrative penalties, damages, fines, disgorgement, exclusion from participation in government programs, such as Medicare and Medicaid, injunctions, private " qui tam " actions brought by individual whistleblowers in the name of the government, or refusal to allow us to enter into government contracts, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, our operations and those of our collaborators may be subject to analogous foreign health care laws in the jurisdictions in which we operate. We **and the third parties with whom we work** are subject to stringent and evolving U. S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers; and other adverse business consequences. In the ordinary course of business, we **and the third parties with whom we work** process personal data and other sensitive

information, including proprietary and confidential business data, trade secrets, intellectual property, data we collect about trial participants in connection with clinical trials, sensitive third- party data, **business plans, transactions,** and ~~other~~ **financial information, which we collectively refer to as "** sensitive data ~~, e~~ . **"** ~~g., business plans, transactions, financial information, etc~~ . Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. Data privacy and security have become significant issues in the United States, Europe, and in many other jurisdictions where we or our partners may in the future conduct our operations. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws and regulations, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). ~~These~~ **Furthermore, numerous U. S. states have enacted comprehensive privacy** laws ~~and regulations involve the collection~~ **that impose certain obligations on covered businesses** , **including providing specific** ~~storage, handling, use, disclosure~~ **disclosures** ~~, transfer,~~ **in privacy notices** and ~~security of~~ **affording residents with certain rights concerning their** personal data ~~. Certain states, such as California, also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments, and may result in liability through private actions~~ . For example, the California Consumer Privacy Act of 2018 ~~, as amended by the California Privacy Rights Act of 2020~~ (**the "** ~~CPRA), (collectively,~~ CCPA **"**) applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines **for** ~~of up to $ 7, 500 per intentional violation~~ **violations** and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability with respect to other personal data we maintain about California residents **. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future** . Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security. For example, the European Union' s General Data Protection Regulation (EU GDPR), companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17. 5 million pounds sterling under the UK GDPR or, in each case, 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA) and various related provincial laws, may apply to our operations. As another example, Australia' s Privacy Act of 1998 may apply to our operations. **Our compliance with these legal requirements and obligations, together with any policies or practices that we have or may implement to further secure and protect sensitive data, could limit our ability to utilize data that may be valuable to our business. Our employees and personnel may integrate generative AI technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Any use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits.** Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Failure to comply with these current and future laws, policies, industry standards or legal obligations or any security incident resulting in the unauthorized access to, or acquisition, release or transfer of personal information may result in governmental enforcement actions, litigation, fines and penalties or adverse publicity and could cause our customers to lose trust in us, which could have a material adverse effect on our business and results of operations. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties ~~on~~ **with** whom we ~~rely~~ **work** may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties ~~on which~~ **with whom** we ~~rely~~ **work** fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- action claims) and mass arbitration demands; additional reporting requirements and / or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. In particular, plaintiffs have become increasingly more active in bringing privacy- related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for ~~monumental~~ **significant** statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including, clinical trials); inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading. We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, to provide accurate information to the FDA or other agencies, to comply with federal and state health care fraud and abuse laws and regulations, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self- dealing and other abusive practices. Employee misconduct could also

involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of conduct, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions. Risks ~~Relating~~ **Related** to Employee Matters and Human Capital Management We are highly dependent on the research and development, clinical and business development expertise of certain of our executive officers and other key employees. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development, manufacturing and commercialization objectives and seriously harm our ability to successfully implement our business strategy. **In October 2024, we announced the separation of our President and Chief Executive Officer, Dr. Scott Koenig and the appointment of a special executive search committee of the Board to identify a new Chief Executive Officer for our company. Although we intend to navigate this transition effectively and the identification of a new Chief Executive Officer is intended to be in the best interest of our company and our stockholders, as we navigate Dr. Koenig' s separation and the hiring of a new Chief Executive Officer, the uncertainty during the transition period may increase the risks of employee departures, which may also result in the loss of institutional or technical knowledge, which may adversely affect our business.