Risk Factors Comparison 2023-02-15 to 2022-02-09 Form: 10-K

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RISK FACTOR SUMMARY Investing in our securities involves a high degree of risk. Below is a summary of material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, as well as other risks that we face, can be found under the heading ~~“~~" Item 1A — Risk Factors ~~”~~", below. **This summary is qualified in its entirety by that more complete discussion of such risks and uncertainties.** Our success depends on our ability to effectively commercialize our products. If we and our collaborators are unable to effectively commercialize our products and to expand their utilization, our ability to generate significant revenue and our prospects for profitability will be adversely affected. Our success also depends on our ability to obtain regulatory approvals for our product candidates and for our current products in additional territories, as well as our ability to expand the labeled indications of use for our current products. Our inability to do so could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Reports of adverse events or safety concerns involving our products or product candidates could delay or prevent us from obtaining or maintaining regulatory approvals or could negatively impact sales of our products or the prospects for our product candidates. Clinical trials and product development are expensive, time consuming and uncertain, may take longer than we expect and may not be successful. Our failure to effectively advance our development programs in a timely manner or at all could have a material adverse effect on our business, results of operations, financial condition and growth prospects. The successful commercialization of our products will depend, in part, on the extent to which governmental authorities and health insurers establish adequate coverage and reimbursement levels and pricing policies. The successful commercialization of our products will also depend **,** in part **,** on the acceptance of our products by the medical community, patients and third- party payors. Any failures or setbacks in our antibody- drug conjugate, or ADC, development program or our other platform technologies could negatively affect our business and financial position. We face intense competition and rapid technological change, which may result in others discovering, developing or commercializing competing products before or more successfully than we do. Our products and any future approved products remain subject to extensive ongoing regulatory obligations and oversight, including post- approval requirements, that could result in penalties and significant additional expense and could negatively impact our and our collaborators ~~’~~' ability to commercialize our current and any future approved products. Healthcare law and policy changes may negatively impact our business, including by decreasing the prices that we and our collaborators receive for our products. We are subject to various state, federal and international laws and regulations, including healthcare, data privacy and information security laws and regulations, that may impact our business and could subject us to significant fines and penalties or other negative consequences. Our collaborators and licensees may not perform as expected, which may negatively affect our ability to develop and commercialize our products and product candidates and / or generate revenues through technology licensing, and may otherwise negatively affect our business. We currently rely on third- party manufacturers and other third parties for production of our drug products, and our dependence on these third parties may impair the continued development and commercialization of our products and product candidates. If we are unable to enforce our intellectual property rights or if we fail to sustain and further procure additional intellectual property rights, we may not be able to successfully commercialize our products or any future products and competitors may be able to develop competing therapies. We and our collaborators rely on license agreements for certain aspects of our products and product candidates and technologies such as our ADC technology. Failure to maintain these license agreements or to secure any required new licenses could prevent us from continuing to develop and commercialize our products and product candidates. We have been and may in the future be subject to litigation, which could result in substantial expenses and damages and may divert management ~~’~~'s time and attention from our business. The evolving effects of the COVID- 19 pandemic and associated global economic instability could have further adverse effects on our business, including our commercialization efforts, supply chain, regulatory activities, clinical development activities and other business operations. If we are unable to manage our growth, our business, results of operations, financial condition and growth prospects may be adversely affected. Risks associated with our expanding operations in countries outside the U. S. could materially adversely affect our business. Our operating results are difficult to predict and may fluctuate. If our operating results are below the expectations of securities analysts or investors, the trading price of our stock could decline. We have a history of net losses. We expect to continue to incur net losses and may not achieve future sustained profitability for some time, if at all. Our stock price is volatile and our shares may suffer a decline in value. Our existing stockholders have significant control of our management and affairs. PART I Item 1. Business Overview Seagen is a biotechnology company that develops and commercializes targeted therapies to treat cancer. We are commercializing ADCETRIS ®, or brentuximab vedotin, for the treatment of certain CD30- expressing lymphomas, PADCEV ®, or enfortumab vedotin- ejfv, for the treatment of certain metastatic urothelial cancers, TUKYSA ®, or tucatinib, for the treatment of certain metastatic HER2- positive breast **and colorectal** cancers, and TIVDAK ®, or tisotumab vedotin- tftv, for the treatment of certain metastatic cervical cancers. We are also advancing a pipeline of novel therapies for solid tumors and blood- related cancers designed to address unmet medical needs and improve treatment outcomes for patients. Many of our programs, including ADCETRIS, PADCEV and TIVDAK, are based on our ADC technology that utilizes the targeting ability of monoclonal antibodies to deliver cell- killing agents directly to cancer cells. Our strategy is to become a leading global oncology company developing and marketing targeted therapies for cancer. Key elements of our strategy are to maximize the potential of our approved medicines through successful commercial execution, expand the number of patients eligible to receive our

medicines by securing approvals of our commercial products in other countries, conduct clinical trials designed to support additional labels for our products, and develop new first- in- class or best- in- class medicines. We seek to commercialize our products either on our own as we expand our operations globally or through commercial partnerships. We are deploying our internal research, clinical, development, regulatory and manufacturing expertise to advance and expand our deep pipeline of drug candidates aimed at gaining new product approvals. We conduct internal research directed at identifying novel antigen targets, monoclonal antibodies and other targeting molecules, creating new antibody engineering techniques and developing new classes of stable linkers and cell- killing agents in support of our continued ADC innovation. In addition, we supplement these internal efforts by acquiring or in- licensing products, product candidates and technologies from biotechnology and pharmaceutical companies and academic institutions ~~. We are continuing to closely monitor the impact of the evolving effects of the COVID- 19 pandemic on our business. We are continuing to take proactive steps designed to protect the health and safety of our workforce, patients and healthcare professionals, to continue our business operations and to advance our goal of bringing important medicines to patients as rapidly as possible. For information regarding the impacts of the evolving effects of the COVID- 19 pandemic on our ability and the ability of our collaborators to effectively market, sell and distribute our products and to develop our products and product candidates, see " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Overview — Outlook " in Part II Item 7 of this Annual Report on Form 10- K~~ . Our Medicines Our approved medicines include the following: Product * Therapeutic AreaU. S. Approved IndicationHodgkin LymphomaPreviously untreated Stage III / IV classical Hodgkin lymphoma, or cHL, in combination with doxorubicin, vinblastine and dacarbazinecHL at high risk of relapse or progression as post- autologous hematopoietic stem cell transplantation, or auto- HSCT, consolidationcHL after failure of auto- HSCT or after failure of at least two prior multi- agent chemotherapy regimens in patients who are not auto- HSCT ~~candidatesT~~ **candidatesPediatric patients 2 years and older with previously untreated high risk cHL, in combination with doxorubicin, vincristine, etoposide, prednisone, and cyclophosphamideT** - cell LymphomaPreviously untreated systemic anaplastic large cell lymphoma, or sALCL, or other CD30- expressing peripheral T- cell lymphoma, or PTCL, including angioimmunoblastic T- cell lymphoma and PTCL not otherwise specified, in combination with cyclophosphamide, doxorubicin and prednisonesALCL after failure of at least one prior multi- agent chemotherapy regimenPrimary cutaneous anaplastic large cell lymphoma, or pcALCL, or CD30- expressing mycosis fungoides who have received prior systemic therapyUrothelial CancerLocally advanced or metastatic urothelial cancer for patients who: • have previously received a programmed death receptor- 1 (PD- 1) or programmed death- ligand 1 (PD- L1) inhibitor and platinum- containing chemotherapy, or • are ineligible for cisplatin- containing chemotherapy and have previously received one or more prior lines of therapy. Breast CancerIn combination with trastuzumab and capecitabine for the treatment of adult patients with advanced unresectable or metastatic HER2- positive breast cancer, including patients with brain metastases, who have received one or more prior anti- HER2- based regimens in the metastatic setting. **Colorectal CanerIn combination with trastuzumab for adult patients with RAS wild- type, HER2- positive unresectable or metastatic colorectal cancer that has progressed following treatment with fluoropyrimidine-, oxaliplatin- and irinotecan- based chemotherapy.** Cervical CancerRecurrent or metastatic cervical cancer with disease progression on or after chemotherapy. * ~~ADCETRIS,~~ PADCEV, TUKYSA and TIVDAK are only indicated for use in adults. ADCETRIS is an ADC targeting CD30, which is a protein located on the surface of cells and highly expressed in Hodgkin lymphoma, certain T- cell lymphomas as well as other cancers. ADCETRIS first received U. S. Food and Drug Administration, or FDA, approval in 2011 and is now approved in a total of ~~six~~ **seven** indications to treat Hodgkin lymphoma and certain T- cell lymphomas in various settings **,** including as frontline therapy **for both adult and pediatric patients. The most recent approval was granted in November 2022 for the treatment of pediatric patients two years and older with previously untreated high risk classical Hodgkin lymphoma, in combination with doxorubicin, vincristine, etoposide, prednisone, and cyclophosphamide** . ADCETRIS has received approval in more than 75 countries worldwide. We commercialize ADCETRIS in the U. S. and its territories and in Canada, and we collaborate with **an affiliate of** Takeda Pharmaceutical Company Limited, or Takeda, to develop and commercialize ADCETRIS on a global basis. Under this collaboration, Takeda has commercial rights in the rest of the world and pays us a royalty. Takeda has received regulatory approvals for ADCETRIS as monotherapy or in combination with other agents in various settings for the treatment of patients with Hodgkin lymphoma or CD30- positive T- cell lymphomas in Europe and many countries throughout the rest of the world and is pursuing additional regulatory approvals. PADCEV is an ADC targeting Nectin- 4, a protein expressed on the surface of cells and highly expressed in bladder cancer as well as other cancers. PADCEV was granted accelerated approval by the FDA in December 2019 for the treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a PD- 1 or PD- L1 inhibitor and a platinum- containing chemotherapy before (neoadjuvant) or after (adjuvant) surgery in the locally advanced or metastatic setting. FDA approval of PADCEV was supported by data from a single- arm pivotal phase 2 clinical trial called EV- 201. In July 2021, the FDA converted PADCEV' s accelerated approval to regular approval in the U. S., in addition to granting regular approval for a new indication for adult patients with locally advanced or metastatic urothelial cancer who are ineligible for cisplatin- containing chemotherapy and have previously received one or more prior lines of therapy. The conversion to regular approval was supported by the pivotal phase 3 clinical trial called EV- 301 and the expanded indication was supported by data from the second cohort in the EV- 201 trial. The FDA reviewed the application for regular approval under the Oncology Center of Excellence' s, or OCE' s, Real Time Oncology Review, or RTOR, pilot program. **In April 2022, the European Commission, or EC, approved PADCEV as monotherapy for the treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a platinum- containing chemotherapy and a PD- 1 / L1 inhibitor. The approval is applicable in the European Union member states, as well as Iceland, Norway and Liechtenstein.** PADCEV is also approved in **other countries, including Brazil,** Canada, ~~Israel,~~ Japan, **Great Britain** and Switzerland **,** in previously treated metastatic urothelial cancer. PADCEV is being co- developed and jointly commercialized with Astellas Pharma, Inc., or Astellas. In the U. S., we

and Astellas are jointly promoting PADCEV. We record net sales of PADCEV in the U. S. and are responsible for all U. S. distribution activities. We and Astellas each bear the costs of our own sales organizations in the U. S., equally share certain other costs associated with commercializing PADCEV in the U. S., and equally share in any profits realized in the U. S. Outside the U. S., we have commercialization rights in all other countries in North and South America, and Astellas has commercialization rights in the rest of the world, including Europe, Asia, Australia and Africa. The agreement is intended to provide that we and Astellas will effectively equally share in costs incurred and any profits realized in all of these markets. Cost and profit sharing in Canada, the United Kingdom, Germany, France, Spain and Italy **are** ~~will be~~ based on product sales and costs of commercialization. In the remaining markets, the commercializing party ~~will bear~~ **is responsible for bearing the** costs and **paying** ~~will pay~~ the other party a royalty rate applied to net sales of the product based on a rate intended to approximate an equal profit share for both parties. TUKYSA is an oral, small molecule tyrosine kinase inhibitor ~~, or TKI,~~ that is highly selective for HER2, a growth factor receptor overexpressed in certain cancers. HER2 mediates cell growth, differentiation and survival. Tumors that over- express HER2 are generally more aggressive and historically have been associated with poor overall survival, compared with HER2- negative cancers. In April 2020, TUKYSA received approval from the FDA in combination with trastuzumab and capecitabine for the treatment of adult patients with advanced unresectable or metastatic HER2- positive breast cancer, including patients with brain metastases, who have received one or more prior anti- HER2- based regimens in the metastatic setting. FDA approval of TUKYSA was supported by data from the HER2CLIMB trial. The application for approval was reviewed under the FDA' s RTOR pilot program. We also participated in the Project Orbis initiative of the FDA OCE **,** which provides a framework for concurrent submission and review of oncology products among international partners. Under this program **,** we have received approval in the U. S., Canada, Australia, Singapore, and Switzerland. In February 2021, the EC granted marketing authorization for TUKYSA in combination with trastuzumab and capecitabine for the treatment of adult patients with HER2- positive locally advanced or metastatic breast cancer who have received at least two prior anti- HER2 treatment regimens. This approval is valid in all countries of the European Union as well as Norway, Liechtenstein, Iceland and Northern Ireland. In Europe, we have begun marketing TUKYSA in Austria, France, Germany and Switzerland. Additionally, in February 2021, the UK Medicines and Healthcare products Regulatory Agency, ~~or MHRA,~~ granted a Great Britain marketing authorization for TUKYSA **. In January 2023, TUKYSA received accelerated approval in combination with trastuzumab for adult patients with RAS wild- type, HER2- positive unresectable or metastatic colorectal cancer that has progressed following treatment with fluoropyrimidine-, oxaliplatin- and irinotecan- based chemotherapy. The approval was based on tumor response rate and durability of response from the phase 2 MOUNTAINEER clinical trial. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials** . We are responsible for commercializing TUKYSA in the U. S., Canada and Europe. In September 2020, we entered into a license and collaboration agreement, or the TUKYSA Agreement, with Merck & Co., Inc., or Merck, pursuant to which we granted exclusive rights to Merck to commercialize TUKYSA in Asia, the Middle East and Latin America and other regions outside of the U. S., Canada and Europe. The collaboration is intended to accelerate global availability of TUKYSA. TIVDAK is an ADC targeting tissue factor, a protein expressed on the surface of cells that has increased levels of expression on multiple solid tumors. The FDA granted accelerated approval of TIVDAK in September 2021 for the treatment of adult patients with recurrent or metastatic cervical cancer with disease progression on or after chemotherapy. FDA approval was supported by data from the innovaTV 204 trial where it was evaluated in patients with recurrent or metastatic cervical cancer who had received no more than two prior systemic regimens in the recurrent or metastatic setting, including at least one prior platinum- based chemotherapy regimen. Continued approval may be contingent upon verification and description of clinical benefit in confirmatory trials. TIVDAK is being co- developed with Genmab A / S, or Genmab, under an agreement in which the companies **equally** share all costs and profits for the product ~~on a 50: 50 basis~~ . Under a joint commercialization agreement, we and Genmab co- promote TIVDAK in the U. S. **,** and we record net sales of TIVDAK in the U. S. and are responsible for leading U. S. distribution activities. The companies will each maintain 50 % of the sales representatives and medical science liaisons, equally share those and certain other costs associated with commercializing TIVDAK in the U. S., and equally share in any profits realized in the U. S. Outside the U. S., we have commercialization rights in the rest of the world except for Japan, where Genmab has commercialization rights **, and certain territories where Zai Lab has commercialization rights, as further described below** . In Europe, China, and Japan, we and Genmab will equally share 50 % of the costs associated with commercializing TIVDAK as well as any profits realized in these markets. In markets outside the U. S. other than Europe, China, and Japan, aside from certain costs specified in the agreement, we will be solely responsible for all costs associated with commercializing TIVDAK, and will pay Genmab a royalty based on a percentage of aggregate net sales **. In September 2022, we announced an exclusive collaboration and license agreement with Zai Lab for the development and commercialization of TIVDAK in mainland China, Hong Kong, Macau, and Taiwan. Under the terms of the agreement, we received an upfront fee of $ 30 million in October 2022, and are entitled to receive potential development, regulatory, and commercial milestone payments, and tiered royalties on net sales of TIVDAK in the Zai Lab territory. Based on our existing collaboration with Genmab, the upfront payment, milestone payments, and royalties will be equally shared with Genmab** . Our Clinical Development Pipeline The following table summarizes the key clinical trials of ADCETRIS, PADCEV, TUKYSA and TIVDAK: Product Tumor TypeSettingTrial Name / DescriptionDevelopment StatusADCETRIS (brentuximab vedotin) Diffuse large B- cell lymphoma R / RECHELON- 3: In combination with lenalidomide and rituximabPhase 3 * Hodgkin ~~lymphoma1LIn~~ **lymphoma1LSGN35- 027- Part C: In** combination with nivolumab, doxorubicin and dacarbazinePhase 2Hodgkin ~~lymphoma or Peripheral T- cell lymphoma, unfit for chemotherapy1LMonotherapyPhase 2Hodgkin lymphoma or Peripheral T- cell lymphomaR / RRetreatmentPhase 2 * Hodgkin~~ lymphoma (pediatrics) R / RCheckMate 744: In combination with nivolumab1Phase 2 Peripheral T- cell lymphoma (< 10 % CD30 expression) ~~1LIn~~ **1LSGN35- 032: In** combination with cyclophosphamide, doxorubicin and prednisonePhase ~~2 * Metastatic~~ **2Metastatic** solid tumorsR / **RSGN35-**

033: ~~RIn -~~ **In** combination with pembrolizumab | post PD- 1 inhibitor treatmentPhase 2PADCEV (enfortumab vedotin- ejfv) 2Locally advanced or metastatic urothelial cancer1LEV- 302: In combination with pembrolizumab vs chemotherapy alonePhase 3 * 1L / 2LEV- 103: Monotherapy and in combination with pembrolizumabPhase 2 * Muscle invasive bladder cancerPEV- 303 / KEYNOTE- 905: In combination with pembrolizumab | cisplatin- ineligiblePhase 3 * PEV- 304 / KEYNOTE- B15: In combination with pembrolizumab | cisplatin- eligiblePhase 3 * PEV- 103: Monotherapy and in combination with pembrolizumabPhase 2Non- muscle invasive bladder cancerBCGUEV- 104: intravesical Phase 1Locally advanced or metastatic solid tumors 2L EV- 202: MonotherapyPhase 2TUKYSA (tucatinib) HER2 metastatic breast cancer 1L / 2LHER2CLIMB- 02: In combination with T- DM1Phase 3 * High risk HER2 breast cancerADJCOMPASSHER2 RD4: In combination with T- DM1Phase 3 * HER2 metastatic breast cancer1LmaintenanceHER2CLIMB- 05: In combination with trastuzumab and pertuzumabPhase 3 * HER2 metastatic breast cancer2L HER2CLIMB- 04: In combination with trastuzumab deruxtecanPhase 2HER2 metastatic colorectal ~~cancerR / RMOUNTAINEER~~ **cancer1LMOUNTAINEER- 03** : In combination with ~~trastuzumabPhase 2 * HER2 gastroesophogeal cancer2LMOUNTAINEER- 02: In combination~~ trastuzumab ~~, ramucirumab~~ and ~~chemotherapyPhase 2~~ **mFOLFOX6Phase 3** * Metastatic solid tumors HER2 ~~alterations2LIn~~ **alterations2LTUC - 019: In** combination trastuzumab * * Phase 2HER2 gastric ~~cancer1LIn~~ **cancer1LTUC - 024: In** combination with trastuzumab and **oxaliplatinPhase** ~~other anti- cancer agentsPhase~~ 1TIVDAK (tisotumab vedotin- tftv) 3Metastatic / recurrent cervical cancer2L / 3LinnovaTV 301: MonotherapyPhase 3 * 1L / 2LinnovaTV 205: In combination with other anti- cancer agentsPhase 1 / ~~2Locally advanced solid tumors2L / 3LinnovaTV 206: (Japan only) Phase 2 Metastatic~~ **2Metastatic** solid tumorsR / RinnovaTV 207: Monotherapy or in combinationPhase ~~2 Platinum- resistant ovarian cancer2LinnovaTV 208: MonotherapyPhase~~ 2 1L: front / first- line 2L: second- line R / R: relapsed or refractory ADJ = adjuvant P = perioperative BCGU = BCG unresponsive * indicates registrational intent * * HR- positive metastatic breast cancer also in combination with fulvestrant1. Clinical collaboration with Bristol- Myers Squibb2. 50: 50 co- development and commercial collaboration with Astellas3. 50: 50 co- development and commercial collaboration with Genmab4. Conducted in collaboration with Alliance for Clinical Trials in Oncology and National Cancer Institute (NCI) The table below lists ~~the~~ **select** clinical trials of our development candidates. Product CandidatesTumor TypeSettingTrial Name / DescriptionDevelopment StatusDisitamab VedotinHER2- expressing metastatic urothelial cancer2L / 3LMonotherapyPhase 2Ladiratuzumab Vedotin1Metastatic triple- negative breast cancer1LIn combination with pembrolizumabPhase 2Metastatic solid tumorsR / RMonotherapyPhase 2Metastatic breast cancerR / RMonotherapyPhase ~~1SEA~~ **1SGN** - **ALPVSolid tumorsR** ~~CD40Pancreatic cancer1LIn combination with other anti- cancer agentsPhase 1Melanoma and non- small cell lung cancer1L~~ / ~~R~~ **RMonotherapyPhase 1SGN- BB228Solid TumorsR** / **RMonotherapyPhase 1SGN** ~~RIn combination with pembrolizumab and other ant-~~ **B6ASolid** ~~cancer agentsPhase 2SEA- TGTSolid tumors~~ **tumorsR** ~~and lymphomaR~~ / ~~RMonotherapy~~ **RMonotherapyPhase 1SGN** ~~or in combination with sasanlimabPhase 1SEA - BCMAMultiple myelomaR~~ **B7H4VSolid tumorsR** / ~~RMonotherapy~~ **RMonotherapyPhase 1SGN** ~~and in combination with other anti - cancer agentsPhase~~ **STNVSolid tumorsR / RMonotherapyPhase 1SGN- PDL1VSolid tumorsR / RMonotherapyPhase** 1SEA- CD70MDS / AMLR / RMonotherapyPhase ~~1SGN~~ **1SEA** - ~~CD228ASolid~~ **TGTSolid** ~~tumorsR -~~ **tumors and lymphomaR** / ~~RMonotherapyPhase -----~~ **RMonotherapy or in combination with sasanlimabPhase** ~~1SGN- B6ASolid tumorsR / RMonotherapyPhase 1SGN- STNVSolid tumorsR / RMonotherapyPhase 1SGN- PDL1VSolid tumorsR / RMonotherapyPhase 1SGN- B7H4VSolid tumorsR / RMonotherapyPhase 1SGN- ALPVSolid tumorsR / RMonotherapyPhase~~ 1L: front / first- line 2L: second- line 3L: third- line R / R: relapsed or refractory 1. 50: 50 co- development and commercial collaboration with Merck Clinical Development **and Regulatory** Status Beyond our current labeled indications, we are evaluating ADCETRIS as monotherapy and in combination with other agents in ongoing trials, including several ~~potential~~ **potentially** registration- enabling trials such as the ~~ECHELON- 3~~ phase 3 **ECHELON- 3 clinical** trial in relapsed or refractory diffuse large B- cell lymphoma. **We expect to report initial data in solid tumors in the first half of 2023.** In addition to our corporate- sponsored trials **,** there are numerous investigator- sponsored trials of ADCETRIS in the United States. The investigator- sponsored trials include the use of ADCETRIS in a number of malignant hematologic indications and in solid tumors. In February 2022, **we** ~~the Company~~ announced that the phase 3 ECHELON- 1 clinical trial demonstrated a statistically significant improvement in **overall survival, or** OS **,** (p = 0. 009) in patients with **previously untreated** advanced Hodgkin lymphoma following treatment with ADCETRIS in combination with chemotherapy. With approximately six years median follow up, patients receiving ADCETRIS plus doxorubicin, vinblastine, and dacarbazine (A AVD) in the frontline setting had a 41 percent reduction in the risk of death (HR 0. 59; [95 % CI: 0. 396 to 0. 879]) compared with patients receiving doxorubicin, bleomycin, vinblastine, and dacarbazine (ABVD). The safety profile of ADCETRIS was consistent with previous studies and no new safety events were observed. In **July 2022, these results were published in the New England Journal of Medicine. In September 2022, based on these data, we submitted a supplemental Biologics License Application, or sBLA, to the FDA for review. The FDA established a Prescription Drug User Fee Act, or PDUFA, target action date of June 29, 2023. Also, in September 2022, based on the overall survival benefit of ADCETRIS in combination with chemotherapy that was demonstrated in the ECHELON- 1 trial, the National Comprehensive Cancer Network ®, or NCCN, Clinical Practice Guidelines in Oncology, or NCCN Guidelines ®, were updated elevating the ADCETRIS combination to Category 1, Preferred treatment option for adults with previously untreated Stage III or IV Hodgkin lymphoma with no known neuropathy. Category 1, Preferred is the highest recommendation by NCCN, indicating that based upon high- level evidence, there is uniform NCCN consensus that the intervention is appropriate. In June 2022, we announced results from a phase 3 clinical trial conducted by the Children' s Oncology Group evaluating ADCETRIS in children and young adults with high- risk, previously untreated classical Hodgkin lymphoma. The trial showed ADCETRIS in combination with standard of care showed a clinically meaningful and statistically significant 59 % reduction in the risk of disease progression or relapse, second malignancy or death and achieved superior event- free survival compared to the current standard of care. ADCETRIS in combination with AVE-**

PC was well tolerated with a manageable safety profile in pediatric patients. Grade 3 adverse events recorded, including febrile neutropenia, were comparable across both arms and consistent with the known dose- intensive chemotherapy regimen. Grade 2 peripheral neuropathy rates were similar across both arms. Based on these data, we submitted an sBLA to the FDA for review. The sBLA was granted Priority Review and in November 2022 the FDA approved the application. The approval resulted in a grant of pediatric exclusivity, which extends the period of U. S. market exclusivity for ADCETRIS by an additional six months. In December 2022, results were presented from two parts of a phase 2 trial (SGN35- 027) evaluating ADCETRIS in combination with the PD- 1 inhibitor nivolumab and standard chemotherapy agents doxorubicin and dacarbazine (AN AD) for the frontline treatment of patients with classical Hodgkin lymphoma. Part B of the trial evaluated patients with advanced- stage disease, and Part C evaluated patients with early- stage disease. Results for Part B demonstrated a complete response, or CR, rate of 88 % and an overall response rate, or ORR, of 93 % as well as an estimated 12- month progression- free survival, or PFS, rate of 95 % (median follow- up 17. 2 months) Results for Part C demonstrated a CR rate of 92 % and an ORR of 95 % in patients and follow up is ongoing and PFS results are not yet available. The data showed that the combination was well- tolerated, with no new safety signals observed. In addition to jurisdictions where PADCEV is currently approved, applications are under review for approval in the previously treated metastatic urothelial cancer setting in other countries. In collaboration with Astellas we are conducting or planning to conduct clinical trials across the spectrum of bladder cancer including ongoing trials in frontline metastatic urothelial cancer and muscle invasive bladder cancer. We are planning to conduct a trial in non- muscle invasive bladder cancer. In addition, we are conducting a trial in a range of other solid tumors. **PADCEV is being investigated in first- line metastatic urothelial cancer and earlier stages of bladder cancer. We and Astellas are conducting a phase 1b / 2 clinical trial, called EV- 103, that is a multi- cohort, open- label trial of PADCEV alone or in combination with other agents. The trial is evaluating safety, tolerability and activity in locally advanced and first- and second- line metastatic urothelial cancer, and was expanded to include muscle invasive bladder cancer, or MIBC.** In ~~September~~ **February** 2020, ~~we announced that~~ **based on the positive initial results of the dose escalation / Cohort A of** the EV- ~~301~~ **103** trial, ~~which compared~~ **the FDA granted Breakthrough Therapy designation for** PADCEV ~~to chemotherapy~~ in ~~adult~~ **combination with Merck' s anti- PD- 1 therapy pembrolizumab for the treatment of** patients with **unresectable** locally advanced or metastatic urothelial cancer who ~~were previously treated with platinum~~ **are unable to receive cisplatin** - based chemotherapy ~~and a PD- 1 / L1 inhibitor, met its primary endpoint of overall survival, or OS, compared to chemotherapy. For patients~~ in the ~~PADCEV arm of~~ **first- line setting. In April 2020, we announced that, based on discussions with** the **FDA, data from the randomized Cohort K in the EV- 103** trial, **along with** ~~rash, fatigue, and decreased neutrophil count were the~~ **other data from the EV** ~~most frequent Grade 3 or greater treatment~~ - **103 trial** ~~related adverse events occurring in more than 5 percent of patients. In July 2021~~ , **could potentially support registration under** the FDA ~~converted PADCEV~~ ' s accelerated approval ~~to regular approval based on data~~ **pathway. The primary endpoint is confirmed ORR. In October 2021, we completed enrollment in Cohort K. In July 2022, we and Astellas announced positive topline results** from the **phase 1b / 2** EV- ~~301~~ **103 clinical** trial **Cohort K evaluating** ~~. In March 2021, the EMA accepted for review a Marketing Authorization Application for~~ PADCEV **in combination with pembrolizumab** ~~based on the EV- 301 trial. In December 2021, the Committee for Medicinal Products for Human Use, or CHMP, of the European Medicines Agency, or EMA, adopted a positive opinion, recommending approval of PADCEV~~ as ~~monotherapy for the~~ **first- line** treatment **in** ~~of adult~~ patients with **unresectable** ~~locally advanced or metastatic urothelial cancer who have previously received platinum- containing chemotherapy and a PD- 1 / L1 inhibitor. The European Commission decision- making process has been paused for additional CHMP questions related to severe skin reactions in a French compassionate access program. European Commission decisions are valid in the European Union Member States, as well as Iceland, Norway and Liechtenstein. In addition, applications are under review for PADCEV approval in Australia, under the FDA' s Project Orbis program, as well as in Singapore, Brazil and other countries. In July 2021, the FDA granted regular approval for a new indication for adult patients with~~ locally advanced or metastatic urothelial cancer who are ineligible ~~for~~ **to receive** cisplatin- ~~containing~~ **based** chemotherapy ~~and have previously received one~~ **. In September 2022, the data were presented at the European Society** ~~or~~ **for** ~~more prior lines~~ **Medical Oncology Congress. In patients treated with PADCEV and pembrolizumab, results demonstrated a 64. 5 % confirmed ORR (95 % CI: 52. 7 to 75. 1) per blinded independent central review, or BICR, the primary endpoint** of ~~therapy~~ **Cohort K, with 10. 5 % of patients experiencing a complete response and 53. 9 % of patients experiencing a partial response. In the trial, 97. 1 % of assessable patients had tumor reduction** . The ~~approval~~ **median duration of response, or DOR, per BICR** was **not reached (95 % CI:** ~~based on data from the second cohort of the EV- 201 trial. PADCEV is also being investigated in first- line metastatic urothelial cancer and earlier stages of bladder cancer. We and Astellas are conducting a phase 1b / 2 clinical trial, called EV- 103~~ - **10** ~~, that is a multi- cohort, open- label trial of PADCEV alone or in combination with other agents~~ . **25 months** ~~The trial is evaluating safety, tolerability and activity in locally advanced and first- and second- line metastatic urothelial cancer, and was expanded~~ to **NR)** ~~include muscle invasive bladder cancer, or MIBC~~ . **All** ~~In February 2020, based on the positive initial results of the dose~~ - **grade treatment** ~~escalation cohort and the expansion Cohort A of the EV- 103 trial~~ **related adverse events** , ~~the FDA granted Breakthrough Therapy designation~~ **or TRAEs, of special interest** for PADCEV in combination with pembrolizumab ~~for the treatment~~ **were skin reactions (67. 1 %), peripheral neuropathy (60. 5 %), ocular disorders (dry eye, blurred vision, and corneal disorders) (26. 3 %), hyperglycemia (14. 5 %), and infusion- related reactions (3. 9 %). Pembrolizumab adverse events** of **special interest were consistent with previously observed safety data from monotherapy with the exception of severe skin reactions. Cohort K also included a monotherapy arm in which** patients **were treated** with ~~unresectable locally advanced~~ **PADCEV alone (n = 73), though this study was not designed to support a formal comparison between the two arms. Results showed a 45. 2 % confirmed ORR (95 % CI: 33. 5 to 57. 3) per RECIST v1. 1 by BICR, with 4. 1 % of patients experiencing a complete response and 41. 1 % of patients**

experiencing a partial response. The median DOR was 13. 2 months (95 % CI: 6. 14 to 15. 97) per RECIST v1. 1 by BICR. All- grade TRAEs of special interest ~~or~~ **for** ~~metastatic urothelial cancer who~~ **PADCEV were peripheral neuropathy (54. 8 %), skin reactions (45. 2 %), ocular disorders (dry eye, blurred vision, and corneal disorders) (28. 8 %), hyperglycemia (11. 0 %), and infusion- related reactions (5. 5 %). TRAEs of any grade that occurred in more than 20 % of patients treated with PADCEV alone or in combination with pembrolizumab were fatigue, peripheral sensory neuropathy, alopecia, rash maculo- papular, pruritus, dysgeusia, weight decreased, diarrhea, decreased appetite, nausea, and dry eye. Overall, the results** are ~~unable to receive cisplatin~~ **generally consistent with previously reported efficacy and safety results of EV** - **103 dose escalation / Cohort A** ~~based chemotherapy in the first- line setting~~ . In ~~April~~ **October** ~~2020~~ **2022** , **an sBLA** ~~we announced that,~~ based on ~~discussions with~~ the ~~FDA,~~ data **was submitted** ~~from the randomized cohort K in the EV- 103 trial, along with other data from the EV- 103 trial, could potentially support registration~~ under the FDA' s ~~accelerated~~ **Accelerated** ~~approval~~ **Approval Program** ~~pathway. The primary outcome measures are objective response rate and duration of response, or DOR~~ . In ~~October~~ **December** ~~2021~~ **2022** , ~~we completed enrollment in cohort K~~ **the sBLA was granted Priority Review with a PDUFA target action date of April 21, 2023** . In addition to the potential accelerated approval pathway based on the EV- 103 trial, we are conducting a global, registrational phase 3 **clinical** trial, called EV- 302, in frontline metastatic urothelial cancer in collaboration with Astellas and Merck. We, Astellas and Merck are jointly funding EV- 302 and the trial is being conducted by us. EV- 302 is an open- label, randomized phase 3 clinical trial evaluating the combination of PADCEV and pembrolizumab versus chemotherapy alone in patients with previously untreated locally advanced or metastatic urothelial cancer. The trial includes metastatic urothelial cancer patients who are either eligible or ineligible for cisplatin- based chemotherapy. The trial has dual primary endpoints of ~~progression free survival, or~~ PFS ~~,~~ and ~~overall survival, or~~ OS ~~,~~ and is intended to support global regulatory submissions and potentially serve as a confirmatory trial if accelerated approval is granted based on EV- 103. In **November 2022, we completed enrollment in the EV- 302 trial. For this trial, we have initiated an extension study in China which continues to enroll. Based on study assumptions we estimate we could report topline data by the end of 2023. In** April 2020, we and Astellas entered into an agreement with Merck to evaluate PADCEV in MIBC. Merck has amended its ongoing phase 3 KEYNOTE- 905 / EV- 303 registrational trial in cisplatin- ineligible patients with MIBC to include an arm evaluating PADCEV in combination with pembrolizumab. In October 2020, we and Astellas entered into an agreement with Merck to evaluate PADCEV in combination with pembrolizumab in a phase 3 **clinical** trial, called KEYNOTE- B15 / EV- 304, to be conducted by Merck in cisplatin- eligible patients with MIBC. This trial was initiated in the first quarter of 2021. In January ~~2021~~ **2022** , we enrolled the first patient in a phase 1 **clinical** trial, called EV- 104, evaluating PADCEV in patients with BCG unresponsive non- muscle invasive bladder cancer. In January 2020, we and Astellas also initiated a phase 2 clinical trial, called EV- 202, to evaluate PADCEV monotherapy in solid tumors that have high- levels of Nectin- 4 expression, including non- small cell lung, head and neck, gastric / esophageal and breast cancers **. Astellas is conducting the trial and has obtained topline results in some cohorts. We and Astellas will be reviewing the results and discussing future direction. We expect to report initial data from the trial in the first half of 2023** . We are conducting a broad clinical development program for TUKYSA including ongoing and planned trials in earlier lines of breast cancer and in other HER2- positive cancers. The positive results of the HER2CLIMB trial served as the basis for approval in the U. S., Canada, the European Union as well as other countries. Merck is co- funding a portion of the TUKYSA global development plan. In December 2021, we presented new data at the San Antonio Breast Cancer Symposium from exploratory analyses from the pivotal HER2CLIMB trial showing that improvement in OS was maintained after an additional 15. 6 months of follow- up when TUKYSA was combined with trastuzumab and capecitabine in patients with HER2- positive metastatic breast cancer who had stable or active brain metastases. After a median follow- up of 29. 6 months, the TUKYSA regimen improved OS for patients with brain metastases by 9. 1 months compared to trastuzumab and capecitabine alone (21. 6 months vs. 12. 5 months) (HR: 0. 60; [95 % CI: 0. 44, 0. 81]). The benefit extended to patients with active or stable brain metastases. In October 2019, we initiated a phase 3 randomized trial, called HER2CLIMB- 02, evaluating TUKYSA versus placebo, each in combination with T- DM1, for patients with unresectable locally advanced or metastatic HER2- positive breast cancer, including those with brain metastases, who have had prior treatment with a taxane and trastuzumab. **In June 2022, we completed enrollment in the HER2CLIMB- 02 trial and expect to report topline data in the first half of 2023. For this trial, we have initiated an extension study in China which continues to enroll.** We are supporting a U. S. cooperative group, the Alliance for Clinical Trials in Oncology, that is conducting a phase 3 randomized trial, called CompassHER2 RD, which is evaluating TUKYSA in combination with T- DM1 in the adjuvant setting for patients with high- risk, HER2- positive breast cancer. We are also conducting a phase 2 **clinical** trial, called HER2CLIMB- 04, evaluating TUKYSA in combination with trastuzumab deruxtecan in previously treated locally- advanced or metastatic HER2- positive breast cancer. We ~~are~~ **have** also ~~initiating~~ **initiated** a phase 3 **clinical** trial, called HER2CLIMB- 05, evaluating TUKYSA compared to placebo in combination with trastuzumab and pertuzumab in the frontline maintenance setting for patients with metastatic HER2- positive breast cancer. We ~~are conducting~~ **have conducted** a **pivotal** phase 2 **clinical** trial, called MOUNTAINEER, evaluating TUKYSA in combination with trastuzumab in patients with HER2- positive, RAS wild- type metastatic colorectal cancer after treatment with first- and second- line standard- of- care therapies. ~~Initial~~ **In July 2022, we presented positive** results from ~~23 patients were presented at~~ the **MOUNTAINEER** ~~ESMO 2019 Congress that demonstrated encouraging antitumor activity. In September 2021, we completed enrollment in the~~ trial **investigating TUKYSA** ~~. We believe the trial could potentially support an application for accelerated approval in the U. S. We are conducting a phase 2 / 3 trial, called MOUNTAINEER- 02,~~ in combination with trastuzumab ~~,~~ ~~ramucirumab and paclitaxel~~ in ~~second~~ **patients with previously treated HER2- positive metastatic colorectal cancer at the European Society for Medical Oncology World Congress on Gastrointestinal Cancer. The combination of TUKYSA and trastuzumab was generally well- tolerated with durable responses in patients assigned to receive the combination demonstrating a 38. 1 % confirmed response rate after a median duration of follow- up of 20. 7 months. In these**

patients, the median DOR was 12. 4 months. The most common (greater than or equal to 20 %) treatment- emergent adverse events, or TEAEs, in patients assigned to receive tucatinib and trastuzumab were diarrhea (Grade 1 or 2: 60. 5 %, Grade 3: 3. 5 %), fatigue (Grade 1 or 2: 41. 9 %, Grade 3: 2. 3 %), nausea (Grade 1 or 2: 34. 9 %) and infusion-related reaction (Grade 1 or 2: 20. 9 %). In January 2023, the FDA granted accelerated approval in combination with trastuzumab for adult patients with RAS wild- type, HER2- positive unresectable or metastatic colorectal cancer that has progressed following treatment with fluoropyrimidine-, oxaliplatin- and irinotecan- based chemotherapy. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials. In addition, we are conducting a phase 3 clinical trial, called MOUNTAINEER- 03, in combination with trastuzumab and mFOLFOX6 in first - line HER2- positive metastatic ~~gastroesophageal~~ **colorectal** cancer **, which is intended to serve as a confirmatory trial and potentially support future global regulatory submissions** . We have also initiated a phase 1b trial evaluating TUKYSA in combination with trastuzumab and oxaliplatin based chemotherapy in first- line HER2- positive unresectable or metastatic colorectal, gastric, esophageal and gallbladder cancers. TIVDAK (tisotumab vedotin- tftv) In collaboration with Genmab, we are developing TIVDAK for metastatic cervical cancer and are evaluating it ~~for~~ **as a potential therapy in** other solid tumors. ~~In~~ **The FDA granted accelerated approval of TIVDAK in** September 2021 ~~, we received FDA accelerated approval of TIVDAK~~ for the treatment of adult patients with recurrent or metastatic cervical cancer with disease progression on or after chemotherapy. Continued approval may be contingent upon verification and description of clinical benefit in confirmatory trials **. In December 2022, the NCCN Guidelines were updated elevating TIVDAK to a Category 2A Preferred Regimen for second- line or subsequent recurrent or metastatic cervical cancer** . In January 2021, we and Genmab initiated a phase 3 clinical trial, called innovaTV 301, to evaluate TIVDAK compared to chemotherapy in patients with recurrent or metastatic cervical cancer who have received one or two prior lines of therapy. innovaTV 301 is intended to support global regulatory applications for potential approvals in regions where innovaTV 204 does not support approval and to serve as a confirmatory trial in the U. S. We are also conducting a phase 2 clinical trial, called innovaTV 205, evaluating TIVDAK as monotherapy and in combination with certain other anti- cancer agents for first- and second- line treatment of patients with recurrent or advanced cervical cancer. In September 2021, interim results were presented at the European Society for Medical Oncology Annual Congress from two cohorts of the phase 1b / 2 innovaTV 205 trial, evaluating TIVDAK as combination therapy for recurrent or metastatic cervical cancer. Both combinations showed encouraging, durable anti- tumor activity and demonstrated a manageable and acceptable safety profile. ~~The~~ **Additionally, in June 2022, we announced interim data from the innovaTV 205 trial, which included data evaluating TIVDAK in** combination with ~~carboplatin~~ **pembrolizumab** in ~~first-line treatment demonstrated~~ **patients with recurrent or metastatic cervical cancer who have not received prior systemic therapy. This combination cohort enrolled 33 patients with recurrent or metastatic cervical cancer who had not received** ~~an~~ **any prior systemic therapy. At the time of data cutoff, the confirmed** objective response rate ~~, or ORR,~~ **among 32 evaluable patients was 41 % with 16 %** of ~~55 percent~~ **patients achieving complete responses** and ~~the~~ **25 % of patients achieving partial responses. Median DOR was not reached with** median **follow** ~~duration of response, or DOR, was 8. 3 months. Grade 3 or greater adverse events, or AEs, occurred in 78. 8 percent of patients with 57. 6 percent of patients experiencing Grade 3 or greater AEs related to treatment with TIVDAK. The combination with pembrolizumab in patients who had received 1 -~~ **up** ~~2 prior systemic therapies achieved an ORR~~ of **18** ~~38 percent and a median DOR of 13~~ . 8 months. **In this cohort, the most common TEAEs were alopecia (61 %), diarrhea (55 %), epistaxis (49 %), conjunctivitis (45 %), and nausea (46 %). We expect to report** ~~Additionally --~~ **additional** ~~, we~~ **data in the second half of 2023. We** are conducting a phase 2 clinical trial, called innovaTV 207, for patients with relapsed, locally advanced or metastatic solid tumors ~~and a~~ **. In February 2022, initial data from the innovaTV 207** phase 2 ~~clinical~~ trial ~~, called innovaTV 208, for~~ **of TIVDAK in solid tumors was presented at the Multidisciplinary Head and Neck Cancers Symposium. The results demonstrated a manageable safety profile and promising preliminary antitumor activity in** patients with ~~platinum- resistant ovarian cancer~~ **squamous cell carcinoma of the head and neck with 16 percent of patients (95 % CI: 5** . ~~In~~ **5 to 33. 7) achieving the primary endpoint of confirmed objective response rate per investigator. We expect to report updated data in the first half of 2023. Disitamab vedotin Effective in** September 2021, we and RemeGen entered into an exclusive license agreement to develop and commercialize disitamab vedotin, a novel HER2- targeted ADC, which has shown anti- tumor activity in several solid tumor types across a spectrum of HER2 levels, including urothelial, gastric and breast cancer, in all countries outside of RemeGen ~~'~~ **'** s territory of Asia, excluding Japan and Singapore. We have a broad clinical development program planned including an ongoing phase 2 **clinical** trial evaluating disitamab vedotin as monotherapy in previously treated HER2- expressing metastatic urothelial cancer **and a phase 3 clinical trial evaluating disitamab vedotin in combination with pembrolizumab in first- line treatment for HER2- expressing metastatic urothelial cancer that is expected to initiate in 2023** . **Ladiratuzumab vedotin** We are developing ladiratuzumab vedotin, or LV, an ADC targeting LIV- 1, which is currently being evaluated in phase 1 and phase 2 clinical trials both as monotherapy and in combination with other agents for patients with metastatic breast cancer and select solid tumors with high LIV- 1 expression **. We expect to report initial data in solid tumors in the second half of 2023** . In September 2020, we and Merck entered into a license and collaboration agreement, or the LV Agreement, under which the companies will jointly develop and share future costs and profits worldwide for LV. Other clinical and early- stage product candidates We are advancing a pipeline of early- stage clinical candidates as well as multiple preclinical and research- stage programs that employ our proprietary technologies. We **advanced several product candidates into clinical development since the beginning of 2021, and we plan to** ~~submitted --~~ **submit** ~~three~~ **additional** Investigational New Drug applications **, or INDs,** to the FDA in ~~2021~~ **2023 . In November 2022, we reported interim phase 1 monotherapy results for SGN- B6A at the Society for Immunotherapy of Cancer' s, or SITC' s, Annual Meeting. In the study, dose escalation cohorts enrolled 79 participants with metastatic or unresectable solid tumors, whose disease had relapsed or was refractory to standard of care therapies and had not previously received an MMAE- containing agent or agent targeting**

integrin beta- 6. Participants had received a median of 3 lines of therapy for metastatic disease prior to enrollment in the study. SGN- B6A demonstrated a manageable and tolerable safety profile at the explored dose levels and schedules. Intermittent dosing schedules (2Q3W, 2Q4W) are being evaluated further. The initial anti- tumor activity observed in heavily pre- treated patients is encouraging and has triggered expansion cohorts in NSCLC, HNSCC, and ESCC, which are currently ongoing. We expect to report durability data in the first half of 2023. We are also developing SGN- B7H4V, an ADC which we are evaluating in a phase 1 clinical trial in certain solid tumors including breast, endometrial and ovarian cancer. We expect to report initial data in the second half of 2023. In September 2022, we entered into an agreement with LAVA Therapeutics N. V., or LAVA, to develop and commercialize LAVA- 1223, also known as SGN- EGFRd2, a preclinical gamma delta bispecific T- cell engager for EGFR- expressing solid tumors. We received an exclusive global license for SGN- EGFRd2 and the opportunity to exclusively negotiate rights to apply LAVA' s proprietary Gammabody ™ platform on up to two additional tumor targets. We paid LAVA a $ 50 million upfront fee in October 2022 and have also agreed to pay LAVA up to approximately $ 650 million in potential development, regulatory and commercial milestones, as well as royalties ranging from the single digits to the mid- teens on future sales of any licensed products. We are targeting filing an IND for SGN- EFGRd2 in 2023. In March 2022, we entered into a collaboration with Sanofi to develop and potentially commercialize multiple novel ADCs. The agreement is an exclusive collaboration that will utilize Sanofi' s proprietary monoclonal antibody technology and our proprietary ADC technology for up to three cancer targets. The initial ADC is targeting CEACAM5, a protein highly expressed in certain tumor types such as colorectal, gastric, pancreatic and lung cancer. We are targeting filing an IND for the initial ADC in 2023. In January 2023, we enrolled the first patient was dosed in a phase 1 trial of SGN- BB228, a CD228x4- 1BB bispecific molecule, in advanced melanoma and other solid tumors . Our Antibody- Drug Conjugate (ADC) Technology ADCETRIS, PADCEV, TIVDAK and many product candidates in our clinical- stage pipeline utilize our ADC technology. ADCs are monoclonal antibodies that are linked to cytotoxic, or cell- killing, agents. Our ADCs utilize monoclonal antibodies that internalize within target cells after binding to a specified cell- surface receptor. Enzymes present inside the cell catalyze the release of the cytotoxic agent from the monoclonal antibody, which then results in the desired activity, specific killing of the target cell. A key component of our ADCs are the linkers that attach the cell- killing agent to the monoclonal antibody. The drug linkers are designed to deliver the cytotoxic agent to tumors by virtue of the monoclonal antibody binding to the intended cell surface receptor on the target cell. The cytotoxic agent is released when the ADC internalizes within the target cell, resulting in cell killing. This targeted delivery of the cell- killing agent is intended to maximize delivery of the cytotoxic agent to targeted cells while minimizing toxicity to normal tissues. Our most advanced ADCs, including ADCETRIS, PADCEV, TIVDAK, disitamab vedotin, and ladiratuzumab vedotin, use our proprietary auristatin- based ADC technology. Auristatins are microtubule disrupting agents. In contrast to natural products that are often more difficult to produce and link to antibodies, the cytotoxic drugs used in our ADCs are synthetically produced and are readily scalable for manufacturing. This technology is also the basis of our ADC collaborations. We own or hold exclusive or partially- exclusive licenses to multiple issued patents and patent applications covering our ADC technology. We continue to evaluate new linkers, antibody formats and cell- killing agents for use in our ADC programs. Our Sugar- Engineered Antibody (SEA) Technology Our proprietary SEA technology is a method to selectively reduce fucose incorporation in monoclonal antibodies as they are produced in cell line- based manufacturing. Our preclinical data show that this results in increased binding to innate immune effector cells and enhanced potency in antibody dependent cellular cytotoxicity, or ADCC, in tumor cells. We believe this enhancement in ADCC activity may provide improved anti- tumor activity. Our SEA technology is a novel approach to modify the activity of monoclonal antibodies that is complementary to our ADC technology. A key feature of our SEA technology is that no genetic modification of the antibody- producing cell line is necessary and standard cell culture conditions can be used while maintaining the underlying manufacturing processes, yields and product quality. We believe the SEA approach may be simpler and more cost-effective to implement as compared to existing technologies for enhancing antibody effector function, most of which require development of new cell lines. We have ~~several~~ product candidates that are being evaluated in phase 1 clinical trials that utilize our SEA technology including SEA- ~~CD40, SEA-~~ TGT ~~, SEA- BCMA~~ and SEA- CD70. These agents are targeted at a variety of cancer types. Other Technologies In addition, we utilize other technologies designed to maximize antitumor activity and reduce toxicity of antibody- based therapies. Genetic engineering enables us to produce antibodies that are optimized for their intended uses. For ADCs, we screen and select antibodies that bind to antigens that are differentially expressed on tumor cells versus vital normal tissues, rapidly internalized within target cells and have potent anti- tumor activity in preclinical models. For our SEA technology we produce antibodies that demonstrate potent anti- tumor activities by virtue of ADCC, or through additional immune stimulatory mechanisms that are triggered by the enhanced binding potency to innate immune cells. Our ADCs utilize native or engineered conjugation sites to optimize drug attachment. In some cases, we evaluate the use of our monoclonal antibodies and ADCs in combination with conventional chemotherapy and other anticancer agents, which may result in increased antitumor activity. Research Programs In addition to our pipeline of current product candidates and technologies, we have internal research programs directed toward developing new classes of potent anti- tumor and immune stimulatory agents and new ADC linkers, the identification of novel drug targets and monoclonal antibodies, and advancing our antibody engineering initiatives. New Tumor Cell- Killing Agents. We continue to identify and study new agents with anti-tumor mechanisms of action that will provide pipeline diversity and complement the auristatins that we currently use in our ADC technology. We also seek to develop new drugs that are designed to activate the host immune system by targeting key immune stimulatory pathways that can mediate innate or adaptive anti- tumor immune responses. New Drug Linkers. We are conducting research with the intent to develop new ADC linkers that are designed to provide the appropriate stability in the bloodstream and drug release characteristics to effectively target cancer cells and improved cancer cell selectivity and tolerability. Novel Monoclonal Antibodies and Antigen Targets. We are actively engaged in internal efforts to identify and