** Recruiting and retaining qualified scientific, clinical, manufacturing and other personnel will also be critical to our success. For example, we have experienced employee turnover, consistent with the broader American economy, and we may continue to experience employee turnover in the future that may have an adverse effect on our business strategy. New hires require significant training and, in most cases, take significant time before they achieve full productivity. New employees may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. ~~Such competition may increase due to the recent move by companies to offer a remote or hybrid work environment.~~ In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, motivate existing employees, or maintain our corporate culture in a hybrid or remote work environment and in the midst of higher turnover, our ability to pursue our growth strategy will be limited. Additionally, in January 2023, the U. S. Federal Trade Commission **(FTC)** published a proposed rule that would generally prohibit post- employment non- compete clauses (or other clauses with comparable effect) in agreements between employers and their employees. **As of August 20, 2024, the FTC cannot enforce this rule as a result of a court order, which remains subject to appeal.** If this rule goes into effect, or if we fail to adequately address any of the issues referred to above, it could adversely impact our ability to ~~recruit and~~ **attract or** retain ~~our skilled employees~~ **key executives,** which may result in a material adverse effect on our business, operating results and financial condition. We may undertake internal restructuring activities, including associated workforce reductions, that could result in disruptions to our business or otherwise materially harm our results of operations or financial condition. From time to time, we may undertake internal restricting activities, including associated workforce reductions, as we continue to evaluate and attempt to optimize our cost and operating structure in light of developments in our business strategy and long- term operating plans. For example, in August 2022, we announced a reduction in workforce by approximately 15 % in connection with the restructuring of our business to prioritize and focus on our lead assets, and, as a result, we incurred certain restructuring charges, including employee termination- related charges. Any restructuring activities that we may undertake in the future may result in write- offs or other restructuring charges, including employee termination- related charges in connection with any associated workforce reductions. We may not realize, in full or in part, the anticipated benefits, savings and improvements in our operating structure from any restructuring efforts due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings from any restructuring, our results of operation and financial condition could be adversely affected. Furthermore, any strategic restructuring plan may be disruptive to our operations. For example, any workforce reductions could yield unanticipated consequences, such as attrition beyond planned staff reductions, increased difficulties in our day- to- day operations and reduced employee morale. Any employees not affected by any reduction in force may seek alternate employment, which could result in us seeking contract support which may result in unplanned additional expense or harm our productivity. Any workforce reductions could also harm our ability to attract and retain qualified management, scientific, clinical, and manufacturing personnel who are critical to our business. Any failure to attract or retain qualified personnel could prevent us from successfully developing our product candidates in the future. We may need to grow or contract our organization, and we may experience difficulties in managing this growth or contraction, which could disrupt our operations. As of December 31, ~~2023~~ **2024**, we had ~~339~~ **341** full- time employees. In addition to the risks associated with a reduction in force, as our finances, development and commercialization plans and strategies evolve, we may choose to expand or contract our employee base for managerial, operational, manufacturing, financial and other resources. Future growth or additional contraction would impose significant costs as well as added responsibilities on members of management, including

the potential need to identify, recruit, maintain, motivate and integrate additional employees. Also, our management may need to divert a disproportionate amount of their attention away from our day- to- day activities and devote a substantial amount of time to managing either growth or contraction activities. We may not be able to effectively manage our operations which may result in weaknesses in our infrastructure, give rise to operational errors, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of existing and additional product candidates. If our management is unable to effectively manage such growth, our expenses may increase more than expected, our ability to generate and / or grow revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to **develop and** commercialize ~~MARGENZA,~~ our product candidates and compete effectively with others in our industry will depend, in part, on our ability to effectively manage any such growth. Risks ~~Relating~~ **Related** to Our Common Stock The market price of our common stock has been and may continue to be volatile. Companies that have experienced volatility in the market price of their common stock are often subject to securities class action litigation. For example **, in July 2024, a putative securities class action suit, entitled Crain v. MacroGenics, Inc. (Case No. 24- cv- 02184), was filed in the U. S. District Court for the District of Maryland against our company and Scott Koenig, M. D., Ph. D., our President, Chief Executive Officer and a member of our Board of Directors, alleging violations of securities laws during 2024. On December 20, 2024, the District Court issued an Order dismissing the case, without prejudice. Previously** , on September 13, 2019, a