develop monoclonal antibodies, and other therapeutic molecules, to target tumor antigens and important tumor or immune pathways. For ADCs, we focus on drug targets that are highly expressed on the surface of cancer cells that have the appropriate expression, distribution and internalization properties that make them desirable as monoclonal antibody or ADC targets. We may then create and screen panels of cancer- reactive monoclonal antibodies in our laboratories to identify those with the desired specificity and optimized drug delivery properties. Additionally, we identify targets that play key roles in anti- tumor innate or adaptive immune responses and identify antibodies and other therapeutic molecules to stimulate an anti- tumor immune response. We supplement these internal efforts by evaluating opportunities to in- license targets and antibodies from academic groups and other biotechnology and pharmaceutical companies, such as our ongoing collaborations with Astellas and Genmab. Antibody Engineering. We have substantial internal expertise in antibody engineering including humanization, binding affinity optimization, enhancement of immunological function by blocking fucosylation, as well as engineering antibodies to improve drug linkage sites for use with our ADC technology. By modifying the number and type of drug- linkage sites found on our antibodies, we believe that we can improve ADC drug properties and the cost- effectiveness of our manufacturing processes for conjugation of ADCs. Corporate Collaborations We enter into collaborations with pharmaceutical and biotechnology companies to advance the development and commercialization of our product candidates and to supplement our internal pipeline. We seek collaborations that will allow us to retain significant future participation in product sales through either profit- sharing or royalties paid on net sales. We also have licensed our technologies to collaborators to be developed with their own antibodies. These collaborations benefit us in many ways, including generating cash flow and revenues that partially offset expenditures on our internal research and development programs, expanding our knowledge base regarding ADCs across multiple targets and antibodies provided by our collaborators and providing us with future pipeline opportunities through co- development or opt- in rights to new product candidates. Takeda ADCETRIS Collaboration We have an agreement with Takeda for the global co- development of ADCETRIS and the commercialization of ADCETRIS by Takeda in its territory. We have commercial rights for ADCETRIS in the U. S. and its territories and in Canada. Takeda has commercial rights in the rest of the world. Under the collaboration, we and Takeda can each conduct development activities and equally co- fund the cost of certain mutually agreed development activities. ~~Costs associated with co- development activities are included in research and development expense.~~ As of December 31, ~~2021~~ **2022** , we had achieved milestone payments totaling $ 157. 5 million related to regulatory and commercial progress by Takeda. As of December 31, ~~2021~~ **2022** , total future potential ~~development and regulatory~~ milestone payments to us under this collaboration could total **up to** $ 77. 0 million **, based on achievement of development and regulatory milestones** . In addition, we recognize royalty revenues ~~, where royalties are~~ based on a percentage of Takeda' s net sales of ADCETRIS in its licensed territories, with percentages ranging from the mid- teens to the mid- twenties based on annual net sales tiers ~~, and sales- based milestones. Takeda bears a portion of third- party royalty costs owed on its sales of ADCETRIS, which is included in royalty revenues~~ . Either party may terminate the collaboration agreement if the other party materially breaches the agreement and such breach remains uncured. Takeda may terminate the collaboration agreement for any reason upon prior written notice to us and we may terminate the collaboration agreement in certain circumstances. The collaboration agreement can also be terminated by mutual written consent of the parties. If neither party terminates the collaboration agreement, then the agreement automatically terminates on the expiration of all payment obligations. Astellas PADCEV Collaboration We have a collaboration agreement with Agensys, Inc., which subsequently became an affiliate of Astellas, to jointly research, develop and commercialize ADCs for the treatment of several types of cancer. The collaboration encompasses combinations of our ADC technology with fully- human antibodies developed by Astellas to proprietary cancer targets. Under this collaboration, we and Astellas are equally co- funding all development costs for PADCEV. In 2018, we and Astellas entered into a joint commercialization agreement to govern the global commercialization of PADCEV: • In the U. S., we and Astellas jointly promote PADCEV. We record sales of PADCEV in the U. S. and are responsible for all U. S. distribution activities. The companies each bear the costs of their own sales organizations in the U. S., equally share certain other costs associated with commercializing PADCEV in the U. S., and equally share in any profits realized in the U. S. • Outside the U. S., we have commercialization rights in all countries in North and South America, and Astellas has commercialization rights in the rest of the world, including Europe, Asia, Australia and Africa. The agreement is intended to provide that we and Astellas will effectively equally share in costs incurred and any profits realized in all of these markets. Cost and profit sharing in Canada, the United Kingdom, Germany, France, Spain and Italy **are** ~~will be~~ based on product sales and costs of commercialization. In the remaining markets, the commercializing party ~~will bear~~ **is responsible for bearing** costs and **paying** ~~will pay~~ the other party a royalty rate applied to net sales of the product based on a rate intended to approximate an equal profit share for both parties. Astellas or its affiliates are responsible for overseeing the **initial** manufacturing supply chain for PADCEV for development and commercial use. However, we are responsible for packaging and labeling in countries in which we sell PADCEV. In addition, ~~if~~ **we are in** the ~~parties determine that~~ **process of establishing** a second source **manufacturing supply chain, through a combination of internal manufacturing capacity and third parties. In this regard, our manufacturing facility in Bothell, Washington** is **used to support commercial production of PADCEV antibody** ~~required, we will be responsible for establishing such second source, whether internally or through a third party~~ . Either party may terminate the collaboration agreement if the other party becomes insolvent or the other party materially breaches the agreement and such breach remains uncured. Subject to certain restrictions, either party may terminate the collaboration agreement for any reason upon prior written notice to the other party. The collaboration agreement can also be terminated by mutual written consent of the parties. If neither party exercises its option to terminate the collaboration agreement, then the agreement will automatically terminate on the later of the expiration of all payment obligations pursuant to the collaboration agreement, or the day upon which we and Astellas cease to develop and commercialize products under the agreement. Either party may terminate the joint commercialization agreement if the other party becomes insolvent. The joint commercialization agreement expires on a country- by- country basis upon complete cessation of the commercialization, launch and selling of PADCEV in that country. Either party may also opt out of co-

development and profit- sharing under the collaboration agreement in return for receiving milestones and royalties from the continuing party. In addition, either party may opt out of co- development and profit- sharing for PADCEV on a country- by- country basis, in return for receiving royalties pursuant to the collaboration agreement from the continuing party with respect to that country. Merck TUKYSA Collaboration In September 2020, we entered into the TUKYSA Agreement with Merck. Under the TUKYSA Agreement, we granted Merck exclusive rights to commercialize TUKYSA in Asia, the Middle East and Latin America and other regions outside of the U. S., Canada and Europe. Merck is responsible for marketing applications for approval in its territory, supported by the positive results from the HER2CLIMB clinical trial. We retained commercial rights in, and will record sales in, the U. S., Canada and Europe. Merck also agreed to co- fund a portion of the TUKYSA global development plan, which encompasses several ongoing and planned trials across HER2- positive cancers. We will continue to lead ongoing TUKYSA global development operational execution. Merck will solely fund and conduct country- specific clinical trials necessary to support anticipated regulatory applications in its territories. Under the TUKYSA Agreement, we are responsible for supplying Merck with TUKYSA for the purpose of clinical development and commercialization. We received an upfront cash payment from Merck of $ 125. 0 million and also received $ 85. 0 million in prepaid research and development funding to be applied to Merck' s global development cost sharing obligations. We are eligible to receive progress- dependent milestone payments of up to $ 65. 0 million, and are entitled to receive tiered royalties on sales of TUKYSA by Merck that begin in the low twenty percent range and escalate based **on** sales volume by Merck in its territory. We owe Array Biopharma Inc., or Array, an affiliate of Pfizer, a portion of any non- royalty payments received from sublicensing TUKYSA rights, as well as a low double- digit royalty based on net sales of TUKYSA by us, and will owe a single- digit royalty based on net sales of TUKYSA by Merck in its territories. Genmab TIVDAK ~~Collaboration~~ **Collaborations** We have a collaboration agreement with Genmab to develop and commercialize ADCs targeting tissue factor, under which we previously exercised a co- development option for TIVDAK. Under this collaboration, we and Genmab are co- funding all development costs for TIVDAK. In October 2020, we and Genmab entered into a joint commercialization agreement to govern the global commercialization of TIVDAK: • In the U. S., we and Genmab co- promote TIVDAK. We record sales of TIVDAK in the U. S. and are responsible for leading U. S. distribution activities. The companies ~~will~~ **are** each **responsible for** ~~maintain~~ **maintaining** 50 % of the sales representatives and medical science liaisons, equally share those and certain other costs associated with commercializing TIVDAK in the U. S., and equally share in any profits realized in the U. S. • Outside the U. S., we have commercialization rights in the rest of the world except for Japan, where Genmab has commercialization rights **, and certain territories where Zai Lab has commercialization rights, as further described below** . In Europe, China, and Japan, we and Genmab will equally share 50 % of the costs associated with commercializing TIVDAK as well as any profits realized in these markets. In markets outside the U. S. other than Europe, China, and Japan, aside from certain costs specified in the agreement, we will be solely responsible for all costs associated with commercializing TIVDAK, and will pay Genmab a royalty based on a percentage of aggregate net sales ranging from the mid- teens to mid- twenties. Under the joint commercialization agreement, we are responsible for overseeing the clinical and commercial manufacturing of TIVDAK. Either party may terminate the collaboration agreement or the joint commercialization agreement if the other party becomes insolvent or materially breaches the applicable agreement and such breach remains uncured. In addition, either party may terminate the collaboration agreement if such party ~~'~~ **'** s patent rights subject to the agreement are challenged by the other party or its sublicensees. Either party may also opt out of co- development and profit- sharing under the collaboration agreement in return for receiving milestones and royalties from the continuing party. The opt out provisions of the collaboration agreement may also be applied to the joint commercialization agreement. In addition, Genmab may elect to opt out of co- promotion of TIVDAK in the United States by providing us with prior written notice. **In September 2022, we announced an exclusive collaboration and license agreement with Zai Lab for the development and commercialization of TIVDAK in mainland China, Hong Kong, Macau, and Taiwan. Under the terms of the agreement, we received an upfront payment of $ 30. 0 million in October 2022 which was recorded in collaboration revenue for the year ended December 31, 2022, and are entitled to receive potential future development, regulatory, and commercial milestone payments, and tiered royalties on net sales of TIVDAK in the Zai Lab territory. Based on our existing collaboration with Genmab, the upfront payment, milestone payments, and royalties will be shared on a 50: 50 basis with Genmab.** RemeGen Disitamab Vedotin License Agreement ~~In~~ **Effective in** September 2021, we and RemeGen entered into an exclusive worldwide licensing agreement to develop and commercialize disitamab vedotin, a novel HER2- targeted ADC. Under the terms of the agreement, we made a $ 200. 0 million upfront payment to obtain exclusive license rights to disitamab vedotin for global development and commercialization, outside of RemeGen ~~'~~ **'** s territory. RemeGen retains development and commercialization rights for Asia, excluding Japan and Singapore. We will lead global development and RemeGen will fund and operationalize the portion of global clinical trials attributable to its territory. RemeGen will also be responsible for all clinical development and regulatory submissions specific to its territory. We will pay RemeGen up to $ 195. 0 million in potential milestone payments across multiple indications and products based upon the achievement of specified development goals, and up to $ 2. 2 billion in potential milestone payments based on the achievement of specified regulatory and commercialization goals. RemeGen will be entitled to a tiered, high single digit to mid- teen percentage royalty based on net sales of disitamab vedotin in our territory. The agreement will remain in effect, unless earlier terminated, until the expiration, on a country- by- country and product- by- product basis, of the applicable royalty term, at which point the license for such product shall become fully paid- up, royalty- free, perpetual, irrevocable and non- exclusive in such country. The agreement also contains customary provisions for termination including by us for convenience, by either party in the event of breach of the agreement, subject to cure, upon a challenge of a party ~~'~~ **'** s licensed patents or upon the other party ~~'~~ **'** s bankruptcy. RemeGen has standard reversion rights in connection with certain early termination events. Merck LV Collaboration In September 2020, we entered into the LV Agreement with **a subsidiary of** Merck. Under the terms of the LV Agreement, we granted Merck a co- exclusive worldwide development and commercialization license for LV and agreed to jointly develop and commercialize LV

on a worldwide basis. We received an upfront cash payment of $ 600. 0 million, and we are eligible to receive up to $ 850. 0 million in milestone payments upon the initiation of certain clinical trials and regulatory approval in certain major markets, and up to an additional $ 1. 8 billion in milestone payments upon the achievement of specified annual global net sales thresholds. Each company is responsible for 50 % of global costs to develop and commercialize LV and will receive 50 % of potential future profits. We will lead regulatory and distribution activities, and will record sales, in the United States and Canada. Merck will lead regulatory activities in Europe, and we will lead distribution activities and record sales in Europe. We and Merck will co- commercialize LV in the United States and Europe. Merck will lead regulatory, promotion and distribution activities, and will record sales, in countries outside of the United States, Canada and Europe. The LV Agreement will remain in effect, unless earlier terminated, until LV is no longer being developed or commercialized under the LV Agreement. The LV Agreement also contains customary provisions for termination by Merck for convenience, and by either party, including in the event of breach of the LV Agreement, subject to cure, or upon a challenge of such party ~~'s~~ licensed patents or upon the other party ~~'s~~ bankruptcy, subject, in each case, to customary reversion rights. In connection with the LV Agreement, we entered into a stock purchase agreement with Merck in September 2020, referred to as the Purchase Agreement, pursuant to which we agreed to issue and sell, and Merck agreed to purchase 5, 000, 000 newly- issued shares of our common stock, at a purchase price of $ 200 per share, for an aggregate purchase price of $ 1. 0 billion. We closed the transactions contemplated by the Purchase Agreement in October 2020. ADC License Agreements We have license agreements for our ADC technology with a number of biotechnology and pharmaceutical companies. Under these agreements, which we have entered into in the ordinary course of business, we have granted research and commercial licenses to use our technology, most often in conjunction with the licensee' s technology. In certain agreements, we also have agreed to conduct limited development activities and to provide other materials, supplies, and services to our licensees during a specified term of the agreement. We typically receive upfront cash payments and progress- and sales- dependent milestones for the achievement by our licensees of certain events, and annual maintenance fees and support fees for research and development services and materials provided under the agreements. We also are entitled to receive royalties on net sales of any resulting products incorporating our ADC technology. Our licensees are solely responsible for research, product development, manufacturing and commercialization of any product candidates under these agreements, which includes the achievement of the potential milestones. In 2019, Genentech received accelerated approval from the FDA for ~~PolivyTM~~ **Polivy ™** (polatuzumab vedotin- piic), an ADC that uses our technology, to treat patients with relapsed or refractory diffuse large B- cell lymphoma. In August 2020, ~~GlaxoSmithKline~~ **GSK** plc, or GSK, received accelerated approval from the FDA and conditional marketing authorization from the EC for Blenrep ™ (belantamab mafodotin- blmf), an ADC developed by GSK that uses our technology, for treatment of patients with relapsed or refractory multiple myeloma who have received at least four prior therapies including an anti- CD38 monoclonal antibody, a proteasome inhibitor and an immunomodulatory agent. Under our ADC license agreements with Genentech and **an affiliate of** GSK, these events triggered milestone payments to us and we are also entitled **to** receive royalties on net sales of Polivy and Blenrep worldwide **. In November 2022, GSK announced that it had initiated the process for withdrawal of U. S. marketing authorization for Blenrep following a request by the FDA** . The product candidates being developed under our other ADC license agreements are at various stages of clinical and preclinical development. Our ability to generate meaningful future revenues from our other ADC license agreements will largely depend on products that incorporate our technologies entering late- stage clinical development, and receiving marketing approval from the FDA and subsequently being commercialized, if any. In- license Agreements We have in- licensed antibodies, targets and enabling technologies from pharmaceutical and biotechnology companies and academic institutions for use in our pipeline programs and ADC technology, including the following: • ~~Bristol- Myers Squibb License. In 1998, we obtained rights to some of our technologies and product candidates, portions of which are exclusive, through a license agreement with BMS. Through this license, we secured rights to use various targeting technologies. Under the terms of the license agreement, we were required to pay royalties in the low single digits on net sales of products, including ADCETRIS, which incorporate various technologies owned by BMS. Our obligation to pay royalties on ADCETRIS under the agreement expired in August 2021. • University of Miami License. In 1999, we entered into an exclusive license agreement with the University of Miami, Florida, covering an anti- CD30 monoclonal antibody that is the basis for the antibody component of ADCETRIS. Under the terms of this license, we made an upfront payment and progress- dependent milestone payments. We are required to pay annual maintenance fees and royalties in the low single digits on net sales of ADCETRIS. The term of the license agreement expired in August 2021, upon which we have in perpetuity a fully paid- up, royalty- free, nonexclusive, sublicensable license. •~~ Array BioPharma, Inc. We are a party to a license agreement with Array, which was acquired by Pfizer in July 2019. Pursuant to the license agreement, Array has granted us an exclusive license to develop, manufacture and commercialize TUKYSA. We will pay Array a portion of any non- royalty payments received from sublicensing TUKYSA rights, including non- royalty payments received from Merck pursuant to the TUKYSA Agreement. Array is also entitled to receive a low double- digit royalty based on net sales of TUKYSA by us and a single- digit royalty based on any net sales of TUKYSA by our sublicensees, including Merck. The term of the license agreement expires on a country- by- country basis upon the later of the expiration of the last valid claim covering TUKYSA within that country or 10 years after the first commercial sale of TUKYSA within that country. We and Array each have the right to terminate the license agreement prior to its expiration for insolvency or material breach, subject to cure and dispute resolution provisions. • Other Licenses. Under the terms of in- license agreements related to our pipeline programs, we would potentially owe development, regulatory, and sales- based milestones, and royalties on net sales of certain approved products. Patents and Proprietary Technology Our owned and licensed patents and patent applications are directed to ADCETRIS, PADCEV, TUKYSA, TIVDAK, our product candidates, monoclonal antibodies, our ADC and SEA technologies and other antibody- based and / or enabling technologies. We commonly seek patent claims directed to compositions of matter, including antibodies, ADCs, and drug- linkers containing highly potent cell- killing agents, as well as methods of using such compositions. When appropriate, we

also seek claims to related technologies, such as methods of using certain sugar analogs utilized in our SEA technology. For each of our products and product candidates, we have filed or expect to file multiple patent applications. We maintain patents and prosecute applications worldwide for technologies that we have out- licensed, such as our ADC technology. Similarly, for partnered products and product candidates, such as ADCETRIS, PADCEV, TUKYSA, TIVDAK, disitamab vedotin and LV, we seek to work closely with our development partners to coordinate patent efforts, including patent application filings, prosecution, term extension, defense and enforcement. As our products and product candidates advance through research and development, we seek to diligently identify and protect new inventions, such as combination therapies, improvements to methods of manufacturing, and methods of treatment. We also work closely with our scientific personnel to identify and protect new inventions that could eventually add to our development pipeline. We own or have rights to the following patents relating to our products and our pipeline (in addition to certain patents covering our early- stage product candidates): • For ADCETRIS and our related ADC technology, we own ~~twelve~~ **thirteen** patents in the United States and Europe that will expire between ~~2022~~ **2023** and 2031. • For PADCEV and our related ADC technology, we own, co- own or have licensed rights to fourteen patents in the United States and Europe that will expire between ~~2022~~ **2023** and 2031. Of these patents, we own or co- own twelve patents and have licensed rights to two patents. • For TUKYSA, we **own or** have licensed rights to ~~nine~~ **eleven** patents in the United States and Europe that will expire between 2024 and ~~2033~~ **2038 . Of these patents, we own one patent and have licensed rights to ten patents** . • For TIVDAK and our related ADC technology, we own or have licensed rights to ~~eleven~~ **ten** patents in the United States and Europe that will expire between ~~2022~~ **2023** and 2036. Of these patents, we own ~~five~~ **four** patents and have licensed rights to six patents. • For disitamab vedotin and our related ADC technology, we own or have licensed rights to ~~eight~~ **seven** patents in the United States and Europe that will expire between ~~2022~~ **2023** and 2034. Of these patents, we own ~~five~~ **four** patents and have licensed rights to three patents. • For LV and our related ADC technology, we own or have licensed rights to ~~nine~~ **eight** patents in the United States and Europe that will expire between ~~2022~~ **2023** and 2032. Of these patents, we own ~~eight~~ **seven** patents and have licensed rights to one patent. The actual protection afforded by a patent, which can vary from country to country, depends on the type of patent, the scope of its coverage as determined by the patent office or courts in the country, and the availability of legal remedies in the country. The list above does not identify all patents that may be related to our products and product candidates. For example, in addition to the listed patents, we have patents on platform technologies (that relate to certain general classes of products or methods), as well as patents that relate to methods of using, manufacturing or administering a product or product candidate, that may confer additional patent protection. We also have pending patent applications that may give rise to new patents related to one or more of these agents. The information in the above list is based on our current assessment of patents that we own, co- own or control or have licensed. The information is subject to revision, for example, in the event of changes in the law or legal rulings affecting our patents or if we become aware of new information. Significant legal issues remain unresolved as to the extent and scope of available patent protection for biotechnology products and processes in the U. S. and other important markets outside the U. S. We expect that litigation will likely be necessary to determine the term, validity, enforceability, and / or scope of certain of our patents and other proprietary rights. An adverse decision or ruling with respect to one or more of our patents could result in the loss of patent protection for a product and, in turn, the introduction of competitor products or follow- on biologics to the market earlier than anticipated, and could force us to either obtain third- party licenses at a material cost or cease using a technology or commercializing a product. Patents expire, on a country by country basis, at various times depending on various factors, including the filing date of the corresponding patent application (s), the availability of patent term extension and supplemental protection certificates and requirements for terminal disclaimers. Although we believe our owned and licensed patents and patent applications provide us with a competitive advantage, the patent positions of biotechnology and pharmaceutical companies can be uncertain and involve complex legal and factual questions. We and our corporate collaborators may not be able to develop patentable products or processes or obtain patents from pending patent applications. Even if patent claims are allowed, the claims may not issue. In the event of issuance, the patents may not be sufficient to protect the proprietary technology owned by or licensed to us or our corporate collaborators. Our or our collaborators ~~'~~ **'** current patents, or patents that issue on pending applications, may be challenged, invalidated, infringed or circumvented. In addition, changes to patent laws in the United States or in other countries may limit our ability to defend or enforce our patents, or may apply retroactively to affect the term and / or scope of our patents. Our patents have been and may in the future be challenged by third parties in post- issuance administrative proceedings or in litigation as invalid, not infringed or unenforceable under U. S. or foreign laws, or they may be infringed by third parties. As a result, we are or may be from time to time involved in the defense and enforcement of our patent or other intellectual property rights in a court of law and administrative tribunals, such as in U. S. Patent and Trademark Office inter partes review or reexamination proceedings, foreign opposition proceedings or related legal and administrative proceedings in the United States and elsewhere. The costs of defending our patents or enforcing our proprietary rights in post- issuance administrative proceedings or litigation may be substantial and the outcome can be uncertain. An adverse outcome may allow third parties to use our proprietary technologies without a license from us or our collaborators. Our and our collaborators ~~'~~ **'** patents may also be circumvented, which may allow third parties to use similar technologies without a license from us or our collaborators. Our commercial success depends significantly on our ability to operate without infringing patents and proprietary rights of third parties. Organizations such as pharmaceutical and biotechnology companies, universities and research institutions may have filed patent applications or may have been granted patents that cover technologies similar to the technologies owned or licensed to us or to our collaborators. In addition, we are monitoring the progress of multiple pending patent applications of other organizations that, if granted, may require us to license or challenge their validity or enforceability in order to continue commercializing our products or to commercialize our product candidates. Our challenges to patents of other organizations may not be successful, which may affect our ability to commercialize our products and product candidates. We cannot determine with certainty whether patents or patent applications of other parties may materially affect our or our collaborators ~~'~~ **'** ability to make, use or sell our products and

product candidates. We require our scientific personnel to maintain laboratory notebooks and other research records in accordance with our policies, which are designed to strengthen and support our intellectual property protection. In addition to our patented intellectual property, we also rely on trade secrets and other proprietary information, especially when we do not believe that patent protection is appropriate or can be obtained. Our policy is to require each of our employees, consultants and advisors to execute a proprietary information and inventions assignment agreement before beginning their employment, consulting or advisory relationship with us. These agreements provide that the individual must keep confidential and not disclose to other parties any confidential information developed or learned by the individual during the course of their relationship with us except in limited circumstances. These agreements also provide that we will own all inventions conceived or reduced to practice by the individual in the course of rendering services to us. Our policy and agreements and those of our collaborators may not sufficiently protect our confidential information, or third parties may independently develop equivalent information. Government Regulation The FDA and comparable regulatory agencies in state and local jurisdictions and in foreign countries impose substantial requirements upon the clinical development, pre- market approval, manufacture, marketing and distribution of biopharmaceutical products. These agencies and other regulatory agencies regulate research and development activities and the testing, approval, manufacture, quality control, safety, efficacy, labeling, storage, distribution, import, export, recordkeeping, pricing, advertising and promotion of products and product candidates. Failure to comply with applicable FDA or other requirements may result in Warning Letters, civil or criminal penalties, suspension or delays in clinical development, recall or seizure of products, partial or total suspension of production or withdrawal of a product from the market. The development and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all. We must obtain approval of our product candidates from the FDA before we can begin marketing them in the United States. Similar approvals are also required in other countries. Product development and approval within this regulatory framework is uncertain, can take many years and requires the expenditure of substantial resources. The necessary steps before a new biopharmaceutical product may be sold in the United States ordinarily include: • preclinical in vitro and in vivo tests, some of which must comply with Good Laboratory Practices, or GLP; • submission to the FDA of an IND which must become effective before clinical trials may commence, and which must be updated periodically as new information is obtained and at least annually with a report on development; • development of a drug formulation and manufacture of the drug for clinical trials, and commercial sale, if approved; • completion of adequate and well controlled human clinical trials to establish the safety and efficacy of the product candidate for its intended use; • submission to the FDA of a Biologics License Application, or BLA, or a New Drug Application, or NDA, which must be accompanied by a substantial user fee unless the fee is waived; • FDA pre- approval inspection of manufacturing facilities for current Good Manufacturing Practices, or GMP, compliance and FDA inspection of select clinical trial sites and / or trial sponsors for Good Clinical Practice, or GCP, compliance; and • FDA review and approval of the BLA or NDA, which includes the product prescribing information, prior to any commercial sale. Clinical Trials Regulation in the U. S. The results of preclinical tests (which include laboratory evaluation as well as preclinical GLP studies to evaluate toxicity) for a particular product candidate, together with related manufacturing information and analytical data, and a clinical protocol are submitted as part of an IND to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30 day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. New clinical trial protocols can be submitted to the existing IND during product development. Further, an independent institutional review board, or IRB, for each medical center proposing to conduct the clinical trial must review and approve the plan for any clinical trial before it commences at that center and it must monitor the study until completed. The FDA, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive GCP regulations and regulations for informed consent and privacy of individually- identifiable information. Clinical trials generally are conducted in three sequential phases that may overlap or in some instances, be skipped. In phase 1, the initial introduction of the product into humans, the product candidate is tested to assess safety, metabolism, pharmacokinetics and pharmacological actions associated with increasing doses. Phase 2 usually involves trials in a limited patient population to evaluate the efficacy of the potential product for specific, targeted indications, determine dosage tolerance and optimum dosage and further identify possible adverse reactions and safety risks. Phase 3 and pivotal trials are undertaken to evaluate further clinical efficacy and safety often in comparison to standard therapies within a broader patient population, generally at geographically dispersed clinical sites. Phase 4, or post- marketing, trials may be required as a condition of commercial approval by the FDA and may also be voluntarily initiated by us or our collaborators. ~~Phase 1, phase 2 or phase 3 testing~~ **Testing** may not be completed successfully within any specific period of time, if at all, with respect to any of our product candidates. Similarly, suggestions of safety, tolerability or efficacy in earlier stage trials do not necessarily predict findings of safety and efficacy in subsequent trials. Furthermore, the FDA, an IRB **,** or we may suspend a clinical trial at any time for various reasons, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical trials are subject to central registration and results reporting requirements, such as on www. clinicaltrials. gov. Approval Process in the U. S. The results of preclinical studies, pharmaceutical development and clinical trials, together with information on a product ~~'~~ **'** s chemistry, manufacturing, and controls, are submitted to the FDA, in the form of a BLA or NDA, for approval of the manufacture, marketing and commercial shipment of the pharmaceutical product. Data from clinical trials are not always conclusive and the FDA and other regulatory agencies may interpret data differently than we or our collaborators interpret data. The FDA may also convene an Advisory Committee of external advisors to answer questions regarding the approvability and labeling of an application. The FDA is not obligated to follow the Advisory Committee ~~'~~ **'** s recommendation. The submission of a BLA or NDA is required to be accompanied by a substantial user fee, with few exceptions or waivers. The user fee is administered under the ~~Prescription Drug~~

~~User Fee Act, or~~ PDUFA, which sets goals for the timeliness of the FDA ~~'~~ **'** s review. A standard review period is twelve months from submission of an original application, while priority review is eight months from submission of an original application. The testing and approval process is likely to require substantial time, effort and resources, and there can be no assurance that any approval will be granted on a timely basis, if at all. The FDA may deny review of an application by refusing to file the application ~~or ,~~ not approve an application by **issuing** ~~issuance of~~ a complete response letter ~~if applicable regulatory criteria are not satisfied~~ . **or** require additional testing or information ~~,~~ **. Any approval that a product does receive may be more restricted than anticipated.** ~~or~~ **For** ~~require~~ **example, regulatory authorities may approve a product for fewer indications or narrower indications than requested. Further, regulatory agencies may impose** post- market testing **,** ~~and surveillance to monitor the~~ safety **monitoring, educational requirements** or ~~efficacy of the product. Approval may occur with significant Risk~~ **risk** ~~Evaluation~~ **evaluation** and ~~Mitigation~~ **mitigation** ~~Strategies~~ **strategies** ~~, or REMS, that limit the clinical use in the prescribing information, distribution or promotion of a product~~ . Drug or biologic products studied for their safety and effectiveness in treating serious or life- threatening diseases or conditions may receive accelerated approval from the FDA upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well- controlled post- marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA requires, as a condition for accelerated approval, pre- approval of promotional materials. Once an approval is issued, the FDA may require safety- related labeling changes or withdraw product approval if ongoing regulatory requirements are not met or if safety problems occur after the product reaches the market. In addition, the FDA may require further testing of an approved product, including phase 4 clinical trials, and surveillance programs to monitor the safety of the approved product, and the FDA has the power to prevent or limit further marketing of the approved product based on the results of these post- marketing programs or other information. Post- Approval Regulations in the U. S. Products manufactured or distributed pursuant to FDA approvals are subject to continuing regulation by the FDA, including manufacture, labeling, distribution, advertising, promotion, recordkeeping, annual product quality review and reporting requirements. Adverse event experience with the product must be reported to the FDA in a timely fashion, and pharmacovigilance programs to proactively look for these adverse events are mandated by the FDA. Manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including current Good Manufacturing Practices, or cGMP, which impose certain procedural and documentation requirements upon us and our third- party manufacturers. Following such inspections, the FDA may issue notices on Form FDA 483 and Warning Letters that could cause us to modify certain activities. A Form FDA 483 notice, if issued at the conclusion of an FDA inspection, can list conditions the FDA investigators believe may have violated cGMP or other FDA regulations or guidance. Failure to adequately and promptly correct the ~~observations~~ - **observation** (s) can result in further regulatory enforcement action. In addition to Form FDA 483 notices and Warning Letters, failure to comply with the statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as suspension of manufacturing, seizure of product, injunctive action or possible civil penalties. We cannot be certain that we or our present or future third- party manufacturers or suppliers will be able to comply with the cGMP regulations and other ongoing FDA regulatory requirements. If we or our present or future third- party manufacturers or suppliers are not able to comply with these requirements, the FDA may halt our clinical trials, not approve our products, require us to recall a product from distribution or withdraw approval of the BLA or NDA for that product. Failure to comply with ongoing regulatory obligations can result in delay of approval or Warning Letters, product seizures, criminal penalties, and withdrawal of approved products, among other enforcement remedies. The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. These regulations include standards and restrictions for direct- to- consumer advertising, industry- sponsored scientific and educational activities, promotional activities involving the internet, and off- label promotion. While physicians may prescribe products for off- label uses, manufacturers may only promote products for the approved indications and in accordance with the provisions of the approved label. The FDA has very broad enforcement authority under the Federal Food, Drug and Cosmetic Act, and failure to abide by these regulations can result in penalties, including the issuance of a Warning Letter directing entities to correct deviations from FDA standards, and state and federal civil and criminal investigations and prosecutions. FDA Regulation of Companion Diagnostics Certain of our products and product candidates may rely upon in vitro companion diagnostics for use in selecting the patients that we believe will respond to our therapeutics. If safe and effective use of a therapeutic product depends on an in vitro diagnostic, the FDA generally will require approval or clearance of a reproducible, validated diagnostic test to be used with our therapeutic product at the same time that FDA approves the therapeutic product. The review of these in vitro companion diagnostics in conjunction with the review of our cancer treatments involves coordination of review by the FDA ~~'~~ **'** s Center for Drug Evaluation and Research and by the FDA ~~'~~ **'** s Center for Devices and Radiological Health. The FDA ~~'~~ **'** s premarket approval, or PMA, process is costly, lengthy, and uncertain. The receipt and timing of PMA approval may have a significant effect on the receipt and timing of any future commercial approvals for our products and product candidates. Human diagnostic products are subject to pervasive and ongoing regulatory obligations, including the submission of medical device reports, adherence to the Quality Systems Regulation, recordkeeping and product labeling, as enforced by the FDA and comparable state authorities. The FDA' s approval of ADCETRIS in the frontline PTCL indication included a post- marketing commitment to develop a clinically validated in ~~-~~ vitro diagnostic device for the selection of patients with CD30- expressing PTCL, not including sALCL, for treatment with ADCETRIS in this indication. We and Takeda have a collaboration with Ventana Medical Systems, Inc., or Ventana, under which Ventana is working to develop, manufacture and commercialize a

companion diagnostic test to measure CD30 expression levels in tissue specimens. Regulations Outside of the United States In addition to regulations in the U. S., we and our collaborators are and will be subject to regulations of other countries governing clinical trials, manufacturing, distribution ~~and~~ **,** sales **and promotion** of our products. We must obtain approval by the regulatory authorities of countries **or other economic areas** outside of the U. S. before we can commence clinical trials in those countries and approval of the regulators of such countries or economic areas before we may market products in those countries or areas. For example, to commercialize TUKYSA in Europe, we need to comply with applicable European regulations. The approval requirements and processes can vary greatly, and the time required may be longer or shorter than that required for FDA approval. Requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement also vary greatly from place to place. Clinical Trials Regulation in Europe In the EU, pursuant to the currently applicable Clinical Trials Directive 2001 / 20 / EC and the Directive 2005 / 28 / EC on GCP, a system for the approval of clinical trials **with investigation of medicinal product (s)** in the EU has been implemented through national legislation of the EU member states. Under this system, an applicant must obtain approval from the national competent authority of an EU member state in which the clinical trial **with investigation of medicinal product (s)** is to be conducted, or in multiple member states if the clinical trial **with investigation of medicinal product (s)** is to be conducted in a number of member states. Furthermore, the applicant may only start a clinical trial at a specific study site after the independent ethics committee for each site has issued a favorable opinion. The clinical trial application must be accompanied by an investigational medicinal product dossier with supporting information prescribed by Directive 2001 / 20 / EC and Directive 2005 / 28 / EC and corresponding national laws of the individual EU member states and further detailed in applicable guidance documents. In April 2014, the EU adopted a new Clinical Trials Regulation (EU) No 536 / 2014, which was set to replace the Clinical Trials Directive 2001 / 20 / EC. The new Clinical Trials Regulation (EU) No 536 / 2014 came into effect in January 2022 with a three- year transition period in which clinical trial sponsors ~~will be able to choose among different~~ **must use the new Clinical Trials Regulation (EU) No 536 / 2014** submission ~~pathways~~ **pathway** ~~. Specifically~~ **beginning January 31** , **2023 for new clinical trial applications, and must have transitioned any trials approved under** the **Clinical Trials Directive 2001 / 20 / EC that continue running to the new Clinical Trials Regulation (EU) No 536 / 2014 beginning January 31, 2025. The** new regulation, which is directly applicable in all EU member states, aims at simplifying and streamlining the approval of clinical trials in the EU. For instance, the new Clinical Trials Regulation provides for a streamlined application procedure via a single entry point and strictly defined deadlines for the assessment of clinical trial applications **. In Vitro Diagnostic Medical Regulation in Europe and Combined Trials In the EU, pursuant to the currently applicable In Vitro Diagnostic medical Regulation 2017 / 746, which replaces Directive 98 / 79 / EC as of May 26, 2022, a system for the approval of combined trials, with a simultaneous investigation of a medicinal product (a clinical trial authorized under Clinical Trials Directive 2001 / 20 / EC or Clinical Trials Regulation (EU) No 536 / 2014) and an in vitro diagnostic (clinical performance study), has been implemented. Under this system, while the clinical module of the EUDAMED database (a unique device identification system for medical devices) is not yet available, an applicant must obtain an additional approval from the national competent authority of an EU member state in which a clinical trial with medical purpose of an assay that fulfills the definition of an in vitro diagnostic according to the regulation is to be conducted, or in multiple member states if the clinical trial is to be conducted in a number of member states. Furthermore, the applicant may only start a clinical trial with medical purpose of an assay that fulfills the definition of an in vitro diagnostic according to the regulation at a specific study site after the independent ethics committee for each site has issued an additional favorable opinion. The additional and separate trial application must be accompanied by a clinical performance study protocol with supporting information prescribed by Regulation 2017 / 746, corresponding national laws of the individual EU member states and further detailed in applicable guidance documents** . Marketing Authorization Regulation in Europe In the European Economic Area, which is comprised of the 27 member states of the EU plus Norway, Iceland and Liechtenstein, medicinal products can only be commercialized after obtaining a marketing authorization through one of the following procedures: centralized, mutual recognition, and decentralized. Under the centralized procedure, a single marketing authorization application is submitted to the CHMP, which then makes a recommendation to the EC. The EC makes the final determination on whether to approve the application. The centralized procedure is compulsory for the approval, among others, of human medicines containing a new active substance to treat cancer. The mutual recognition and decentralized procedures provide for mutual recognition of individual national approval decisions and are available for products that are not subject to the mandatory scope of the centralized procedure. The U. K., following its exit from the EU and EEA, and Switzerland conduct separate regulatory reviews of new drug applications ~~. Until December 31st, 2022, the U. K. will also issue national approvals via " reliance route ", by recognizing the centralized EU approvals of new medicines~~ . For the EMA, an application designated as standard review typically lasts approximately twelve to fourteen months depending on the length of time sponsors take to address EMA questions. An accelerated assessment procedure is applicable to marketing authorization applications for medicinal products that are expected to be of major public health interest. For applications that receive accelerated assessment designation and are able to remain on this timeline, the review may last approximately seven months depending on the length of time sponsors take to address EMA questions. It is not unusual, however, for applications that receive accelerated assessment designation to revert to standard review if, for example, the EMA has determined that the significance of the questions that the company needs to address would be more appropriate under the standard review timelines. At the end of the review period, EMA will issue an opinion either in support of granting a marketing authorization (positive opinion) or recommending refusal of a marketing authorization (negative opinion). In the event of a negative opinion, the company may request a re- examination of the application. The initial marketing authorization granted in the EU is valid for five years. Once renewed, the authorization will be valid for an unlimited period, unless the national competent authority or the EC decides on justified grounds to proceed with one additional five- year renewal. The renewal of a marketing authorization is subject to a re- evaluation of the risk- benefit balance

of the product by the national competent authorities or the EMA. Post- approval Regulation in Europe In countries where we receive regulatory approvals, we are subject to a variety of post- authorization regulations, including with respect to post-marketing authorization studies, product manufacturing, advertising and promotion, distribution, and safety reporting. Various requirements apply to the manufacturing and placing of medicinal products on the EU market. The manufacturing of medicinal products in the EU requires a manufacturing authorization, and the manufacturing authorization holder must comply with various requirements set out in the applicable EU laws, regulations and guidance. These requirements include compliance with EU cGMP standards when manufacturing medicinal products and active pharmaceutical ingredients, or APIs, including the manufacture of APIs outside of the EU with the intention to import the APIs into the EU. Similarly, the distribution of medicinal products into and within the EU is subject to compliance with the applicable EU laws, regulations and guidelines, including the requirement to hold appropriate authorizations for distribution which are granted by the competent authorities of the individual EU member states. Marketing authorization holders may be subject to civil, criminal or administrative sanctions, including suspension of manufacturing authorization, in case of non- compliance with the EU or EU member states ' requirements applicable to the manufacturing of medicinal products. The advertising and promotion of medicinal products are subject to EU member states ' laws governing promotion of medicinal products, interactions with physicians, misleading and comparative advertising and unfair commercial practices. In addition, legislation adopted by individual EU member states may apply to the advertising and promotion of medicinal products. Violations of the rules governing the promotion of medicinal products in the EU could be penalized by administrative measures, fines and imprisonment. These laws may further limit or restrict the advertising and promotion of our future products and impose limitations on promotional activities with healthcare professionals. The holder of an EU marketing authorization for a medicinal product must also comply with the EU ' s pharmacovigilance legislation, which includes requirements for conducting pharmacovigilance surveillance, or the assessment and monitoring of the safety of medicinal products. The EMA reviews periodic safety update reports submitted by marketing authorization holders. If the EMA has concerns that the risk- benefit profile of a product has changed, it can adopt an opinion advising that the existing marketing authorization for the product be amended. The agency can also require that the marketing authorization holder conducts post- authorization safety studies. Non- compliance with such obligations can lead to the variation, suspension or withdrawal of marketing authorization or imposition of financial penalties or other enforcement measures. Healthcare Regulation U. S. federal and state healthcare laws and regulations are also applicable to our business. If we fail to comply with these laws, we could face substantial penalties and our business, results of operations, financial condition and **growth** prospects could be adversely affected. The healthcare laws and regulations that may affect our operations include, without limitation, anti- kickback and false claims laws, regulations prohibiting off- label promotion activities, and transparency laws regarding payments or other items of value provided to healthcare providers. The federal Anti- Kickback Statute prohibits, among other things, knowingly and willfully soliciting, offering, receiving, or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing or arranging for a good or service, for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term " remuneration " has been broadly interpreted to include anything of value. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception 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 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 its facts and circumstances. Several courts have interpreted the statute ' s intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the Anti- Kickback Statute has been violated. Additionally, the intent standard under the Anti-Kickback Statute was amended by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, collectively PPACA, 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. PPACA also 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. In addition, a criminal conviction for violation of the federal Anti- Kickback Statute requires mandatory exclusion from participation in federal healthcare programs. The federal civil and criminal false claims laws, including the federal civil False Claims Act, prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, a false claim to, or the knowing use of false statements to obtain payment from, or approval by, the federal government, including the Medicare and Medicaid programs, or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim or to avoid, decrease, or conceal an obligation to pay money to the federal government. The FDA and other governmental authorities also actively investigate allegations of off- label promotion activities in order to enforce regulations prohibiting these types of activities. In recent years, private whistleblowers have also pursued False Claims Act cases against a number of pharmaceutical companies for causing false claims to be submitted as a result of off- label promotion. If we are found to have promoted an approved product for off-label uses, we may be subject to significant liability, including significant civil and administrative financial penalties and other remedies as well as criminal penalties and other sanctions. Even when a company is not determined to have engaged in off-label promotion, the allegation from government authorities or market participants that a company has engaged in such activities could have a significant impact on the company ' s sales, business and financial condition. The U. S. government has also required companies to enter into complex corporate integrity agreements, deferred prosecution agreements and / or non-prosecution agreements that impose significant reporting and other burdens on the affected companies. The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created additional federal criminal statutes that prohibit,

among other actions, knowingly and willfully executing or attempting to execute a scheme to defraud any healthcare benefit program, including private third- party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing, or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items, or services. Like the Anti- Kickback Statute, PPACA amended the intent standard for certain healthcare fraud under HIPAA 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. The civil monetary penalties statute imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent. The federal transparency requirements under the Physician Payments Sunshine Act, created under PPACA and its implementing regulations, require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children ~~'~~ **'** s Health Insurance Program to annually report information related to certain payments or other transfers of value ~~provided~~ to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals, and to report annually certain ownership and investment interests held by physicians and their immediate family members. Failure to submit timely, accurately and completely the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties of up to an aggregate of $ 150, 000 per year and up to an aggregate of $ 1 million per year for ~~“~~ **"** knowing failures, ~~”~~ **"** as adjusted for inflation. Covered manufacturers are required to submit reports on aggregate payment data to the Secretary of the U. S. Department of Health and Human Services on an annual basis. Many states have similar statutes or regulations to the above federal laws and regulations that may be broader in scope than the aforementioned federal versions and apply regardless of payor, and many of which differ from each other in significant ways and may not have the same effect, further complicating compliance efforts. Additionally, our business operations in ~~countries~~ **jurisdictions** outside the United States, including Canada and the EU, ~~may~~ subject us to additional **laws and** ~~regulation~~ **regulations** . Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If our operations were found to be in violation of any of the health regulatory laws described above or any other laws that apply to us, we may be subject to penalties, including significant criminal, civil and administrative penalties, damages, fines, disgorgement, contractual damages, reputational harm, administrative burdens, imprisonment, diminished profits and future earnings, exclusion from government healthcare reimbursement programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws, and / or the curtailment or restructuring of our operations. Anti- Corruption Legislation We are also subject to numerous other laws and regulations that are not specific to the healthcare industry. For instance, the U. S. Foreign Corrupt Practices Act, or FCPA, generally prohibits paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, governmental staff members, political party or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. In Europe, national anti- corruption laws prohibit giving, offering, or promising bribes to any person, including foreign government officials and private persons, as well as requesting, agreeing to receive, or accepting bribes from any person. Various European anti- corruption laws have broad extraterritorial reach and therefore we may be subject to those laws even if we do not have an established entity in those countries and we may be held liable for bribes given, offered or promised to any person, including private persons, by employees and persons associated with us in order to obtain or retain business or a business advantage. As we continue to expand our footprint and activities internationally, our exposure to compliance risks under the FCPA and other similar laws will likewise increase. Privacy and Security Laws There are also numerous privacy and data protection laws to which we are currently, and / or may in the future, be subject. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data **security and** breach notification laws, personal data privacy laws, and consumer protection laws. The laws are not consistent, and states frequently amend existing laws, requiring attention to constantly changing regulatory requirements. For example, the California Consumer Privacy Act, or CCPA, became effective on January 1, 2020, and the California Privacy Rights Act, or CPRA, **took** ~~will take~~ effect ~~in~~ January **1,** 2023 ~~(with a look back for certain rights to January 2022)~~ . The CPRA ~~will~~ significantly ~~modify~~ **modifies** the CCPA, including by expanding **individual** ~~consumers'~~ rights **, especially** with respect to certain sensitive personal information. We may also be subject to additional U. S. **state** privacy regulations in the future ~~, including the Virginia Consumer Data Protection Act and the Colorado Privacy Act, both of which become effective in 2023~~ . In addition, at the federal level, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and its implementing regulations impose additional obligations on certain types of individuals and entities with respect to the security, privacy and transmission of individually identifiable health information. EU member countries and other jurisdictions, including Switzerland, the United Kingdom and Canada, have also adopted data protection laws and regulations which impose significant compliance obligations. For example, the EU ~~'~~ **'** s General Data Protection Regulation, or GDPR, imposes a range of requirements relating to the collection, use, handling and protection of personal data. Violations of the GDPR can result in significant penalties, including potential fines of up to € 20 million or 4 % of the annual global revenues of the non- compliant company, whichever is greater. The GDPR has increased our responsibility and potential liability in relation to all types of personal data that we process **or that is processed on our behalf** , including **data from** clinical ~~trial~~ **trials , ~~data and employee~~ employees** ~~information~~ **, collaborators and vendors** . In addition, local data protection authorities can have different

interpretations of the GDPR, leading to compliance challenges as a result of potential inconsistencies amongst various EU member states. Among other requirements, the GDPR regulates transfers of personal data to countries that have not been found to provide adequate protection to such personal data, including the U. S. This includes transfers between us and our subsidiaries. In July 2020, the Court of Justice of the EU, or the CJEU, invalidated one of the primary safeguards enabling U. S. companies to import personal information from Europe, the EU- U. S. Privacy Shield. The same decision also raised questions about whether one of the primary alternatives to the EU- U. S. Privacy Shield, namely, the EC ~~'~~ **'** s Standard Contractual Clauses, or SCCs, provide sufficient protection for personal data transfers without analyzing each transfer and implementing supplementary measures to protect the data. As a result of the CJEU ~~'~~ **'** s decision, the EC issued new SCCs in June 2021 that repeal and replace the previous clauses. ~~Companies relying on the SCCs for transfers have until December 2022 to implement the new clauses.~~ Following recommendations from the European Data Protection Board, we ~~are reviewing~~ --- **review** personal data transfers from the EU and ~~adding~~ **add** the new SCCs and supplementary measures, when required. Since local data protection authorities can interpret GDPR and the CJEU ~~'~~ **'** s decision differently, there is no definitive set of controls that can ensure GDPR compliance across our business operations. In addition, authorities in Switzerland and the United Kingdom, whose data protection laws are similar to those of the EU **followed** ~~, also invalidated~~ the ~~use of privacy shields~~ **EU' s approach and CJEU decision** . Additional compliance efforts may be needed to respond to evolving regulatory guidance. If our compliance solutions are found to be insufficient, we could face substantial fines under European data protection laws as well as injunctions against processing and / or transferring personal information from Europe. The inability to import personal information from Europe could restrict our clinical trial activities in Europe, limit our ability to collaborate with contract research organizations, service providers, contractors and other companies subject to European data protection laws, interfere with our ability to hire employees in Europe and require us to increase our data processing capabilities in Europe at significant expense. In addition, we may be subject to other foreign data privacy and security laws. For example, China ~~'~~ **'** s Personal Information Protection Law, or PIPL, which took effect in November 2021, imposes various requirements related to personal information processing, similar to the GDPR and CCPA. In particular, the PIPL sets out personal information localization requirements, along with rules regarding the transfer of personal information outside of China. Such transfers may require assessment and / or approval by China ~~'~~ **'** s Cyberspace Administration, certification by professional institutions or entering into contracts with and supervising overseas recipients. Violations of the PIPL may lead to an administrative fine of up to RMB 50 million or 5 % of turnover in the last year. Any failure or alleged failure to comply with legal or contractual obligations, policies and industry standards relating to personal information, and any incident resulting in the unauthorized access to, or acquisition, release or transfer of, personal information, may result in governmental investigations or enforcement actions, litigation, fines, penalties, damage to our reputation and other adverse consequences. In addition, we expect that laws, regulations, policies and industry standards relating to privacy and data protection will continue to evolve. These changes may require us to modify our practices and may increase our costs of doing business. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards that may legally or contractually apply to us. If we fail to follow these standards, even if no personal information is compromised, we may incur significant fines or experience a significant increase in costs. Coverage and Reimbursement Sales of our current and any future approved products will depend, in part, on the extent to which the costs of our products will be covered by third- party payors, such as government health programs, commercial insurance and managed healthcare organizations. Patients who are prescribed treatment for their conditions and providers performing the prescribed services generally rely on third- party payors to reimburse all or part of the associated healthcare costs. Patients and providers are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our products. Pharmaceutical products are typically reimbursed based on FDA labeled indications, recognized compendia listings, available medical literature, evidence of favorable clinical outcomes, determination of medical necessity and cost effectiveness. Additionally, a third- party payor ~~'~~ **'** s decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. In the United States, no uniform policy of coverage and reimbursement for products exists among third- party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. Decisions regarding the extent of coverage and amount of reimbursement to be provided for each of our product candidates is individual to each insurer, can vary based on provider contract, and will be affected by state and federal laws providing for reimbursement formulas based on acquisition cost. Third- party payors continue to work diligently to control their spending on prescription drugs and medical service. The containment of healthcare costs has become a priority of the U. S. government and abroad, and the prices of drugs have been a focus in this effort. The U. S. government, state legislatures and the governments of other countries have shown significant interest in implementing cost- containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost- containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net sales and negatively impact our operating results. Payors, commercial and public, in the U. S. and abroad, must review the therapeutic value of our products before extending coverage under their plans to reimburse our products. If third- party payors do not find a product to be of therapeutic value, they may not cover it or, if they do, they may do so at an insufficient level of payment. **Further, in the event that our product candidates rely upon in vitro companion diagnostics for use in selecting the patients that we believe will respond to our therapeutics, we or our collaborators may be required to obtain coverage and reimbursement separate and apart from the coverage and reimbursement we may seek for our product candidates.** Many of the patients in the U. S. who seek treatment with our products may be eligible for Medicare or Medicaid benefits. The Medicare and Medicaid programs are administered by the Centers for Medicare and Medicaid Services, or CMS, and coverage and reimbursement for products and services under these programs are subject to changes in CMS regulations and interpretive policy determinations, in addition to statutory changes made by Congress. For example, PPACA increased the mandated Medicaid rebate on most branded prescription drugs from 15. 1 % of average manufacturer price, or