securities class action complaint was filed against us, and certain of our officers and / or directors in the U. S. District Court for the District of Maryland. On September 29, 2021, the District Court issued an Order dismissing the case, with prejudice, and on March 2, 2023 the Fourth Circuit affirmed the District Court' s dismissal. ~~This or~~ **Due to the inherent uncertainties in legal proceedings, we cannot accurately predict the ultimate outcome of** any ~~future~~ **such proceedings. Any** securities litigation brought by private parties or government enforcement agencies could result in substantial costs and diversion of management' s attention and resources, which could adversely impact our business. Any adverse determination in litigation could also subject us to significant liabilities. The market price of our stock may fluctuate unpredictably in response to factors unrelated to our operating performance. The stock market has recently experienced significant volatility, particularly with respect to pharmaceutical, biotechnology, and other life sciences company stocks. The volatility of pharmaceutical, biotechnology, and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. Some of the factors that may cause the market price of our common stock to fluctuate include: • results and timing of our clinical trials and clinical trials of our competitors' products; • failure or discontinuation of any of our development programs; • issues in manufacturing our product candidates or future approved products; • regulatory developments or enforcement in the United States and foreign countries with respect to our product candidates or our competitors' products; • competition from existing products or new products that may emerge; • developments or disputes concerning patents or other proprietary rights; • introduction of technological innovations or new commercial products by us or our competitors; • announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments; • changes in estimates or recommendations by securities analysts, if any cover our common stock; • fluctuations in the valuation of companies perceived by investors to be comparable to us; • public concern over our product candidates or any future approved products; • threatened or actual litigation; • future or anticipated sales of our common stock; • share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; • additions or departures of key personnel; • changes in the structure of health care payment systems in the United States or overseas; • failure of any of ~~MARGENZA or~~ our product candidates, if approved, to achieve commercial success; • economic and other external factors or other disasters or crises; • period- to- period fluctuations in our financial condition and results of operations, including the timing of receipt of any milestone or other payments under commercialization or licensing agreements; • general market conditions and market conditions for biopharmaceutical stocks; and • overall fluctuations in U. S. equity markets. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. For example, **we recently had** one such securities class action lawsuit ~~was~~ brought against us **that was later voluntarily dismissed by the plaintiffs, as discussed above, and two related state derivative lawsuits that are pending** . We could incur substantial costs defending **these** ~~this or~~ similar lawsuits, as well as diversion of the time and attention of our management, any or all of which could seriously harm our business. Provisions of our charter, bylaws, third-party agreements and Delaware law may make an acquisition of us or a change in our management more difficult. Certain provisions of our restated certificate of incorporation and amended and restated bylaws could discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. Stockholders who wish to participate in these transactions may not have the opportunity to do so. Furthermore, since our board of directors is responsible for appointing the members of our management team, these provisions could prevent or frustrate attempts by our stockholders to replace or remove our management by making it more difficult for stockholders to replace members of our board of directors. These provisions: • allow the authorized number of directors to be changed only by resolution of our board of directors; • establish a classified board of directors, providing that not all members of the board of directors be elected at one time; • authorize our board of directors to issue without stockholder approval blank check preferred stock that, if issued, could operate as a" poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that is not approved by our board of directors; • require that stockholder actions must be effected at a duly called stockholder meeting and prohibit stockholder action by written consent; • establish advance notice requirements for stockholder nominations to our board of directors or for stockholder proposals that can be acted on at stockholder meetings; • limit who may call stockholder meetings; and • require the approval of the holders of 75 % of the outstanding shares of our capital stock entitled to vote in order

to amend certain provisions of our restated certificate of incorporation and restated bylaws. Furthermore, in the ordinary course of our business, from time to time we discuss and enter into collaborations, licenses and other transactions with various third parties, including other pharmaceutical companies and biotechnology companies. When we deem it appropriate, our agreements with such third parties may include standstill provisions. These standstill provisions, several of which may be in force from time- to- time, typically prohibit such parties from acquiring our securities for a period of time, which may discourage such parties from acquiring MacroGenics even if doing so would be beneficial to our stockholders. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit large stockholders, in particular those owning 15 % or more of our outstanding voting stock, from merging or combining with us for a prescribed period of time. This provision could have the effect of delaying or preventing a change of control, whether or not it is desired by or beneficial to our stockholders.