AMP, to 23. 1 % of AMP, expanded the rebate to Medicaid managed care utilization and increased the types of entities eligible for the federal 340B drug discount program. Federal budget decisions have reduced Medicare payment rates, and future budget decisions may reduce Medicare payment rates again. In addition, as a condition of federal funds being made available to cover our products under Medicaid, we are required to participate in the Medicaid drug rebate program. The rebate amount under this program varies by quarter, and is based on pricing data we report to CMS. In addition, because we participate in the Medicaid drug rebate program, we must make our products available to authorized users of the Federal Supply Schedule of the General Services Administration. This requires compliance with additional laws and requirements, including offering our products at a reduced price to federal agencies including the United States Department of Veterans Affairs and United States Department of Defense, the Public Health Service and the Indian Health Service. We are also required to offer discounted pricing to certain eligible not for profit entities that are eligible for 340B pricing under the Public Health Services Act. Participation in these programs requires submission of pricing data and calculation of discounts and rebates pursuant to complex statutory formulas, as well as the entry into government procurement contracts governed by the Federal Acquisition Regulations and the guidance governing such calculations is not always clear. Compliance with such requirements can require significant investment in personnel, systems and resources, but failure to properly calculate our prices, or offer required discounts or rebates could subject us to substantial criminal, civil and / or administrative penalties, as well as ; administrative burdens and exclusion from or contract termination regarding these programs. The terms of these government programs could change in the future which may increase the discounts or rebates we are required to offer, possibly reducing the revenue derived from sales of our products to these entities. Policies governing drug pricing vary widely from country to country. In many European countries, authorities regulate the pricing of a pharmaceutical product at launch or subsequent to launch through direct price controls such as international reference pricing. In addition, in many European countries, pharmaceutical products are funded largely by the national healthcare systems. As a result, patients are unlikely to use a pharmaceutical product that is not reimbursed by the national authorities. There can be no assurance as to the pricing and / or level of reimbursement that may be available for our products in countries with pricing and reimbursement policies in place at the national level. Health Technology Assessment, or HTA, of pharmaceutical products is becoming an increasingly common part of the pricing and reimbursement procedures in EU member states. The HTA process, which is governed by the national laws of the applicable country, aims to measure the added value of a new health technology compared to existing ones by assessing its public health impact, therapeutic impact and economic and societal impact in the context and setting of the individual country ' s national healthcare system. HTA generally focuses on the clinical efficacy and effectiveness, safety, cost and cost- effectiveness of individual pharmaceutical products in comparison to the local standard of care, as well as their potential implications for the healthcare system. The outcome of HTA regarding specific medicinal products will often influence the pricing and reimbursement status granted to these pharmaceutical products by the competent authorities of individual EU member states. Pursuant to Directive 2011 / 24 / EU, a voluntary network of national authorities or bodies responsible for HTA in the individual EU member states was established. The purpose of the network is to facilitate and support the exchange of scientific information concerning HTAs. This could lead to harmonization between EU member states of the criteria taken into account in the conduct of HTA and their impact on pricing and reimbursement decisions. Healthcare Reform PPACA substantially changed the way healthcare is financed by both governmental and private insurers and significantly affected the pharmaceutical industry. PPACA has, among other things, expanded and increased industry rebates for products covered under Medicaid programs and changed the coverage requirements under the Medicare Part D program. In order for a biopharmaceutical product to receive federal reimbursement under the Medicare Part B and Medicaid programs or to be sold directly to U. S. government agencies, the manufacturer must extend discounts to entities eligible to participate in the drug pricing program under the Public Health Services Act, or PHS. The required PHS discount on a given product is calculated based on the Average Manufacturers Price, or AMP, and Medicaid rebate amounts reported by the manufacturer. PPACA expanded the types of entities eligible to receive discounted PHS pricing, although, under the current state of the law, with the exception of children ' s hospitals, these newly eligible entities will not be eligible to receive discounted PHS pricing on orphan drugs when used for the orphan indication. In addition, as PHS drug pricing is determined based on AMP and Medicaid rebate data, revisions, including the AMP rule, to the Medicaid rebate formula and AMP definition described above could cause the required PHS discount to increase. In addition, other legislative changes have been proposed and adopted since PPACA was enacted. The Budget Control Act of 2011, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction of at least $ 1. 2 trillion for the years 2013 through 2021, triggering the legislation ' s automatic reduction to several government programs. This includes reductions to Medicare payments to providers, which went into effect in April 2013 and, due to subsequent legislative action, will remain in effect through 2031, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022 and a temporary cut in the amount of the reduction from April 1 through June 30 2022, unless additional congressional action is taken. **Under current legislation, the actual reduction in Medicare payments will vary from 1 % in 2022 to up to 4 % in the final fiscal year of this sequester.** The American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In addition, the Drug Supply Chain Security Act, or DSCSA, was enacted with the aim of building an electronic system to identify and trace certain prescription drugs distributed in the United States, including most biological products. The DSCSA mandates phased- in and resource- intensive obligations for pharmaceutical manufacturers, wholesale distributors, and dispensers over a 10- year period that is expected to culminate in November 2023. As described above in" Coverage and Reimbursement", federal and state legislatures, governments in countries outside the U. S., health agencies and third- party payors continue to focus on containing the cost of healthcare. Legislative and regulatory changes and increasing pressure from social sources are likely to further influence the manner in which our products are priced, prescribed, purchased and reimbursed.

For example, the federal government has implemented reforms to government healthcare programs in the U. S., including changes to the methods for, and amounts of, Medicare reimbursement and changes to the Medicaid Drug Rebate Program. ~~On~~ **In** March ~~11,~~ 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100 % of a drug ~~'~~ **'** s average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. ~~Proposed~~ **In November 2021, President Biden signed the Infrastructure Investment and Jobs Act, which included** changes to the Medicare Part B program requiring rebates for **some** discarded drug products ~~could~~ **that are expected to** increase ~~potential~~ **future** rebates **for ADCETRIS, TIVDAK and possibly PADCEV with an implementation date in the first quarter of 2023** . The Biden administration also ~~recently~~ announced an Executive Order that includes initiatives to support the implementation of Canadian drug importation and reduce drug prices. In response to President Biden ~~'~~ **'** s Executive Order, on September 9, 2021, the U. S. Department of Health and Human Services **, or HHS,** released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. ~~No legislation or~~ **Further, the Biden** ~~administrative~~ **administration** ~~actions~~ **released an additional executive order on October 14, 2022, directing HHS to submit a report within 90 days on how the Center for Medicare and Medicaid Innovation can be further leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries. It is unclear whether this executive order or similar policy initiatives will be implemented in the future. Inflation Reduction Act On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, (i) directs HHS to negotiate the price of certain high- expenditure, single- source drugs and biologics covered under Medicare, and subjects drug manufacturers to civil monetary penalties and a potential excise tax for offering a price that is not equal to or less than the negotiated " maximum fair price " under the law; (ii) imposes rebates under Medicare Part B and Medicare Part D to penalize drug price increases that outpace inflation; and (iii) redesigns the Medicare Part D program, increasing manufacturer rebates within the catastrophic coverage phase. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions will take effect progressively beginning in fiscal year 2023, although they may be subject to legal challenges. It is currently unclear how the IRA will be effectuated but is likely to** have ~~been finalized~~ **a significant impact on the pharmaceutical industry. The IRA also includes various tax provisions, including an excise tax on stock repurchases, expanded tax credits for clean energy incentives, and a corporate alternative minimum tax that generally applies** to ~~implement~~ **U. S. corporations with average adjusted financial statement income over a three year period in excess of $ 1 billion. The Company does not expect** these **tax provision to materially impact** ~~principles. In addition, Congress is~~ **its financial statements** ~~considering drug pricing as part of other healthcare reform initiatives~~ . Competition The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies and intense competition. Many third parties compete with us in developing various approaches to treating cancer. They include pharmaceutical companies, biotechnology companies, academic institutions and other research organizations. Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approval and marketing than we do. Smaller or early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. With respect to ADCETRIS, there are several other FDA approved drugs for its approved indications. **Bristol- Myers Squibb' s, or** BMS ~~'~~ **'** s nivolumab and Merck ~~'~~ **'** s pembrolizumab are approved for the treatment of certain patients with relapsed or refractory classical Hodgkin lymphoma, and Acrotech Biopharma ~~'~~ **'** s pralatrexate and belinostat are approved for relapsed or refractory systemic anaplastic large cell lymphoma, or sALCL, among other T- cell lymphomas. ~~Celgene~~ **BMS** ' s romidepsin is approved for cutaneous T- cell lymphoma. Kyowa Kirin ~~'~~ **'** s mogamulizumab is approved for adult patients with relapsed or refractory mycosis fungoides or Sézary syndrome. The competition ADCETRIS faces from these and other therapies is intensifying. Additionally, Merck conducted a phase 3 clinical trial in relapsed or refractory classical Hodgkin lymphoma comparing pembrolizumab to ADCETRIS. An interim analysis of this clinical trial demonstrated a statistically significant improvement in progression- free survival for pembrolizumab compared with ADCETRIS, resulting in a label expansion to an earlier line of therapy, and ~~we expect increased competition from~~ pembrolizumab **is now competing with ADCETRIS** in this indication. We are also aware of multiple investigational agents currently being studied that, if successful, may compete with ADCETRIS in the future, such as camidanlumab tesirine ~~being studied~~ **, which is** in a phase 2 study in relapsed / refractory classical Hodgkin lymphoma. ~~Merck is also conducting~~ **Nivolumab, with or without chemotherapy, in** a phase 2 ~~study~~ **investigator- initiated trial, has demonstrated significant objective response rate** in ~~newly diagnosed~~ **the salvage setting. In the frontline** classical Hodgkin lymphoma **setting, nivolumab in combination with chemotherapy and pembrolizumab in combination with chemotherapy are each being studied and if proven beneficial, could compete with ADCETRIS in that setting** . Data have also been presented on several developing technologies, including bispecific antibodies and CAR modified T- cell therapies that may compete with ADCETRIS in the future. Further, there are many competing approaches used in the treatment of patients in ADCETRIS ~~'~~ **'** approved indications, including autologous hematopoietic stem cell transplant, allogeneic hematopoietic stem cell transplant and chemotherapy, in addition to clinical trials with experimental agents. With respect to PADCEV, other treatments in pretreated metastatic urothelial cancer include sacituzumab govitecan (a Trop- 2- directed antibody and topoisomerase inhibitor conjugate), checkpoint inhibitor monotherapy, generic chemotherapy and, for patients with select FGFR genetic alterations, Janssen ~~'~~ **'** s erdafitinib. Front line metastatic urothelial cancer ~~has~~ **was** traditionally ~~been~~ treated with chemotherapy alone but is evolving to include checkpoint inhibitors for cisplatin- ineligible patients with high PD- L1 expression in addition to patients who are ineligible for platinum therapy. **Avelumab is used for frontline maintenance therapy, and** ~~Several~~ **several** trials of investigational agents in combination with chemotherapy or other novel agents are ongoing. Continued development of PD- (L) 1 targeted therapies across early **-** stage bladder cancer and in metastatic bladder

cancer in frontline combinations with chemotherapy, in frontline maintenance ~~with the recent approval of avelumab~~, and in pretreated disease, could potentially impact PADCEV usage and enrollment in PADCEV clinical trials. With respect to TUKYSA, there are multiple marketed products which target HER2, including the antibodies trastuzumab and pertuzumab and the antibody drug conjugate T- DM1. In addition, lapatinib is an EGFR / HER2 oral kinase inhibitor for the treatment of metastatic breast cancer, and neratinib is an irreversible pan- HER kinase inhibitor indicated for extended adjuvant treatment and treatment of metastatic breast cancer in patients who received two or more prior anti- HER2- based regimens. Daiichi Sankyo and AstraZeneca have fam- trastuzumab deruxtecan- nxki **,** which was approved by the FDA for patients who have received ~~two~~ **one** or more prior anti- HER2- based regimens in the metastatic breast cancer setting and ~~recently~~ in the HER2 **-** positive gastric cancer setting **post- trastuzumab- based therapy** . The agent was also granted conditional marketing authorization by the EMA for the treatment of adult patients with unresectable or metastatic HER2- positive breast cancer who have received ~~two~~ **one** or more prior anti- HER2- based regimens. **We believe that** ~~In addition, fam- trastuzumab deruxtecan- nxki is being reviewed by the FDA for use in 2nd line (i. e., in patients who previously received one anti- HER2 based regimen in the metastatic setting) based on the DESTINY- breast 03 trial results. If approved,~~ the sequence of therapies patients receive ~~in this condition~~ **for HER2- positive breast cancer** is likely to **continue to** change **in both the U. S. and EU** , with greater fam- trastuzumab deruxtecan- nxki use in ~~2nd~~ **second** line. This ~~may pose~~ **has resulted and is expected to continue to result in** increased competition for TUKYSA, which is approved by the FDA for patients who have received one or more prior anti- HER2- based regimens in the metastatic **breast cancer** setting, including in patients with brain metastases. MacroGenics has a HER2 targeted, Fc- optimized antibody, margetuximab, which **is** ~~was recently~~ approved by the FDA ~~in~~ **for** patients who have received at least two previous anti- HER2 regimens. Additionally, Byondis ~~has an~~ **released results from a pivotal trial of its** antibody drug conjugate, SYD985, ~~and recently released results from its pivotal trial~~ in metastatic breast cancer patients treated with multiple anti- HER2- based regimens ~~. Approval of SYD985 for this patient population may occur~~ **and the FDA accepted a regulatory submission based on these results with a target action date** in **May** ~~2022~~ **2023 . Fam- trastuzumab deruxtecan- nxki is also recommended by NCCN for use as part of a combination therapy in HER2- positive metastatic colorectal cancer** . With respect to TIVDAK, ~~in October 2021,~~ Merck ~~’~~ **'** s pembrolizumab ~~was~~ **is** approved **by the FDA and EC in first line** in combination with chemotherapy, with or without bevacizumab, for the treatment of recurrent or metastatic cervical cancer whose tumors express PD- L1 and **is** ~~was grated full approval~~ **approved by the FDA in second line** as a monotherapy for recurrent or metastatic cervical cancer patients with disease progression on or after chemotherapy in patients whose tumors express PD- L1 **. In September 2022, pembrolizumab was approved in Japan as first- line therapy in combination with chemotherapy, with or without bevacizumab, for patients with recurrent or metastatic cervical cancer who are not amenable to curative treatment** . We are also aware of other companies that currently have products in development for the treatment of late- stage cervical cancer which could be competitive with TIVDAK, including Agenus, BMS, Iovance Biotherapeutics, Merck, Regeneron Pharmaceuticals, Sanofi ~~- Aventis~~ and Roche. Cemiplimab is being reviewed in several countries outside the U. S. for the treatment of patients with recurrent or metastatic cervical cancer following progression on platinum- based chemotherapy. A supplemental Biologics License Application for cemiplimab was ~~recently~~ withdrawn in the U. S **. in January 2022. Cemiplimab received Canadian approval in March 2022, EC approval in November 2022 and Japanese approval in December 2022, which will likely impact the potential future opportunity for TIVDAK in that geography** . Many other pharmaceutical and biotechnology companies are developing and / or marketing therapies for the same types of cancer that our product candidates are designed and being developed to treat. In addition, we are aware of a number of other companies that have ADC and other technologies that may be competitive with ours. We are also aware of a number of companies developing monoclonal antibodies directed at the same antigen targets or for the treatment of the same diseases as our product candidates. In addition, our ADC collaborators may develop compounds utilizing our technology that may compete with product candidates that we are developing. The risk of biosimilar or generic challenges has also been increasing in our industry. In the U. S. and the EU, after a period of exclusivity for an innovator ~~’~~ **'** s approved biological product or branded drug has passed, there are abbreviated pathways for approval of biosimilar products or generic drugs. For example, in the U. S., the Biologics Price Competition and Innovation Act of 2009 created an abbreviated approval pathway for biological products that are demonstrated to be ~~“~~ **"** highly similar ~~”~~ **"** or ~~“~~ **"** biosimilar ~~”~~ **"** to or ~~“~~ **"** interchangeable ~~”~~ **"** with an FDA approved biological product. This pathway allows competitors to reference the FDA ~~’~~ **'** s prior approvals regarding innovative biological products and data submitted with a BLA to obtain approval of a biosimilar application twelve years after the time of approval of the innovative biological product. The twelve- year exclusivity period runs from the initial approval of the innovator product and not from approval of a new indication. In addition, the twelve- year exclusivity period does not prevent another company from independently developing a product that is highly similar to the innovative product, generating all the data necessary for a full BLA and seeking approval. **The twelve- year** ~~Exclusivity~~ **exclusivity** only assures that another company cannot rely on the FDA ~~’~~ **'** s prior approvals in approving a BLA for an innovator ~~’~~ **'** s biological product to support the biosimilar product ~~’~~ **'** s approval. Further, under the FDA ~~’~~ **'** s current interpretation, it is possible that a biosimilar applicant could obtain approval for one or more of the indications approved for the innovator product by extrapolating clinical data from one indication to support approval for other indications. Similarly, in the EU, the EC has granted marketing authorizations for biosimilars pursuant to a set of general and product class- specific guidelines. In addition, it is not possible to predict changes in law that might reduce regulatory exclusivity. As a result, and due to uncertainties regarding patent protection, it is not possible to predict the length of market exclusivity for any particular product with certainty based solely on the expiration of the relevant patent (s) or the current forms of regulatory exclusivity. Absent patent protection or regulatory exclusivity for our products, it is possible, both in the United States and elsewhere, that biosimilar, interchangeable or generic versions of those products may be approved and marketed, which would likely result in substantial and rapid reductions in revenues from sales of those products. It is also possible that our competitors will succeed in developing technologies that are

more effective than our products and product candidates or that would render our technology obsolete or noncompetitive, or will succeed in developing biosimilar, interchangeable or generic products for our products and product candidates. We anticipate that we will continue to face increasing competition in the future as new companies enter our market and scientific developments surrounding biosimilars and other cancer therapies continue to accelerate. We cannot predict to what extent the entry of biosimilars or other competing products will impact potential future sales of our products and product candidates. With respect to our current and potential future product candidates, we believe that our ability to compete effectively and develop products that can be manufactured cost- effectively and marketed successfully will depend on our ability to: • advance our technology platforms; • license additional technology; • complete clinical trials which position our products for regulatory and commercial success; • maintain a proprietary position in our technologies and products; • obtain required government and other public and private approvals on a timely basis; • attract and retain key personnel; • commercialize effectively; • obtain reimbursement for our products in approved indications; • comply with applicable laws, regulations and regulatory requirements and restrictions with respect to the commercialization of our products, including with respect to any changed or increased regulatory restrictions; and • enter into additional collaborations to advance the development and commercialization of our product candidates. We own a biologics manufacturing facility located in Bothell, Washington, which we use to support certain clinical and commercial supply needs, and have signed a lease to a facility currently being constructed in Everett, Washington, which will be used for future manufacturing capability. However, we rely and expect to continue to rely on collaborators, contract manufacturers and other third parties to produce and store sufficient quantities of drug product for both our clinical and commercial programs. While we believe that the existing supplies of our products and our ~~and our~~ collaborators ~~'~~ **'** contract manufacturing relationships will be sufficient to accommodate current clinical and commercial needs, we or our collaborators may need to obtain additional manufacturing arrangements or increase manufacturing capability to meet potential future commercial needs, which could require additional capital investment or cause delays. We rely on contract manufacturing organizations to supply ADCETRIS for **commercial sale and for** our clinical trials ~~and for commercial sale~~. For the monoclonal antibody used in ADCETRIS, we have contracted with AbbVie **Inc.,** ~~for~~ **or AbbVie, for commercial and** clinical ~~and commercial supplies. For the drug linker used in ADCETRIS, we have contracted with Millipore Sigma, an affiliate of Merck KGaA, for clinical and commercial~~ supplies. We have multiple contract manufacturers for **commercial and clinical supplies of the drug linker used in ADCETRIS,** conjugating the drug linker to the antibody and producing ADCETRIS drug product. In addition, we rely on other third parties to supply the raw materials used to produce ADCETRIS, and to perform additional steps in the manufacturing process, including storage and distribution of ADCETRIS and our product candidates. For the foreseeable future, we expect to continue to rely on contract manufacturers and other third parties to produce, store and distribute sufficient quantities of ADCETRIS for **commercial sale and for** use in our clinical trials ~~and for commercial sale~~. AbbVie ~~Biotechnology~~. In 2004, we entered into a development and supply agreement with AbbVie (formerly a part of Abbott Laboratories) to manufacture developmental, clinical and commercial quantities of anti- CD30 monoclonal antibody, which is a component of ADCETRIS. The agreement generally provides for the supply by AbbVie and the purchase by us of such anti-CD30 monoclonal antibody. Under terms of the supply agreement, we may purchase a portion of our required anti- CD30 monoclonal antibody from a second source third- party supplier. We are required to make a minimum annual purchase. The anti- CD30 monoclonal antibody is purchased by us based upon a rolling forecast. The supply agreement will continue until 2025 with an automatic one- year term extension unless either party provides written termination notice to the other party. Either party has the right to terminate the supply agreement if the other party materially breaches its obligations thereunder. **Astellas** ~~Millipore Sigma. In 2010, we entered into a commercial supply agreement with Sigma-Aldrich Fine Chemicals,~~ or **its** ~~SAFC, which was subsequently acquired by Millipore Sigma, an affiliate~~ **affiliates** ~~of Merck KGaA. Under this agreement, Millipore Sigma manufactures commercial quantities of the drug linker that is a component of ADCETRIS. Under terms of the supply agreement, we may purchase a portion of our required drug linker from a second source third- party supplier. We~~ are ~~required to make a minimum annual purchase. The drug linker is purchased by us based upon a rolling forecast. The supply agreement will continue until 2029 with automatic term extension unless either party provides written notice of termination to the other party. Either party has the right to terminate the supply agreement if the other party materially breaches its obligations thereunder. Under the terms of our collaboration and commercialization agreements with Astellas, Astellas is~~ responsible for overseeing the **initial** manufacturing supply chain for PADCEV **for development and commercial use** . ~~Accordingly~~ **However** , we **are responsible for packaging and labeling in countries in which we sell PADCEV. In addition, we are in the process of establishing a second source manufacturing supply chain, through a combination of internal manufacturing capacity and third parties. In this regard, our manufacturing facility in Bothell, Washington is used to support commercial production of PADCEV antibody. For the foreseeable future, we expect to continue to** rely on ~~Astellas to provide commercial and clinical supply of PADCEV. For the foreseeable future, we expect to continue to rely on Astellas and other~~ third parties to produce, store and distribute sufficient quantities of PADCEV for commercial sale and for use in our clinical trials ~~. In addition, we are responsible for establishing a second source supply chain for PADCEV, whether through internal or third party sources~~. With respect to TUKYSA, we rely on multiple contract manufacturers and other third parties to perform manufacturing services for us **,** including Sterling Pharma Solutions Limited, or Sterling, for production of the starting materials for TUKYSA, Esteve Quimica, S. A., or Esteve **,** to produce the active pharmaceutical ingredient ~~,~~ **and** Hovione FarmaCiencia SA, or Hovione, to complete spray drying **. We have multiple contract manufacturers** ~~and Corden Plankstadt, or Corden,~~ to produce the tablets for TUKYSA. For the foreseeable future, we expect to continue to rely on contract manufacturers and other third parties to produce and store sufficient quantities of TUKYSA. We have limited prior experience as an organization manufacturing TUKYSA and small molecule drug products generally, and we have relatively new working relationships with many of the third **-** party manufacturers involved in TUKYSA manufacture. Sterling. We have a commercial supply agreement with Sterling to manufacture starting materials for TUKYSA. The agreement provides that we will purchase starting materials

pursuant to rolling forecasts and will purchase a minimum percentage of our requirements for the starting materials from Sterling. The agreement will remain in effect until 2025, after which it will continue automatically for up to two additional years subject to termination by either party giving written notice to the other party. Either party has the right to terminate the agreement if the other party commits any breach of the agreement and does not remedy, make a bona fide attempt to remedy or enter into negotiations to resolve, the breach after notice to do so, if capable of remedy. Esteve ~~Quimica~~ . Our commercial supply agreement with Esteve provides that we will order the active pharmaceutical ~~agreement~~ **ingredient** for TUKYSA pursuant to rolling forecasts **and will purchase a minimum percentage of our requirements for the active pharmaceutical ingredient from Esteve** . The agreement will remain in effect until 2025 **, subject to termination by us giving written notice to Esteve** , after which it will automatically renew subject to termination by ~~us~~ **either party** by giving written notice to ~~Esteve~~ **the other party** . Either party has the right to terminate the agreement if the other party fails to cure a material breach ~~. Corden. We have a commercial supply agreement with Corden to produce TUKYSA tablets. The agreement provides that we will order pursuant to rolling forecasts and will purchase a minimum percentage of our requirements from Corden. The agreement will remain in effect until 2025, after which it will be renewed if not terminated with written notice prior to the expiration of the term. Either party has the right to terminate the agreement if the other party commits a breach and does not cure or commence and diligently continue actions to cure such default~~ . Hovione. We have a commercial supply agreement with Hovione to manufacture the tucatinib spray- dried dispersion or drug product intermediate for TUKYSA. The agreement provides that we will order pursuant to rolling forecasts and will purchase a minimum percentage of our requirements from Hovione. The agreement will remain in effect until 2026, followed by successive automatic two- year renewals. Either party may terminate the agreement by written notice prior to commencement of the applicable renewal term. In addition, either party has the right to terminate the agreement if the other party breaches the agreement and does not remedy the breach after written notice or if the occurrence of a force majeure event prevents the other party from performing its obligations under the agreement. We also rely on multiple contract manufacturers and other third parties to perform manufacturing services for us with respect to TIVDAK. For the foreseeable future, we expect to continue to rely on contract manufacturers and other third parties to produce and store sufficient quantities of TIVDAK. Our Product Candidates We also rely on multiple contract manufacturers and other third parties to perform manufacturing services for us with respect to our product candidates. Commercial Operations We have allocated commercial resources, including sales, marketing, supply chain management and reimbursement capabilities, to commercialize ADCETRIS and PADCEV in the U. S. and Canada, TUKYSA in the U. S., Europe and Canada, and TIVDAK in the U. S. We believe the markets for our products in their approved indications are addressable with a targeted sales and marketing organization. We intend to continue promoting our products in our territories for their current indications and any additional indications we may obtain in the future. Astellas jointly commercializes PADCEV with us in the U. S. In addition, Genmab jointly commercializes TIVDAK with us in the U. S. In the U. S., we sell ADCETRIS, PADCEV, TUKYSA, and TIVDAK through a limited number of specialty distributors. Three of our major distributors, together with entities under their common control — AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation — each accounted for 10 % or more of our total net product sales in **2022,** 2021 ~~,~~ **and** 2020 ~~and 2019~~ . Healthcare providers purchase ADCETRIS, PADCEV, TUKYSA, and TIVDAK through these specialty distributors and the product is drop shipped directly to the healthcare provider. In addition to specialty distributors, we also sell TUKYSA to a limited number of specialty pharmacies. ADCETRIS, PADCEV and TIVDAK are infused products and generally shipped directly to healthcare providers and facilities for administration to patients. TUKYSA is an oral product ordered by prescription and typically dispensed to patients by the network specialty pharmacies, at physician in- office dispensing sites, or by hospital / Integrated Delivery Network pharmacies. In Europe, we have allocated commercial resources, including sales, marketing, supply chain management, and reimbursement capabilities to enable and execute launches across key markets in Europe. Hospitals in Europe can purchase TUKYSA directly from Seagen or indirectly from wholesale distributors. In European countries where we have not established our own sales force, TUKYSA can be accessed through distribution partners. Human Capital Resources As of December 31, ~~2021~~ **2022** , we had ~~2~~ **3** , ~~675~~ **256** employees. Of these employees, ~~1~~ **2** , ~~586~~ **027** were engaged in or support research, clinical, and supply chain management activities, ~~511~~ **616** were in administrative and business- related positions, and ~~578~~ **613** were in sales and marketing. We consider our employee relations to be good **. The Compensation and Management Development Committee of our Board of Directors is responsible for, among other things, reviewing and discussing with management our human capital management practices and policies, including diversity and inclusion initiatives** . Diversity, Equity and Inclusion We believe that fostering diversity, equity, and inclusion **, or DEI,** is a key element to discovering, developing, and bringing transformative therapies to patients with cancer. As of the end of ~~2021~~ **2022** , 58 % of our global workforce and ~~39~~ **41** % of our leadership (at the executive director level and above) were female. In addition, as of the end of ~~2021~~ **2022** , ~~34~~ **36** % of our U. S. workforce and ~~33~~ **32** % of our U. S. leadership (at the executive director level and above) were racially or ethnically diverse. We strive to build a workforce representative of the people we serve and to nurture an inclusive culture where all voices are welcomed, heard, and respected. In ~~2021~~ **2022** , we **continued** ~~adopted additional~~ initiatives to further build our capacity to meet our ~~diversity, equity~~ **DEI goals. We have five employee resource networks** and ~~inclusion~~ **a DEI executive council that help us work towards achieving our DEI** goals. Recruiting and Retention We believe that we have been successful in attracting and retaining talented personnel to support our expanding business, though competition for personnel in our industry is intense. We monitor recruiting efforts using a variety of metrics such as internal placement rates, cycle times, cost per hire, information on the retention of business- critical hires (such as medical directors and executives), and the percentage of budgeted openings filled on time and on budget. We also track voluntary and involuntary turnover rates for the company as a whole, for business- critical talent and by gender, race or ethnicity, time in role and job level. Compensation and Benefits We offer competitive pay and benefits designed to attract and retain exceptional talent and drive company performance. In setting appropriate compensation levels, we look at the average base pay rate for each position based on market data. At the time of our

last completed annual compensation review, effective February ~~2021~~ **2022** , for regular employees who were eligible for a pay increase, the average ratio of base pay to this market rate was 100 %. We also offer an annual cash incentive program, a sales incentive program and **an equity incentive plan that we use to provide** long- term equity ~~incentive~~ **incentives** ~~plans~~ **broadly throughout the organization. These programs are** designed to assist in attracting, retaining and motivating employees and promoting the creation of long- term value for stockholders. Our standard employee benefits in the U. S. include paid and unpaid leaves, medical, dental and vision insurance coverage, a 401 (k) plan, short- and long- term disability, life insurance, flexible spending accounts and an employee stock purchase plan. We also offer a variety of voluntary benefits that allow employees to select options that meet their needs, including telehealth, an employee assistance program, backup childcare, adoption assistance, a travel solution for nursing mothers, education assistance, fitness reimbursements, and wellness programs. We benchmark our benefits program against others in our industry on an annual basis. Succession Planning and Leadership Development We establish retention plans for our executives and other business- critical talent and review their total compensation and unvested equity annually. Succession, development, and retention plans for our executive officers are reviewed at the **board level. The Compensation and Management Development Committee is responsible for, among other things, discussing succession and development planning for our chief executive officer and other executives with our** Board ~~level~~ **of Directors** . In addition, we hold company- wide talent- planning reviews both at the executive and departmental levels. To help accelerate the development of leaders across the company, we have established the Seagen Leadership Academy, a program that provides training, leadership opportunities, mentorship and support to high- potential talent at the director level and above. We are continuing to ~~closely~~ monitor the impact of the evolving effects of the COVID- 19 pandemic on our business. We have **maintained** a cross- functional COVID- 19 working group, which meets periodically to discuss policies and protocols, strategic planning, business continuity, and other matters relating to the pandemic. We are continuing to take proactive steps designed to protect the health and safety of our workforce, patients, and healthcare professionals, and to continue our business operations so we can advance our goal of bringing important medicines to patients. Earlier in the pandemic, we instituted a mandatory work- from- home policy for employees who could perform their jobs offsite, but continued our essential research, manufacturing, and laboratory activities on site. **We have since** ~~More recently, we began to allow~~ **allowed** additional ~~U. S. office- based~~ employees who have been fully vaccinated to return to the office ~~on a voluntary and limited basis~~ . We maintain a number of precautionary measures designed to protect our on- site employees, such as enhanced facilities cleaning, ~~lower concentrations of staff,~~ contact tracing and making testing available ~~. We also monitor the progress of our essential onsite activities for impacts relating to the COVID- 19 pandemic. After pausing most in- person customer interactions in healthcare settings earlier in the pandemic, our field- based personnel are now using a mix of in- person interactions and electronic communications, such as emails, phone calls and video conferences, to support healthcare providers and patients~~ . We believe that the measures we have implemented are appropriate and are helping to reduce transmission of COVID- 19, and we will continue to monitor conditions and related guidance from governmental authorities and adjust our activities as appropriate. For information regarding the impacts related to the COVID- 19 pandemic on our ability and the ability of our collaborators to effectively market, sell and distribute our products and to develop our products and product candidates, see ~~“~~ **"** Management ~~’~~ **'** s Discussion and Analysis of Financial Condition and Results of Operations — Overview — Outlook ~~”~~ **"** in Part II Item 7 of this Annual Report on Form 10- K. Corporate Information We were incorporated in Delaware on July 15, 1997, as Seattle Genetics, Inc. In October 2020, we changed our corporate name from Seattle Genetics, Inc. to Seagen Inc., reflecting the global expansion of our operations. Our principal executive offices are located at 21823 30th Drive SE, Bothell, Washington 98021. Our telephone number is (425) 527- 4000, and our website address is www. seagen. com. Seagen ~~®~~ **, the Seagen logo** , ADCETRIS ~~®~~ , **TIVDAK and** ~~PADCEV ®,~~ TUKYSA ~~® and TIVDAK ®~~ are our registered trademarks in the United States **. PADCEV is a U. S. registered trademark jointly owned by us and Agensys, Inc** . All other trademarks, tradenames and service marks included in this Annual Report on Form 10- K are the property of their respective owners. We file electronically with the Securities and Exchange Commission, or SEC, our Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934. We make available on our website at www. seagen. com, free of charge, through a hyperlink on our website, copies of these reports, as soon as reasonably practicable after electronically filing such reports with, or furnishing them to, the SEC. Information found on, or accessible through, our website is not part of, and is not incorporated into, this Annual Report on Form 10- K. In addition, the SEC maintains a website at www. sec. gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Item 1A. Risk Factors You should carefully consider the following risk factors, in addition to the other information contained in this Annual Report on Form 10- K, including our consolidated financial statements and related notes. If any of the events described in the following risk factors occurs, our business, operating results and financial condition could be seriously harmed. This Annual Report on Form 10- K also contains forward- looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of factors that are described below and elsewhere in this Annual Report on Form 10- K. Risks Related to Our Products, Product Candidates and Research and Development Our ability to generate revenue from product sales and our prospects for profitability are substantially dependent on our and our collaborators ~~’~~ **'** ability to effectively commercialize our products and expand their utilization. We may not be able to fully realize the commercial potential of our products, and / or commercial sales of our products may be lower than our projections, for a number of reasons, including: • we and our collaborators may be unable to effectively launch, market and commercialize our products, including in any new markets or in any new indications; • we and our collaborators may not be able to establish or demonstrate to the medical community the efficacy, safety and value of our products and their potential advantages compared to existing and future therapeutics in their approved indications; • we and our collaborators may not be able to obtain and maintain regulatory and other required governmental approvals to market our products in any additional territories or for any additional

indications; • new competitive therapies in the approved indications for our products have been approved by regulatory authorities or may be approved or submitted to regulatory authorities for approval in the near term; • there may continue to be new adverse results, adverse events or safety concerns reported in connection with the use of our products, including in clinical trials; • there may be additional changes to the labeling for our products that further restrict how we market and sell our products, including as a result of data collected from clinical trials and / or as a result of the use of our products; • the incidence rate of new patients or the duration of therapy in the approved indications for our products may be lower than our projections; • **we may experience further or more severe** negative impacts related to the COVID- 19 pandemic, including potential ~~further~~ **future** impacts on cancer diagnosis rates ~~, may increase or become more severe~~ **; • negative impacts related to global economic instability and inflationary pressures** ; • we may encounter challenges in joint decision making and joint execution with our collaborators that adversely affect product sales; • co- promotion arrangements, such as the joint commercialization of PADCEV with Astellas in the U. S. and the joint commercialization of TIVDAK with Genmab in the U. S., may not be successful; • our products may be impacted by adverse reimbursement and coverage policies from government and private payors such as Medicare, Medicaid, insurance companies, health maintenance organizations and other plan administrators, or may be subject to pricing pressures enacted by industry organizations or state and federal governments, including as a result of increased scrutiny over pharmaceutical pricing, the cost of alternative treatment options or otherwise; • we and our collaborators may not be able to obtain favorable pricing and reimbursement approvals in additional territories in a timely manner or at all; • physicians may be reluctant to prescribe our products due to side effects associated with their use or until longer term efficacy and safety data exist; • regulatory restrictions may change or increase; • we and our collaborators may not have adequate financial or other resources to effectively commercialize our products; and • we and our collaborators may not be able to accurately predict demand for our products and obtain adequate commercial supplies of our products to meet demand at an acceptable cost. Our ability to grow our product sales in future periods is also dependent on price increases, and we periodically increase the price of our products. Price increases on our products, as well as negative publicity regarding drug pricing and increases in drug prices generally, whether on our products or products distributed by other pharmaceutical companies, could negatively affect market acceptance of, and sales of, our products. In any event, we cannot assure you that price increases we have taken or may take in the future will not negatively affect our future product sales. If we and our collaborators are unable to successfully commercialize our products or if sales of a product do not reach the levels we expect, then our business, results of operation, financial condition and growth prospects could be adversely affected. We and our collaborators are required to obtain marketing approvals from applicable regulatory authorities in order to market our products or to expand the labeled indications of use for our current marketed products. However, regulatory review is a lengthy and expensive process, and approval is highly uncertain. The **U. S. Food and Drug Administration, or** FDA **,** and other regulatory agencies have substantial discretion in the approval process and in determining when or whether regulatory approval will be obtained. Clinical trial data are subject to differing interpretations. Even if we believe data are promising, regulatory authorities may disagree and may require additional data, limit the scope of the approval or deny approval altogether. For example, although **we and Astellas announced positive initial results from the dose escalation / Cohort A, and positive data from Cohort K, of the EV- 103 trial and the FDA accepted a supplemental Biologics License** ~~applications~~ **Application ,** ~~for~~ **or sBLA,** ~~approval of PADCEV were submitted to various regulatory authorities~~ based on **these** results **, the FDA or its advisors may disagree with our interpretation of the data** from **this** ~~the EV- 201 and EV- 301 trials~~ **trial** ~~, regulatory authorities may not~~ **. We cannot be certain the sBLA submitted for PADCEV in October 2022 will be** ~~approve~~ **approved** ~~these applications~~ in a timely manner or at all ~~. In this regard, although the Committee for Medicinal Products for Human Use, or CHMP, of the European Medicines Agency, or EMA, adopted a positive opinion, recommending approval of PADCEV as monotherapy for the treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received platinum- containing chemotherapy and a PD- 1 / L1 inhibitor, the European Commission decision- making process has been paused for additional CHMP questions related to severe skin reactions in a French compassionate access program~~ . It is possible that **PADCEV** ~~the European Commission~~ may ~~not~~ **never be** ~~approve~~ **approved** ~~PADCEV in a timely manner or~~ **for at all use in any first- line setting or any other additional indications** . In addition, the approval of a product candidate by one regulatory agency does not mean that other regulatory agencies will also approve such product candidate. Any approval that a product does receive may be more restricted than anticipated. For example, regulatory authorities may approve a product for fewer indications or narrower indications than requested. Further, regulatory agencies may impose **post- marketing testing,** safety monitoring, educational requirements or risk evaluation and mitigation strategies, or REMS. Regulatory authorities may also fail to approve the facilities or processes used to manufacture a product candidate or the dosing or delivery methods. The regulatory review process may also take significantly longer than expected, which may delay or eliminate any potential revenues from sales of the affected product or product candidate. Target action dates and regulatory timelines may be subject to substantial delays. **For example,** ~~Although~~ **although the FDA set a target action date for the sBLA we and Astellas submitted for PADCEV based on certain results from the EV- 103 trial, the FDA does not always meet its target action dates. In addition, although** the FDA and EMA have programs to facilitate expedited development and accelerated approval processes, these programs may not result in faster **development,** review or approval than conventional procedures and do not assure ultimate approval. ~~In addition~~ **For example** , although the FDA granted Breakthrough Therapy designation to each of PADCEV and disitamab vedotin in a specified treatment setting **and granted Priority Review to the sBLA we and Astellas submitted for PADCEV based on certain results from the EV- 103 trial** , these ~~Breakthrough Therapy~~ designations do not ~~increase the likelihood~~ **provide any assurance** that PADCEV or disitamab vedotin will receive marketing approval in the specified settings or in any other settings in a timely manner or at all. Disruptions at the FDA and other agencies due to reduced funding levels, government shutdowns, impacts associated with the COVID- 19 pandemic or other factors, may also lead to delays in the regulatory review process. These disruptions may also slow our other interactions with regulatory agencies, which may slow our other product

development efforts. If a product candidate fails to receive regulatory approvals, we will not have the anticipated revenues from that product candidate to fund our operations, and we may not recoup or receive any return on our investment in that product candidate. Similarly, if regulatory authorities do not approve product labeling that is necessary or desirable for the successful commercialization of an approved product, or if they do not approve an application to expand a product ~~'~~ **'** s labeled indications of use or market the product in a new territory, then our anticipated revenue from that product may be adversely affected. Any of these events could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Even if regulatory approval is achieved, the launch of a new product or of an existing product in a new indication or territory is subject to a number of risks and uncertainties and may not be successful. Sales of a new product and sales of an existing product in a new indication or territory are subject to significant risks and uncertainties and can be particularly difficult to predict. For example, the commercialization of TIVDAK is at an early stage and may not be successful. ~~In addition to commercialization risks described elsewhere in these" Risk Factors", impacts related to the COVID- 19 pandemic, including restrictions on in- person interactions and resulting impacts on our ability to connect with key customers and conduct payor engagements, could limit our and our collaborators' abilities to effectively launch and commercialize a new product or to launch and commercialize an existing product in a new indication or territory.~~ A proposed launch, including the launch of **PADCEV and** TUKYSA in countries ~~in Europe~~ where ~~TUKYSA has~~ **they have** not yet launched, could also be delayed or impaired due to a variety of factors, including supply constraints, delays in arranging a commercial infrastructure, delays in obtaining or failure to obtain pricing and reimbursement approvals, or other factors. These risks could be heightened by impacts related to the COVID- 19 pandemic. Delays or other difficulties due to any of these factors could negatively impact anticipated revenue from the affected product. In addition, prior to TUKYSA, we had no prior experience as an organization launching or commercializing a product outside the U. S. and Canada, which could adversely affect our ability to maximize the commercial potential of TUKYSA. If we and our collaborators are unable to successfully launch and commercialize any newly approved products and / or to successfully launch and commercialize our existing products in new indications or territories, then our business, results of operation, financial condition and growth prospects could be adversely affected. Reports of adverse events or safety concerns involving our products and product candidates could result in the limitation, denial or withdrawal of regulatory approval by the FDA or other regulatory authorities for any or all indications, the need to conduct additional trials, implementation of a REMS or the inclusion of unfavorable information in our product labeling and, in turn, could delay or prevent us from commercializing the applicable product or product candidate. There are no assurances that patients receiving our products will not experience serious adverse events, including fatal events, in the future, whether the serious adverse events are disclosed in the prescribing information or are newly reported. Further, there are no assurances that patients receiving our products with co- morbid diseases not previously studied, such as autoimmune diseases, will not experience new or different serious adverse events in the future. The prescribing information for each of our products includes warnings and precautions for various toxicities and reactions, including certain fatal reactions. The prescribing information for ADCETRIS also includes a boxed warning related to the risk that JC virus infection resulting in progressive multifocal leukoencephalopathy and death can occur in patients receiving ADCETRIS. The prescribing information for PADCEV also includes a boxed warning related to the risk that severe and fatal cutaneous adverse reactions, including Stevens- Johnson syndrome and toxic epidermal necrolysis, may occur in patients receiving PADCEV. The prescribing information for TIVDAK also includes a boxed warning related to the risk that ocular toxicity may occur in patients receiving TIVDAK, and the boxed warning includes requirements for ophthalmic exams at baseline, prior to each dose, and as clinically indicated, as well as premedication and eye care. We have updated the prescribing information for our products from time to time in the past, based on reports of adverse events or safety concerns, and we may be required to further update the prescribing information for our products, including boxed warnings, limitations of use, contraindications, warnings and precautions, and adverse reactions, or to implement a REMS in the future. Side effects and toxicities associated with our products, as well as the warnings, precautions and requirements listed in the prescribing information for our products, could affect the willingness of physicians to prescribe, and patients to utilize, our products and thus harm commercial sales of our products. Implementation of a REMS could advantage products that compete with ours or make it more difficult or expensive for us to distribute our products. Likewise, reports of adverse events or safety concerns involving our products and product candidates could interrupt, delay or halt clinical trials of our products and product candidates, including the post- approval confirmatory studies that regulatory agencies have required us or our collaborators to complete. There have been serious side effects and, in some cases, deaths in clinical trials for our products and product candidates that were deemed to be treatment- related by the investigators in those trials, and additional and / or unexpected side effects may be observed in these or other trials in the future. In addition, in response to prior safety events observed in our clinical trials, including serious side effects and patient deaths, we have in the past, and may in the future, institute additional precautionary safety measures such as dosing caps and delays, enhanced monitoring for side effects, and modified patient inclusion and exclusion criteria. Additional and / or unexpected safety events could be observed in these or other trials that could delay or prevent us from advancing the clinical development of, or obtaining regulatory approvals for, our products and product candidates, could require us to alter the approved labeling of our products, may cause a trial to be redone or terminated, may affect patient recruitment or may affect the ability of enrolled patients to complete a trial. As a result, such safety events could adversely affect our business, results of operations, financial condition and growth prospects. Our long- term success will depend upon the successful development of new products, as well as developing our existing products for new indications. However, only a small number of development programs result in the commercialization of a product. It is possible that none of our product candidates will ever become commercial products and that none of our existing products will obtain regulatory approval in any additional indications or territories. We and our collaborators are currently conducting multiple clinical trials for our products and product candidates, and we plan to commence additional trials in the future. Each of these trials requires the investment of substantial expense and time. However, there can be no assurance that the design or conduct of these trials, or any

data collected from them, will be sufficient to support advancement to the next stage of development, any regulatory approvals or commercial viability. Many of our clinical trials were initiated based on limited data. Encouraging preclinical, preliminary or interim data, and / or positive early- stage clinical trial results do not ensure that full, larger scale, later stage or confirmatory trials will be successful or that regulatory approval will be obtained. For example, despite the positive initial results we and Astellas reported from the dose ~~-~~escalation **/** ~~cohort~~ **Cohort** ~~and expansion cohort~~ A **of the EV- 103 trial and the positive results we and Astellas announced from Cohort K** of the EV- 103 trial, we cannot be certain that PADCEV will demonstrate sufficient efficacy or a favorable safety profile in other trials, including the EV- 302 trial ~~, or in other cohorts of the EV- 103 trial, including cohort K. PADCEV may never be approved for use in any frontline setting or any other additional indications. Similarly, despite the encouraging antitumor activity in initial results from 23 patients in the MOUNTAINEER trial, we cannot be certain that TUKYSA will demonstrate sufficient efficacy or a favorable safety profile in the MOUNTAINEER trial or in other trials. TUKYSA may never be approved for use in the MOUNTAINEER treatment setting or in any other additional indications~~ . Many companies in the pharmaceutical and biotechnology industries, including us, have suffered significant setbacks in late- stage clinical trials after achieving encouraging or positive results in early- stage development. We cannot be certain that we will not face similar setbacks in our ongoing or planned clinical trials, including ongoing pivotal and confirmatory trials. There may still be important facts about the safety, efficacy, and risk versus benefit of our products and product candidates, as single agents or in combination with other agents, that are not known to us at this time and that may negatively impact our ability to develop and commercialize them. Safety events or concerns, or negative or inconclusive trial results, could adversely affect the development timeline and the regulatory approval and commercialization prospects for our products and product candidates, or cause us to cease further development of a product or product candidate, any of which may materially and adversely affect our business, results of operations, financial condition and growth prospects. In addition, we may make a strategic decision to discontinue development if, for example, we believe commercialization will be difficult relative to the standard of care or we prefer to prioritize other opportunities in our pipeline. We also face intense competition, and it is possible that a clinical trial may meet its safety and efficacy endpoints but we may choose not to advance the development of a product or product due to changes in the competitive environment. From time to time, the commencement, continuation and completion of our clinical trials have been subject to delays, and we are likely to experience additional delays in the future. Factors that could lead to the delay, suspension, termination or need to modify clinical trials of our products and product candidates include: • adverse medical events or side effects, including fatalities, in treated patients or other safety issues or concerns; • deficiencies in the conduct of the clinical trial, including failure to conduct the clinical trial in accordance with regulatory requirements, Good Clinical Practice, or GCP, or study protocols; • problems, errors or other deficiencies with respect to data collection, data processing and analysis; • action by competent authorities to place a clinical hold or partial clinical hold on a trial or compound; • the time required to determine efficacy may be longer than expected; • unfavorable scientific results or insufficient data to support safety and effectiveness; • inadequate supply or deficient quality of the applicable product or product candidate or of other materials necessary to complete the trials; • inability to reach agreement on acceptable terms with prospective trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different trial sites; • delay or failure to obtain institutional review board, or IRB, or ethics committee approval to conduct a clinical trial at a prospective site; • decisions by competent authorities, IRBs, ethics committees, our collaborators or us, or recommendation by a data monitoring committee, to suspend or terminate a clinical trial for safety issues, futility or any other reason or to demand variations in the protocols or conduct of clinical trials; • changes in governmental regulations or administrative actions that adversely affect the ability to continue to conduct or to complete a clinical trial; • budgetary constraints or prohibitively high clinical trial costs; • difficulties in identifying and enrolling patients who meet trial eligibility criteria; • lower than anticipated retention rates for patients who have initiated a clinical trial; ~~and~~ • the risks and evolving effects of the COVID- 19 pandemic **; and • risks related to the ongoing military conflict between Russia and Ukraine, and sanctions imposed against Russia by the international community** . Additionally, patient enrollment is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the existence of competing clinical trials, perceived side effects and the availability of alternative or new treatments. We have experienced enrollment- related delays in clinical trials in the past, and we will likely continue to experience similar delays in our current and future trials. Many of our future and ongoing clinical trials are being or will be coordinated or conducted with collaborators. If we and these collaborators fail to collaborate effectively, we may experience delays or adverse effects on the commencement, continuation or completion of these trials. In addition, our collaborators have operational control over some of the studies we conduct jointly and we do not have full visibility into these studies run by our collaborators. We also conduct clinical trials in countries outside the U. S., which may subject us to additional expenses, regulatory requirements and potential delays, as well as risks associated with different standards of medical care. If a product candidate or a potential new indication fails at any stage of development, or if we or our collaborators otherwise discontinue development of a product candidate or indication for any reason, we will not have the anticipated revenues from that product candidate or indication to fund our operations and we may not recoup or receive any return on our investment in that product candidate or indication. Failure to effectively advance our development programs in a timely manner or at all could have a material adverse effect on our business, results of operations, financial condition and prospects. Successful sales of our current and any future approved products will depend, in part, on the extent to which coverage and reimbursement for our products will be available from government and health administration authorities, private health insurers and other third- party payors. To manage healthcare costs, many governments and third- party payors increasingly scrutinize the pricing of new products and require increasing levels of evidence of favorable clinical outcomes and cost- effectiveness before extending coverage. In light of this pricing scrutiny, we cannot be sure that we and our collaborators will achieve and maintain coverage for our products and any product candidates that we or our collaborators commercialize and, if available, that the reimbursement rates will be

adequate and grant access to all eligible patients. If we or our collaborators are unable to obtain and maintain coverage and adequate levels of reimbursement for our current and any future approved products that we or our collaborators commercialize, their marketability will be negatively and materially impacted. For example, we cannot be certain that third- party payors will ~~continue to provide coverage and adequate reimbursement for ADCETRIS in the frontline Hodgkin lymphoma indication based on the relative price and perceived benefit of ADCETRIS as compared to alternative treatment options, which may materially harm our ability to maintain or increase sales of ADCETRIS or may otherwise negatively affect future ADCETRIS sales. Similarly, we cannot be certain that third- party payors will~~ provide coverage and adequate reimbursement for PADCEV, TUKYSA or TIVDAK based on their relative price and perceived benefits as compared to alternative treatment options or otherwise, which may materially harm our and our collaborators ~~'~~ ability to successfully commercialize PADCEV, TUKYSA and TIVDAK in our respective designated territories. In addition, ~~we~~ **gross- to- net deduction rates are dependent on market and site of care dynamics that may continue to evolve throughout the lifecycle of each of our products. These gross- to- net deduction rates also vary by product. We** have ~~also~~ experienced **fluctuations** ~~an increase~~ in gross- to- net deductions ~~for ADCETRIS since the beginning of the pandemic, which has been driven by the proportion of ADCETRIS sales subject to discounts through the federal 340B drug discount program, as well as increases~~ in ~~discount rates. We believe that~~ the ~~increase~~ **past and may experience additional fluctuations** in gross- to- net deductions **for one** ~~is, in part, due to a shift in the locations where ADCETRIS is administered. We may further experience additional increases in gross- to- net deductions for~~ **or more** ~~ADCETRIS and the rest~~ of our ~~portfolio~~ **products** in the future ~~based on market and site- of- care dynamics~~. In many jurisdictions, including many countries in Europe, the proposed pricing for a drug must be approved in an individual country before it may be lawfully marketed, which could delay entry of a product into a market or, if pricing is not approved, may prevent us or our collaborators from selling a product in a country where it has received regulatory approval. In European countries where ~~we~~ **TUKYSA and PADCEV** have obtained regulatory approval ~~of TUKYSA~~, we will seek **additional** pricing and reimbursement agreements for TUKYSA **, and work with Astellas to seek additional pricing and reimbursement agreements for PADCEV,** in accordance with local timelines ~~. As an organization, we did not have any experience applying for pricing and reimbursement approvals in jurisdictions outside the U. S. and Canada prior to our applications with respect to TUKYSA~~. Further, authorities in Europe have substantial discretion in the pricing and reimbursement approval process and in determining when or whether coverage will be available for a product in its initial indication or for any additional indications or in additional territories. In addition, in some cases, they may lower the price for a medicine after the price has been established. If we or ~~Merck~~ **our collaborators** are unable to obtain favorable pricing and reimbursement approvals in the countries that represent significant potential markets, our anticipated revenue from and growth prospects for **PADCEV and / or** TUKYSA in those regions would be negatively affected. Eligibility for coverage and reimbursement does not imply that payors will pay for a drug in all cases or at a rate that **(i)** captures the value delivered to patients, payors and the overall healthcare system; **(ii)** allows for continued investment in innovative treatments for cancer patients; or **(iii)** covers our costs, including research, development, manufacture, sale and distribution. In addition, obtaining and maintaining adequate coverage and reimbursement status is time-consuming and costly. Third- party payors may deny coverage and reimbursement status altogether for a given product, or they may cover the product but establish prices at levels that are too low to enable us to realize an appropriate return on our investment in product development or limit access to select patient populations, reducing revenue potential. Further, in the U. S., there is no uniform policy of coverage and reimbursement among third- party payors. Third- party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided is made on a payor- by- payor basis. One payor ~~'~~ s determination to provide coverage for a product does not assure that other payors will also provide coverage for the product. Because the rules and regulations regarding coverage and reimbursement change frequently, in some cases at short notice, even when there is favorable coverage and reimbursement, future changes may occur that adversely impact the favorable status. The unavailability or inadequacy of third- party coverage and reimbursement could have a material adverse effect on the market acceptance of our current and any future approved products and the future revenues we may expect to receive from those products. **Further, in the event that our product candidates rely upon in vitro companion diagnostics for use in selecting the patients that we believe will respond to our therapeutics, we or our collaborators may be required to obtain coverage and reimbursement separate and apart from the coverage and reimbursement we may seek for our product candidates.** In addition, we are unable to predict what additional legislation or regulation relating to the healthcare industry or third- party coverage and reimbursement may be upheld or enacted in the future, or what effect such legislation or regulation would have on our business. Continuing negative publicity regarding pharmaceutical pricing practices and ongoing governmental and societal scrutiny create significant uncertainty regarding regulation of the healthcare industry and third- party coverage and reimbursement in the U. S. and other jurisdictions. If additional healthcare policies or reforms intended to curb healthcare costs are implemented or if we experience negative publicity with respect to pricing of our products or the pricing of pharmaceutical products generally, the prices that we charge for our current and any future approved products may be limited, and our revenues from sales of our current and any future approved products may be negatively impacted. The degree of market acceptance among patients, physicians, and third- party payors is important to our ability to successfully commercialize our current and any future approved products. The degree of acceptance will depend on a number of factors including the clinical benefits of our products, the effectiveness of our marketing, sales and distribution strategy and operations, the perceived advantages and relative cost, safety and efficacy of alternative treatments, and the acceptance and degree of adoption of our products by institutional treatment pathways and institutional, local, and national clinical guidelines. In the U. S., many oncology practices and healthcare providers rely on the National Comprehensive Cancer ~~Networks~~ **Network ®, or NCCN,** Clinical Practice Guidelines in Oncology or other institutional practice pathways in decisions related to treatment of patients and utilization of medicines. To the extent that our current or any future approved products are not included or positioned favorably in such

treatment guidelines and pathways, the full utilization potential of our products may not be reached, which may harm our ability to successfully commercialize our current or any future approved products. Any failures or setbacks in our ADC development program or our other platform technologies could negatively affect our business and financial position. ADCETRIS, PADCEV, TIVDAK and our ladiratuzumab vedotin and disitamab vedotin product candidates are all based on antibody- drug conjugate, or ADC, technology, which utilizes proprietary stable linkers and potent cell- killing synthetic agents. Our ADC technology is also the basis of our license agreements with AbbVie Biotechnology Ltd., ~~or AbbVie,~~ Astellas, Genentech, Inc., a member of the Roche Group, or Genentech, and GlaxoSmithKline LLC ~~, or GSK,~~ and our collaboration agreements with Takeda, Astellas, Genmab ~~and~~ **,** Merck **and Zai Lab** . Any failures or setbacks in our ADC development program or with respect to our additional proprietary technologies, including adverse effects resulting from the use of this technology in human clinical trials and / or the imposition of clinical holds on our trials of our product candidates, could have a detrimental impact on the continued commercialization of our products in their current or any potential future approved indications and on our product candidate pipeline, as well as our ability to maintain and / or enter into new corporate collaborations regarding our ADC technology, which would negatively affect our business and financial position. The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies and intense competition. Many third parties compete with us in developing various approaches to treating cancer. They include pharmaceutical companies, biotechnology companies, academic institutions and other research organizations. Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approval and marketing than we do. Smaller or early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. With respect to ADCETRIS, there are several other FDA approved drugs for its approved indications. **Bristol- Myers Squibb' s, or** BMS ~~'~~ **'** s **,** nivolumab and Merck ~~'~~ **'** s pembrolizumab are approved for the treatment of certain patients with relapsed or refractory classical Hodgkin lymphoma, and Acrotech Biopharma ~~'~~ **'** s pralatrexate and belinostat are approved for relapsed or refractory systemic anaplastic large cell lymphoma, or sALCL, among other T- cell lymphomas. ~~Celgene~~ **BMS** ' s romidepsin is approved for cutaneous T- cell lymphoma. Kyowa Kirin ~~'~~ **'** s mogamulizumab is approved for adult patients with relapsed or refractory mycosis fungoides or Sézary syndrome. The competition ADCETRIS faces from these and other therapies is intensifying. Additionally, Merck conducted a phase 3 clinical trial in relapsed or refractory classical Hodgkin lymphoma comparing pembrolizumab to ADCETRIS. An interim analysis of this clinical trial demonstrated a statistically significant improvement in progression- free survival for pembrolizumab compared with ADCETRIS, resulting in a label expansion to an earlier line of therapy, and ~~we expect increased competition from~~ pembrolizumab **is now competing with ADCETRIS** in this indication. We are also aware of multiple investigational agents currently being studied that, if successful, may compete with ADCETRIS in the future, such as camidanlumab tesirine ~~being studied~~ **, which is** in a phase 2 study in relapsed / refractory classical Hodgkin lymphoma. ~~Merck is conducting~~ **Nivolumab, with or without chemotherapy, in** a phase 2 ~~study~~ **investigator initiated trial, has demonstrated significant objective response rate** in ~~newly diagnosed~~ **the salvage setting. In the frontline** classical Hodgkin lymphoma **setting, nivolumab in combination with chemotherapy and pembrolizumab in combination with chemotherapy are each being studied and if proven beneficial, could compete with ADCETRIS in that setting** . Data have also been presented on several developing technologies, including bispecific antibodies and CAR modified T- cell therapies that may compete with ADCETRIS in the future. Further, there are many competing approaches used in the treatment of patients in ADCETRIS ~~'~~ **'** approved indications, including autologous hematopoietic stem cell transplant, allogeneic hematopoietic stem cell transplant and chemotherapy, in addition to clinical trials with experimental agents. The risk of biosimilar or generic challenges has also been increasing in our industry. In the U. S. and the EU, after a period of exclusivity for an innovator ~~'~~ **'** s approved biological product or branded drug has passed, there are abbreviated pathways for approval of biosimilar products or generic drugs. In addition, it is not possible to predict changes in law that might reduce regulatory exclusivity. As a result, and due to uncertainties regarding patent protection, it is not possible to predict the length of market exclusivity for any particular product with certainty based solely on the expiration of the relevant patent (s) or the current forms of regulatory exclusivity. Absent patent protection or regulatory exclusivity for our products, it is possible, both in the United States and elsewhere, that biosimilar, interchangeable or generic versions of those products may be approved and marketed, which would likely result in substantial and rapid reductions in revenues from sales of those products. Risks Related to Regulatory Oversight, and Other Legal Compliance Matters Any product that has received regulatory approval remains subject to extensive ongoing obligations and continued review from applicable regulatory agencies. These obligations include, among other things, drug safety reporting and surveillance, submission of other post- marketing information and reports, pre- clearance of certain promotional materials, manufacturing processes and practices, product labeling, confirmatory or post- approval clinical research, import and export requirements and record keeping. These obligations may result in significant expense and limit our and our collaborators ~~'~~ **'** ability to commercialize our current and any future approved products. Any violation of ongoing regulatory obligations could result in restrictions on the applicable product, including the withdrawal of the applicable product from the market. If FDA approval is granted via the accelerated approval pathway or a product receives conditional marketing authorization from another comparable regulatory agency, we and our collaborators may be required to conduct a post- marketing confirmatory trial in support of full approval and to comply with other additional requirements. For example, in connection with ADCETRIS ~~'~~ **'** s conditional marketing authorization in relapsed Hodgkin lymphoma, relapsed cutaneous T- cell lymphoma, and both relapsed and frontline sALCL in the EU, Takeda is subject to certain post- approval requirements, including the requirement to conduct clinical trials to confirm clinical benefit. The FDA ~~'~~ **'** s accelerated approval of TIVDAK **and of TUKYSA in its colorectal cancer indication** also included ~~a requirement~~ **requirements** for ~~a~~ confirmatory ~~trial~~ **trials** . An unsuccessful post- marketing study or failure to complete such a study with due diligence could result in the withdrawal of marketing approval. Post- marketing studies may also suggest unfavorable safety information that could require us to update the product ~~'~~ **'** s prescribing

information or limit or prevent the product ' s widespread use. In addition, the labeling, advertising and promotion of products that have received accelerated approval from the FDA, including **TUKYSA and** TIVDAK, are subject to additional regulatory requirements, which entail significant expense and could negatively impact the product ' s commercialization **. Recent legislation has given the FDA additional authority to require accountability and enforce the post- marketing requirements and commitments associated with accelerated approval** . Regulatory authorities may also impose additional post- marketing commitments, including requirements for companion diagnostics. For example, the FDA ' s approval of ADCETRIS in the frontline peripheral T- cell lymphoma indication included a post- marketing commitment to develop an in- vitro diagnostic device for the selection of patients with CD30- expressing PTCL, not including SALCL, for treatment with ADCETRIS in this indication. We and Takeda have a collaboration with Ventana Medical Systems, Inc., or Ventana, under which Ventana is working to develop such a diagnostic device. We and the manufacturers of our current and any future approved products are also required, or will be required, to comply with current Good Manufacturing Practices, or 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, any approved product, its manufacturer and the manufacturer ' s facilities are subject to continual regulatory review and inspections, including periodic unannounced inspections. Failure to comply with applicable FDA and other regulatory requirements may subject us to administrative or judicially imposed sanctions and other consequences, including: • 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 regulatory approvals and 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 U. S.; • restrictions on operations, including costly new manufacturing requirements; • product recalls or seizures or withdrawal of the affected product from the market; and • reputational harm. The policies of the FDA and other regulatory agencies may change and additional laws and regulations may be enacted that could prevent or delay regulatory approval of our product candidates or of our products in any additional indications or territories, or further restrict or regulate post- approval activities. Any problems with a product or any violation of ongoing regulatory obligations could result in restrictions on the applicable product, including the withdrawal of the applicable product from the market. If we are not able to maintain regulatory compliance, we or our collaborators might not be permitted to commercialize our current or any future approved products and our business would suffer. In recent years, there have been a number of legislative and regulatory actions and executive orders that have made reforms to the U. S. healthcare system. The implementation of certain of these policy changes has decreased our revenues and increased our costs, and federal and state legislatures, governments in countries outside the U. S., health agencies and third- party payors continue to focus on containing the cost of healthcare. Further legislative and regulatory changes, and increasing pressure from social sources, are likely to further influence the manner in which our products are priced, reimbursed, prescribed and purchased. Such additional reforms could result in further reductions in coverage and levels of reimbursement for our products, expansion of U. S. government rebate and discount programs, increases in the rebates and discounts payable under these programs, requests for additional or supplemental rebates, and additional downward pressure on the prices that we and our collaborators receive for our products. The federal government has implemented reforms to government healthcare programs in the U. S., including changes to the methods for, and amounts of, Medicare reimbursement and changes to the Medicaid Drug Rebate Program. For example, on **in** March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100 % of a drug ' s average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. On **In** November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act, which included changes to the Medicare Part B program requiring rebates for some discarded drug products that will **are expected to** increase future rebates **for ADCETRIS, TIVDAK and possibly PADCEV with an implementation date in the first quarter of 2023** . The Biden administration also recently announced an Executive Order that includes initiatives to support the implementation of Canadian drug importation and reduce drug prices. In response to President Biden ' s Executive Order, on September 9, 2021, the U. S. Department of Health and Human Services **, or HHS,** released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. No legislation **Further, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, (i) directs HHS to negotiate the price of certain high- expenditure, single- source drugs and biologics covered under Medicare, and subjects drug manufacturers to civil monetary penalties and a potential excise tax** or **for** administrative actions **offering a price that is not equal to or less than the negotiated" maximum fair price" under the law; (ii) imposes rebates under Medicare Part B and Medicare Part D to penalize drug price increases that outpace inflation; and (iii) redesigns the Medicare Part D program, increasing manufacturer rebates within the catastrophic coverage phase. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions will take effect progressively beginning in fiscal year 2023, although they may be subject to legal challenges. It is currently unclear how the IRA will be effectuated but is likely to** have been finalized to implement **a significant impact on** these -- **the** principles **pharmaceutical industry** . In **Further, the Biden administration released an** addition **additional executive order on October 14** , Congress **2022, directing HHS to submit a report within 90 days on how the Center for Medicare and Medicaid Innovation can be further leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries. It** is **unclear whether this executive order or similar policy** considering drug pricing as part of other healthcare reform initiatives **will be implemented in the future** . Some states are also considering legislation, or have

passed laws, that would control the prices and coverage and reimbursement levels of drugs, including laws to allow importation of pharmaceutical products from lower cost jurisdictions outside the U. S. and laws intended to impose price controls on state drug purchases. In addition, governments in countries outside the U. S. control the costs of pharmaceuticals. Many European countries and Canada have established pricing and reimbursement policies that contain costs by referencing the price of the same or similar products in other countries. In these instances, if coverage or the level of reimbursement is reduced, limited or eliminated in one or more countries, we may be unable to obtain or maintain anticipated pricing or reimbursement in other countries or in new markets. This may create the opportunity for third- party cross- border trade or may influence our decision whether to sell a product in one or more countries, thus adversely affecting our geographic expansion plans. It is also possible that governments may take additional action to reform the healthcare system in response to the evolving effects of the COVID-19 pandemic. We cannot assure you as to the ultimate content, timing, or effect of future healthcare law and policy changes, nor is it possible at this time to estimate the impact of any such potential changes; however, such changes or the ultimate impact of changes could materially and adversely affect our revenue or sales of our current and or potential future products, as well as those of our collaborators. We are subject to various state, federal and international laws and regulations, including healthcare laws and regulations, that may impact our business and could subject us to significant fines and penalties or other negative consequences. Our operations may be directly or indirectly subject to various healthcare laws, including, without limitation, the federal Anti- Kickback Statute, federal civil and criminal false claims laws, regulations prohibiting off- label promotions and federal transparency requirements. These laws may impact, among other things, the sales, marketing and education programs for our products and any future approved products. In addition, the number and complexity of healthcare laws and regulations applicable to our business continue to increase. The federal Anti- Kickback Statute prohibits, among other things, knowingly and ~~willingly~~ **willfully** soliciting, offering, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing or arranging for a good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as the Medicare and Medicaid programs. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly, and practices that involve remuneration not intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. In addition, a criminal conviction for violation of the federal Anti- Kickback Statute requires mandatory exclusion from participation in federal healthcare programs. The federal civil and criminal false claims laws, including the civil False Claims Act, prohibit, among other things, persons or entities from knowingly presenting, or causing to be presented, a false claim to, or the knowing use of false statements to obtain payment from or approval by, the federal government, including the Medicare and Medicaid programs, or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim or to avoid, decrease, or conceal an obligation to pay money to the federal government. Many pharmaceutical and other healthcare companies have been investigated and have reached substantial financial settlements with the federal government under the civil False Claims Act for a variety of alleged improper marketing, promotion or other activities. The federal transparency requirements under the Physician Payments Sunshine Act require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children ~~'~~ **’** s Health Insurance Program to annually report information related to certain payments or other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals, and to report annually certain ownership and investment interests held by physicians and their immediate family members. Failure to submit timely, accurately and completely the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties of up to an aggregate of $ 150, 000 per year plus up to an aggregate of $ 1 million per year for ~~“~~ **"** knowing failures, ~~”~~ **"** as adjusted for inflation. In addition, there has been increased scrutiny of company- sponsored patient assistance programs, including co- pay assistance programs, and donations to third-party charities that provide such assistance. There has also been enhanced scrutiny by governments of reimbursement support offerings, clinical education programs and promotional speaker programs. If we or our vendors are deemed to fail to comply with laws or regulations in the operation of these programs, we could be subject to damages, fines, penalties or other criminal, civil or administrative sanctions or enforcement actions. Further, in connection with civil settlements related to these laws and regulations, the U. S. government has and may in the future require companies to enter into complex corporate integrity agreements that impost significant reporting and other requirements. Other healthcare laws and regulations that may affect our ability to operate include, among others, the federal civil monetary penalties statute and the healthcare fraud provisions of the federal Health Insurance Portability and Accountability Act, or HIPAA. In addition, many states and jurisdictions outside the U. S. have similar laws and regulations, such as anti- kickback, anti- bribery and corruption, false claims and transparency, to which we are currently and / or may in the future, be subject. Additional information about these requirements is provided under ~~“~~ **"** **Business —** Government Regulation ~~—~~ **—** Healthcare Regulation ~~”~~ **"** in **Part I Item 1 of** this Annual Report on Form 10- K. We are also subject to numerous other laws and regulations that while not specific to the healthcare industry, do apply to the healthcare industry in important ways. For example, we are subject to antitrust regulations with respect to interactions with other participants in the markets we currently serve or may serve in the future. These antitrust laws are vigorously enforced in the U. S. and in other jurisdictions in which we operate. In an effort to comply with applicable laws and regulations, we have implemented a compliance program designed to actively identify, prevent and mitigate risk by implementing policies and systems and promoting a culture of compliance. We also actively work to revise and evolve our compliance program in an effort to keep pace with evolving compliance risks and the growing scale of our business. However, we cannot guarantee that our compliance program will be sufficient or effective, that we will be able to integrate the operations of newly formed affiliates or acquired businesses into our compliance program effectively or on a timely basis, that our employees will comply with our

policies, that our employees will notify us of any violation of our policies, that we will have the ability to take appropriate and timely corrective action in response to any such violation, or that we will make decisions and take actions that will limit or avoid liability for whistleblower claims or actions by governmental authorities. If we are found to be in violation of any of the laws and regulations described above or other applicable laws, we may be subject to penalties, including significant civil, criminal and administrative penalties, damages, fines, disgorgement, contractual damages, reputational harm, administrative burdens, imprisonment, diminished profits and future earnings, exclusion from government healthcare reimbursement programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws, and / or the curtailment or restructuring of our operations. Any of these outcomes could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Regardless of whether we have complied with the law, a government investigation could negatively impact our business practices, harm our reputation, divert the attention of management and increase our expenses. Moreover, achieving and sustaining compliance with applicable federal, state and healthcare laws outside the U. S. is costly and time- consuming for our management. We are subject to stringent and changing obligations related to data privacy and information security. Our actual or perceived failure to comply with such obligations could lead to governmental investigations or actions, litigation, fines and penalties, a disruption of our business operations, reputational harm and other adverse business impacts. We are subject to numerous privacy and data protection laws and regulations governing personal information, including healthcare information. In addition, the legislative and regulatory landscape for privacy and data protection continues to evolve. EU member countries and other jurisdictions, including Switzerland, the United Kingdom, or the U. K., and Canada, have also adopted data protection laws and regulations which impose significant compliance obligations. For example, the EU ~~'~~ **'** s General Data Protection Regulation, or GDPR, imposes a range of requirements relating to the collection, use, handling and protection of personal data. Violations of the GDPR can result in significant penalties, including potential fines of up to € 20 million or 4 % of the annual global revenues of the non- compliant company, whichever is greater. The GDPR has increased our responsibility and potential liability in relation to all types of personal data that we process **or that is processed on our behalf** , including **data from** clinical ~~trial~~ **trials ,** ~~data and employee~~ **employees** ~~information~~ **, collaborators and vendors** . In addition, local data protection authorities can have different interpretations of the GDPR, leading to compliance challenges as a result of potential inconsistencies amongst various EU member states. Among other requirements, the GDPR regulates transfers of personal data to countries that have not been found to provide adequate protection to such personal data, including the U. S. This includes transfers between us and our subsidiaries. In July 2020, the Court of Justice of the EU, or the CJEU, invalidated one of the primary safeguards enabling U. S. companies to import personal information from Europe, the EU- U. S. Privacy Shield. The same decision also raised questions about whether one of the primary alternatives to the EU- U. S. Privacy Shield, namely, the EC ~~'~~ **'** s Standard Contractual Clauses, or SCCs, provide sufficient protection for personal data transfers without analyzing each transfer and implementing supplementary measures to protect the data. As a result of the CJEU ~~'~~ **'** s decision, the EC issued new SCCs in June 2021 that repeal and replace the previous clauses. ~~Companies relying on the SCCs for transfers have until December 2022 to implement the new clauses.~~ Following recommendations from the European Data Protection Board, we ~~are reviewing~~ -- **review** personal data transfers from the EU and ~~adding~~ **add** the new SCCs and supplementary measures, when required. Since local data protection authorities can interpret GDPR and the CJEU ~~'~~ **'** s decision differently, there is no definitive set of controls that can ensure GDPR compliance across our business operations. In addition, authorities in Switzerland and the U. K., whose data protection laws are similar to those of the EU, ~~also invalidated~~ **have followed** the ~~use of privacy shields~~ **EU' s approach and CJEU decision** . Additional compliance efforts may be needed to respond to evolving regulatory guidance. If our compliance solutions are found to be insufficient, we could face substantial fines under European data protection laws as well as injunctions against processing and / or transferring personal information from Europe. The inability to import personal information from Europe could restrict our clinical trial activities in Europe, limit our ability to collaborate with contract research organizations, service providers, contractors and other companies subject to European data protection laws, interfere with our ability to hire employees in Europe and require us to increase our data processing capabilities in Europe at significant expense. Product liability and product recalls could harm our business, and we may not be able to obtain adequate insurance to protect us against product liability losses. The testing, manufacturing, marketing, and sale of products and product candidates expose us to product liability claims. As a result, it is possible that we may be named as a defendant in product liability suits that may allege that drug products we manufactured ~~for BMS~~ resulted in injury to patients. While we have obtained product liability insurance, it may not provide adequate coverage against all potential liabilities. In addition, we may not be able to maintain insurance coverage on acceptable terms or at all. If a product liability claim or series of claims is brought against us, we may experience substantial financial losses, including uninsured liabilities or liabilities in excess of insured amounts, and may be required to limit further development and commercialization of our products, either of which could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Additionally, product liability claims, regardless of their merits, could be costly, could divert management ~~'~~ **'** s attention and could adversely affect our reputation and the demand for our products. Product recalls may be issued at our discretion, or at the discretion of government agencies and other entities that have regulatory authority for pharmaceutical sales. Any recall of our products could materially adversely affect our business by rendering us unable to sell our products for some time and by adversely affecting our reputation. Our operations involve hazardous materials and are subject to environmental, health and safety laws and regulations. We are subject to environmental, health and safety laws and regulations, including those governing the use and disposal of hazardous materials, and we spend considerable time complying with such laws and regulations. Our business activities involve the controlled use of hazardous materials, and although we take precautions to prevent accidental contamination or injury from these materials, we cannot completely eliminate the risk of using these materials. In this regard, with respect to our manufacturing facility, we may incur substantial costs to comply with environmental laws and regulations and may become subject to the risk of accidental

contamination or injury from the use of hazardous materials in our manufacturing process. It is also possible that our manufacturing facility may expose us to environmental liabilities associated with historical site conditions that we are not currently aware of and did not cause. Some environmental laws impose liability for contamination on current owners or operators of affected sites, regardless of fault. In the event of an accident or environmental discharge, or new or previously unknown contamination is discovered or new cleanup obligations are otherwise imposed in connection with any of our currently or previously owned or operated facilities, we may be held liable for remediation obligations, damages or fines, which may exceed our insurance coverage and materially harm our business, financial condition and results of operations. 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. Risks Related to Our Reliance on Third Parties We have established collaborations with third parties to develop and market each of our products and some of our current and potential future product candidates. These include our collaborations with Takeda for ADCETRIS, with Astellas for PADCEV, with Merck for TUKYSA **,** and with Genmab **and Zai Lab** for TIVDAK. We also have established clinical trial collaborations to develop certain of our products or product candidates in combination with the products or product candidates of third parties. Our dependence on these collaboration and licensing arrangements subjects us to a number of risks, including: • we are not able to control the amount or timing of resources our collaborators and licensees devote to the development or commercialization of our programs, products or product candidates; • the interests of our collaborators may not always be aligned with our interests, and such parties may not pursue regulatory approvals or market a product in the same manner or to the same extent that we would, which could adversely affect our revenue, or may adopt tax strategies that could have an adverse effect on our business, results of operations or financial condition; • with respect to products or product candidates under joint control, we may encounter challenges in joint decision making and joint execution, including with respect to any joint development or commercialization plans or co- promotion activities, which may delay or otherwise harm the research, development, launch or commercialization of the applicable products and product candidates; • disputes may arise between us and our collaborators or licensees, including with respect to the achievement and payment of milestones or ownership of rights to technology developed, that could result in litigation or arbitration; • any failure on the part of our collaborators to comply with applicable laws, including tax laws, regulatory requirements and / or applicable contractual obligations or to fulfill any responsibilities they may have to protect and enforce any intellectual property rights underlying our products could have an adverse effect on our revenue as well as involve us in possible legal proceedings; • any improper conduct or actions on the part of our collaborators, licensees or other third parties could subject us to civil or criminal investigations and monetary penalties and injunctions, impact the accuracy and timing of our financial reporting and / or adversely impact our ability to conduct business, our operating results and our reputation; • business combinations or significant changes in a collaborator ~~'~~ **'** s business strategy may adversely affect such party ~~'~~ **'** s willingness or ability to complete its obligations under any arrangement; • a collaborator could independently move forward with competing products, therapeutic approaches or technologies, either independently or in collaboration with others, including with our competitors; and • our collaboration agreements may be terminated, breached or allowed to expire, or our collaborators may reduce the scope of our agreements with them. If our collaborative and license arrangements are not successful, then our ability to advance the development and commercialization of the applicable products and product candidates, or to otherwise generate revenue from these arrangements, will be adversely affected, and our business and business prospects may be materially harmed. If any of our collaborators terminates our collaboration or opts out of their obligations, we may have to engage another collaborator, or we may have to complete the development process and undertake commercializing the applicable product or product candidate in our collaborator ~~'~~ **'** s current territories ourselves. This could significantly disrupt or delay the development and commercialization of the applicable product or product candidate and substantially increase our costs. Any of these events could have a material adverse effect on our business, results of operations, financial condition and growth prospects. A substantial portion of our revenue results from payments made under agreements with our collaborators. The loss of any of our collaborators, changes in product development or business strategies of our collaborators, or the failure of our collaborators to perform their obligations under their agreements with us for any reason, including paying license or technology fees, milestone payments, royalties or reimbursements, could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Payments under our existing and potential future collaboration agreements are also subject to significant fluctuations in both timing and amount, which could cause our revenue to fall below the expectations of securities analysts and investors and cause a decrease in our stock price. In addition to collaboration agreements, we also have ADC license agreements that allow our licensees to use our proprietary ADC technology. Our ADC licensees conduct all research, product development, manufacturing and commercialization of any product candidates under these agreements. Any delay or termination of the development and commercialization of a licensed product or product candidate by the licensee could adversely affect our business, results of operations, financial condition and growth prospects by reducing or eliminating the potential for us to receive applicable milestones and royalties. We own a biologics manufacturing facility located in Bothell, Washington, which we use to support our clinical supply needs, ~~and we recently invested in the facility infrastructure to enable it to potentially support some of our commercial supply needs in the future,~~ as well **as for commercial production of PADCEV antibody, for which the facility was recently approved by the FDA** . We have also signed a lease ~~to~~ **for** a **site in Everett, Washington, where we are constructing a new manufacturing** facility ~~currently being constructed~~ **that we intend to use for future biologics manufacturing. We have made and plan to continue to make investments** in ~~Everett, Washington, which~~ **these facilities with no assurance that these investments** will be ~~used~~ **recouped. We may experience cost overruns, delays** ~~for~~ **or** ~~future manufacturing capability~~ **other difficulties in construction, obtaining regulatory approvals and permits or in otherwise bringing the Everett facility online** . ~~However~~ **In addition** , we rely and expect to continue to rely on collaborators, contract manufacturers and other third parties to produce and store sufficient quantities of drug product for both our clinical and

commercial programs. In some cases, we rely on contract manufacturers and other third parties that are single- source suppliers to complete steps in the manufacturing process. If any of the parties in our supply chain cease or interrupt production or otherwise fail to deliver materials, products or services on a timely basis, with sufficient quality, and at commercially reasonable prices, and we fail to find replacements or to develop our own manufacturing capabilities, we may bear costly losses or be required to delay or suspend clinical trials or otherwise delay or discontinue development, production and sale of our products. As a result, our business, results of operations, financial condition and growth prospects could be materially and adversely affected. There are a limited number of facilities in which each of our products and product candidates can be produced. Any interruption of the operation of those facilities, due to equipment malfunction or failure, damage to the facility, natural disasters, regulatory actions, contractual disputes or other events, could result in delays, cancellation of shipments, loss of product in the manufacturing process, or a shortfall in supply. Further, we and our collaborators depend on outside vendors for the supply of raw materials used to produce our products and product candidates. If these suppliers were to cease production or otherwise fail to supply quality raw materials and we or our collaborators were unable to contract with alternative suppliers for these raw materials on acceptable terms, our ability to have our products manufactured to meet clinical and commercial requirements would be adversely affected. In ~~an effort to increase the availability of needed medical and other supplies and products in connection with the COVID- 19 pandemic, we and our suppliers may elect to, or governments may require us or our suppliers to, allocate raw materials used in manufacturing or manufacturing capacity (for example pursuant to the U. S. Defense Production Act) in a way that adversely affects our ability to have our products manufactured to meet clinical and commercial requirements. In~~ addition, if any of the parties in our supply chain are adversely impacted by the evolving effects of the COVID-19 pandemic, such as staffing shortages, productions slowdowns and / or disruptions in delivery systems, there could be disruptions and delays in the manufacturing and supply of our products and product candidates. While we believe that the existing supplies of our products and our and our collaborators ~~'~~ ' contract manufacturing relationships will be sufficient to accommodate current clinical and commercial needs, we or our collaborators may need to obtain additional manufacturing arrangements or increase manufacturing capability to meet potential future commercial needs, which could require additional capital investment or cause delays. We cannot assure you that we can enter into additional manufacturing arrangements on commercially reasonable terms or at all. Forecasting demand for a new product or for a newly- approved territory or indication for an existing product can be challenging. If demand for a product exceeds our estimates or if our commercial manufacturers are unable or unwilling to increase production capacity commensurate with demand, our commercialization of the affected product could be negatively impacted by short- term product supply challenges. Supply challenges would adversely impact our revenues and could negatively affect our relationships with patients and healthcare professionals. In addition, any failures or delays in manufacturing adequate product supplies and in putting in place or expanding our manufacturing and supply infrastructure could delay or impede our and collaborators ~~'~~ ' ability to launch and commercialize our products, including **PADCEV and** TUKYSA, in additional markets where they have obtained regulatory approval. In order to obtain regulatory approval of any product candidate or regulatory approval of any product in a new jurisdiction, the suppliers for that product or product candidate must obtain approval to manufacture and supply product. In addition, the facilities utilized to manufacture the product or product candidate will be subject to pre- approval regulatory inspections. Any delay or failure in generating the chemistry, manufacturing and control data required in connection with any application for regulatory approval, or challenges in the regulatory inspection process, could negatively impact our ability to meet our anticipated regulatory submission dates, delay any approval decisions and / or negatively affect our ability to obtain regulatory approval at all. Any failure of us, our collaborators or a manufacturer to obtain approval to manufacture and supply product in a jurisdiction, or to obtain and distribute adequate supplies of the product, on a timely basis or in accordance with applicable specifications and local requirements could negatively impact our ability to successfully launch and commercialize the applicable product in that jurisdiction and to generate sales of that product at the levels we expect. We or our collaborators may also encounter difficulties in meeting the regulatory requirements applicable to the manufacturing process for these agents, in managing the additional complexity of manufacturing for a number of markets outside the U. S. or in responding to changes in the amount or timing of supply needs. Any failures or delays in meeting these requirements could substantially delay or impede our ability to obtain regulatory approvals for and to market these agents, which could negatively impact our operating results and adversely affect our business. We are dependent upon a small number of distributors for a significant portion of our net sales, and the loss of, or significant reduction or cancellation in sales to, any one of these distributors could adversely affect our revenues and increase our costs. We sell ADCETRIS, PADCEV and TIVDAK through a limited number of specialty distributors. Healthcare providers order ADCETRIS, PADCEV and TIVDAK through these distributors. We receive orders from distributors and generally ship product directly to the healthcare provider. We sell TUKYSA through a distribution network of specialty pharmacies, integrated delivery network hospitals and practices that dispense in the office. These distributors and distribution network partners do not set or determine demand for our products; however, our ability to effectively commercialize our products will depend, in part, on their performance. If we lost a major distributor or partner, revenue during any period of disruption could suffer and we might incur additional costs. In addition, business disruptions arising from the COVID- 19 pandemic could negatively affect the ability of some of our distributors or distribution network partners to pay amounts owed to us in a timely manner or at all. We are dependent on third parties such as contract research organizations, medical institutions and clinical investigators to assist with the design, review, management and conduct of our clinical trials and other activities. We ~~also~~ depend on third parties such as contract research organizations, medical institutions and clinical investigators to assist with the design, review, management and conduct of our clinical trials and other activities. Our reliance on these third parties reduces our control over these activities but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our clinical trials is conducted in accordance with regulatory requirements, GCP and study protocols. To the extent these third parties fail to successfully carry out their contractual duties or meet expected deadlines, our clinical trials and regulatory filings may be

negatively impacted including possible impacts to data, results, or conclusions, increased costs, and delays to regulatory timelines, which may harm our reputation and business. Risks Related to Intellectual Property and Litigation Our success depends, in part, on obtaining and maintaining patent protection and successfully enforcing these patents and defending them against third- party challenges in the U. S. and other countries. We own multiple U. S. and foreign patents and pending patent applications for our technologies. We also have rights to issued U. S. patents, patent applications, and their foreign counterparts, relating to our monoclonal antibody, linker and drug- based technologies. Our rights to these patents and patent applications are derived in part from worldwide licenses from third parties. The standards that the U. S. Patent and Trademark Office, or USPTO, and patent offices in other countries use to grant patents are not always applied predictably or uniformly and can change. Consequently, our pending patent applications may not be allowed and, if allowed, may not contain the type and extent of patent claims that will be adequate to conduct our business as planned. Additionally, patents may have a shorter patent term than expected or may not contain claims that will permit us to stop competitors from using our technology or similar technology or from copying our products. Similarly, the standards that courts use to interpret patents are not always applied predictably or uniformly and may evolve, particularly as new technologies develop. For example, the U. S. Federal Circuit Court of Appeals and the U. S. Supreme Court have modified some legal standards applied by the USPTO in examination of U. S. patent applications, which may decrease the likelihood that we will be able to obtain patents and may increase the likelihood of challenges to patents we obtain or license. These changes and any future changes to the patent system in the U. S. or in other countries could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In addition, changes to patent laws may be applied retroactively to affect the validity, enforceability, or term of our patents. Patent protection outside the U. S. is particularly uncertain and costly. The laws of some countries may not protect our intellectual property rights to the same extent as U. S. laws, and many companies in our industry have encountered significant difficulties in protecting and defending such rights in these jurisdictions. We rely on external agents to perform certain activities to maintain our patents. Although we carefully select and oversee these agents, the failure of an agent to properly perform these maintenance activities, whether through mistake or otherwise, could adversely affect our intellectual property rights. Additionally, if we do not control all of the intellectual property rights in- licensed to us with respect to a drug candidate and the entity that controls the intellectual property rights does not adequately protect those rights, our rights may be impaired, which may impact our ability to develop, market and commercialize the in- licensed drug candidate. We rely on trade secrets and other proprietary information where we believe patent protection is not appropriate or obtainable. However, trade secrets and other proprietary information are difficult to protect. We have taken measures to protect our unpatented trade secrets and know- how, including the use of confidentiality and assignment of inventions agreements with our employees, consultants and certain contractors. It is possible, however, that these persons may breach the agreements or that our competitors may independently develop or otherwise discover our trade secrets or other proprietary information. Our research collaborators may also publish confidential data or other restricted information to which we have rights. If we cannot maintain the confidentiality of our technology and other confidential information in connection with our collaborations, then our ability to receive patent protection or protect our proprietary information may be impaired. In addition, under proposed or adopted policies in the EU, information related to clinical trials and clinical trial data that historically were considered confidential are now increasingly subject to public disclosure. The move toward public disclosure of this information could adversely affect our business in many ways, such as by requiring the disclosure of confidential methodologies for product development, preventing us from obtaining intellectual property right protection for innovations, requiring significant resources to prevent others from violating our intellectual property rights, adding complexity to compliance with applicable data privacy regulations, and enabling competitors to use our data to gain approvals for their own products. We may incur substantial costs and lose important rights or may not be able to continue to commercialize our products or to commercialize any of our product candidates that may be approved for commercial sale as a result of litigation or other proceedings relating to patent and other intellectual property rights, and we may be required to obtain patent and other intellectual property rights from others. We may face potential lawsuits by companies, academic institutions or others alleging infringement of their intellectual property. Due to the amount of intellectual property in our field, we cannot be certain that we do not infringe intellectual property rights of competitors or that we will not infringe intellectual property rights of competitors granted or created in the future. In addition, we are monitoring the progress of multiple pending patent applications of other organizations that, if granted, may require us to license or challenge their enforceability in order to continue commercializing our products or to commercialize our product candidates that may be approved for commercial sale. Our challenges to patents of other organizations may not be successful, which may affect our ability to commercialize our products or product candidates. If it is ultimately determined that our products infringe a third- party ~~'~~ ' s intellectual property rights, we may be required to pay substantial damages, including lost profits, royalties, treble damages, attorneys ~~'~~ ' fees and costs. Even if infringement claims against us are without merit, the results may be unpredictable. In addition, defending lawsuits takes significant time, may be expensive and may divert management ~~'~~ ' s attention from other business concerns. Further, we may be stopped from developing, manufacturing or selling our products unless and until we obtain a license from the owner of the relevant technology or other intellectual property rights, or we may be forced to undertake costly design- arounds, if feasible. If such a license is available at all, it may require us to pay substantial royalties or other fees. We are or may be from time to time involved in the defense and enforcement of our patent or other intellectual property rights in a court of law, USPTO interference, inter partes review, or IPR, post- grant review ~~, or PGR,~~ or reexamination proceeding, foreign opposition proceeding or related legal and administrative proceeding in the U. S. and elsewhere **. For example, see the risk factor below titled," We have been and may in the future be subject to litigation, which could result in substantial expenses and damages and may divert management' s time and attention from our business," for information on certain disputes with Daiichi Sanyko Co. Ltd, or Daiichi Sankyo** . In addition, if we choose to go to court to stop a third party from

infringing our patents, that third party has the right to ask the court to rule that these patents are invalid, not infringed and / or should not be enforced. Under the America Invents Act, a third party may also have the option to challenge the validity of certain patents at the Patent Trial and Appeal Board, or PTAB, of the USPTO whether they are accused of infringing our patents or not, and certain entities associated with hedge funds, pharmaceutical companies and other entities have challenged valuable pharmaceutical patents through the IPR process. These lawsuits and administrative proceedings are expensive and consume time and other resources, and we may not be successful in these proceedings or in stopping infringement. In addition, there is a risk that a court will decide that these patents are not valid or not infringed or otherwise not enforceable, or that the PTAB will decide that certain patents are not valid, and that we do not have the right to stop a third party from using the patented subject matter. Successful challenges to our patent or other intellectual property rights through these proceedings could result in a loss of rights in the relevant jurisdiction and may allow third parties to use our proprietary technologies without a license from us or our collaborators, which may also result in loss of future royalty payments. Furthermore, if such challenges to our rights are not resolved promptly in our favor, our existing business relationships may be jeopardized and we could be delayed or prevented from entering into new collaborations or from commercializing potential products, which could adversely affect our business, results of operations, financial condition and growth prospects. In addition, we may challenge the patent or other intellectual property rights of third parties and if we are unsuccessful in actions we bring against the rights of such parties, through litigation or otherwise, and it is determined that we infringe the intellectual property rights of such parties, we may be prevented from commercializing potential products in the relevant jurisdiction, or may be required to obtain licenses to those rights or develop or obtain alternative technologies, any of which could harm our business. We have entered into agreements with third- party commercial and academic institutions to license technology for use in ADCETRIS, TUKYSA, our product candidates and technologies such as our ADC technology. ~~Currently, we have~~ **These agreements include our** license ~~agreements~~ **agreement** with ~~BMS, the University of Miami and~~ Array BioPharma, Inc., among others. In addition to royalty provisions and other payment obligations, some of these license agreements contain diligence and milestone- based termination provisions, in which case our failure to meet any agreed upon royalty or diligence requirements or milestones may allow the licensor to terminate the agreement. Many of our license agreements grant us exclusive licenses to the underlying technologies. In addition, Astellas has agreements to license technology for use in PADCEV. We rely on Astellas to maintain these license agreements. If Astellas fails to maintain these license agreements, if our licensors terminate our license agreements or if we or our collaborators are unable to maintain the exclusivity of our exclusive license agreements, we may be unable to continue to develop and commercialize our products or product candidates. Further, we have had in the past, and we or our collaborators may in the future have, disputes with our licensors, which may impact our ability to develop and commercialize our products or product candidates or require us to enter into additional licenses. An adverse result in potential future disputes with our or our collaborators ’ **'** licensors may impact our ability to develop and commercialize our products and product candidates, or may require us to enter into additional licenses or to incur additional costs in litigation or settlement. In addition, continued development and commercialization of our products and product candidates will likely require us to secure licenses to additional technologies. We may not be able to secure these licenses on commercially reasonable terms, if at all. We are engaged in multiple legal disputes with Daiichi Sankyo ~~Co. Ltd., or Daiichi Sankyo~~ . We ~~are~~ **have been** in a dispute with Daiichi Sankyo regarding the ownership of certain technology used by Daiichi Sankyo in its cancer drug ~~ENHERTU~~ **Enhertu ® (fam- trastuzumab deruxtecan- nxki)** and certain product candidates. ~~An~~ **On August 12, 2022, the arbitrator in this dispute ruled in favor of Daiichi Sankyo, citing statute of limitations and disagreement with us on the interpretation of the contract. On September 14, 2022, Daiichi Sankyo submitted a petition for approximately $ 58 million for reimbursement of its legal fees and costs associated with the** arbitration ~~hearing relating~~ **. We filed an opposition** to ~~the dispute was conducted in June~~ **Daiichi Sankyo' s request on October 12,** ~~2021~~ **2022** . ~~Recently~~ **On November 10** , **2022, we filed a motion to vacate** the arbitration **award in** ~~hearing record was reopened by~~ the **U** ~~arbitrator to consider additional evidence~~ . ~~As a result,~~ **S. District Court for** the **Western District** ~~decision may occur after the first quarter~~ of ~~2022~~ **Washington** . In addition **, in October 2020** , we filed a complaint in the U. S. District Court for the Eastern District of Texas to commence an action for infringement of our U. S. Patent No. 10, 808, 039, or the ‘ **'** 039 Patent, by Daiichi Sankyo ’ **'** s importation into, offer for sale, sale, and use in the U. S. of ~~ENHERTU~~ **Enhertu** . Daiichi Sankyo (as well as Daiichi Sankyo, Inc. and AstraZeneca Pharmaceuticals, LP, or AstraZeneca) subsequently filed an action in the U. S. District Court for the District of Delaware seeking a declaratory judgment that ~~ENHERTU~~ **Enhertu** does not infringe the ‘ **'** 039 Patent. The Delaware action has been stayed by court order. Daiichi Sankyo, Inc. and AstraZeneca also filed two ~~Petitions~~ **petitions** for ~~Post~~ **post** - ~~Grant~~ **grant** ~~Review~~ **review** with the **USPTO** ~~U. S. Patent Office~~ seeking to have claims of the ‘ **'** 039 Patent cancelled as unpatentable. On June 24, 2021, the **USPTO** ~~U. S. Patent Office~~ issued a decision denying both ~~Petitions~~ **petitions** for ~~Post~~ **post** - ~~Grant~~ **grant** ~~Review~~ **review** . ~~The trial~~ **On April 7, 2022, the USPTO granted a request on rehearing and instituted two post- grant review proceedings, but on July 15, 2022, the USPTO issued a new decision denying post- grant review of the claims asserted** in the patent infringement ~~case~~ **action. On February 7, 2023,** in **response to Daiichi Sankyo and AstraZeneca’ s second request for rehearing of the denial of the post- grant review to the USPTO and for Precedential Opinion Panel, or POP, review, the Precedential Opinion Panel issued an order denying the request for POP review but directing the USPTO panel evaluating the second rehearing request to make an explicit finding using its own discretion as to whether the post- grant review petition presents a “ compelling ” showing of invalidity as part of its ruling on the pending second rehearing request. The panel was also directed to rule on the second rehearing request within two weeks from the POP order. On February 14, 2023, the panel decided to institute the post- grant review of the claims of the ‘ 039 Patent asserted in the patent infringement action. On April 8, 2022, a jury in the U. S. District Court for the Eastern District of** Texas **found that Daiichi Sankyo willfully infringed the asserted claims of the' 039 Patent with** ~~is~~ **its** ~~scheduled to begin~~ **Enhertu product, and also found that the asserted claims were not invalid. The U. S. District Court for the Eastern District of Texas also denied Daiichi Sankyo' s claim that the' 039 Patent should be**

unenforceable under the equitable theory of prosecution laches, entered judgment in favor of us based on ~~April 4~~ **the jury' s verdict that Daiichi Sankyo willfully infringed the' 039 Patent consisting of pre- trial damages in the sum of $ 41. 8 million** , **and awarded us pre- and post- trial interest and costs. We have requested a royalty in the range of 10- 12 % on Daiichi Sankyo' s future sales of Enhertu in the United States through November 5,** ~~2022~~ **2024 , the current expiration date of the' 039 Patent, as well as $ 12 million for reimbursement of our reasonable attorneys' fees** . As a result of these disputes, we have incurred and will continue to incur litigation expenses. In addition, from time to time, we may become involved in other lawsuits, claims and proceedings relating to the conduct of our business, including those pertaining to the defense and enforcement of our patent or other intellectual property rights and our contractual rights. These and other potential future litigations are subject to inherent uncertainties, and the actual costs to be incurred relating to litigations may be impacted by unknown factors. The outcome of litigation is necessarily uncertain, and we could be forced to expend significant resources in the course of these and potential future litigations, we may be subject to additional claims and counterclaims that may result in liabilities or require us to take or refrain from certain actions, and we may not prevail. Monitoring, defending against and pursuing legal actions can be time- consuming for our management and detract from our ability to fully focus our internal resources on our business activities, which could result in delays of our clinical trials or our development and commercialization efforts. In addition, we may incur substantial legal fees and costs in connection with these and potential future litigations. Decisions adverse to our interests in these and potential future litigations could result in the payment of substantial damages, or possibly fines, or affect our intellectual property rights and could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Successful challenges to our patent or other intellectual property rights could result in a loss of rights in the relevant jurisdiction and may allow third parties to use our proprietary technologies without a license from us or our collaborators. In addition, the uncertainty associated with litigation could lead to increased volatility in our stock price. Risks Related to Our Operations, Managing Our Growth and Other Risks Our business is currently being adversely affected and could be materially and adversely affected in the future by the evolving effects of the COVID- 19 pandemic. Our ongoing increased reliance on personnel working from home may present operational and workplace culture challenges, negatively impact productivity or disrupt, delay or otherwise adversely impact our business. This could also increase our cybersecurity risk, create data accessibility concerns and make us more susceptible to communication disruptions, any of which could adversely impact our business operations. In addition, ~~our oversight of third- party manufacturers is currently being conducted primarily by virtual means, which may increase the chance of a manufacturing quality issue. Our field- based personnel are using a mix of in- person interactions and electronic communications, such as emails, phone calls and video conferences, to support healthcare providers and patients. Many healthcare professionals are facing additional demands on their --~~ **the** ~~time during~~ **evolving effects of** the ~~ongoing~~ COVID- 19 pandemic **appear** ~~. We expect the different quality of electronic interactions as compared with in- person interactions, as well as the reduced quantity of interactions during the COVID- 19 pandemic,~~ to **have** ~~reduce the effectiveness of our sales personnel, as well as those of our collaborators, which could~~ negatively ~~affect~~ **affected** our product sales ~~and~~ **in** ~~those --~~ **the past and could affect** ~~of our collaborators, as well as physician awareness of our products --~~ **product sales in the future** . In this regard, ~~we believe that the need to conduct some of our activities virtually is negatively impacting~~ **impacts associated** ~~our ability to connect~~ with ~~key customers, including those familiar with competitive products, and our ability to conduct payor engagements. We face a number of challenges that will limit our ability to fully resume in- person interactions, including increasing COVID- 19 infection rates due to coronavirus mutations and / or low vaccination rates in different areas or otherwise, the need to navigate varying restrictions for entering healthcare facilities and the pandemic' s impacts on employee childcare arrangements. In addition, we may subsequently decide or be forced to resume a more restrictive remote work model, whether as a result of further spikes or surges in COVID- 19 infection or hospitalization rates or otherwise. Moreover, the long- term effects of the COVID- 19 pandemic are also unknown and it is possible that following the pandemic, healthcare institutions could alter their policies with respect to in person visits by pharmaceutical company representatives. COVID- 19 related restrictions could also present product distribution challenges as we utilize recently initiated distribution channels for TUKYSA. The evolving effects of~~ the COVID- 19 pandemic appear to have **led** ~~negatively affected and may continue~~ to **a reduction** ~~negatively affect our product sales due to challenges~~ in ~~patient access to healthcare settings, loss of individual health insurance coverage, and inability to access government healthcare programs due to backlogs, some or all of which appear to have negatively affected~~ diagnosis rates **for the ADCETRIS frontline indications earlier** ~~, may affect side effect management and course of treatment and may increase enrollment~~ in **the pandemic and** ~~our patient support programs. In this regard~~ , **while we believe these diagnosis rates have returned to pre- pandemic levels, these** impacts ~~associated with the COVID- 19 pandemic appear to have led to a reduction in the rate of Hodgkin lymphoma diagnoses,~~ may have adversely affected diagnosis rates of other cancers, and may ~~further~~ adversely affect rates of cancer diagnoses **or patient access to healthcare settings** in the future. ~~We also expect that~~ **As we resume more travel and in- person interactions after pauses earlier in** the **pandemic, we** ~~conversion of medical conferences to a virtual format~~ may ~~reduce~~ **subsequently decide** ~~our --~~ **or** ~~ability~~ **be forced** to ~~effectively disseminate scientific information about our products~~ **resume a more restrictive remote work model** , ~~which may~~ **whether as a** result ~~in decreased physician awareness~~ of **further spikes** ~~our --~~ **or surges in COVID- 19 infection or hospitalization rates, COVID- 19 variants, government actions, restrictions at healthcare institutions, or otherwise. Future COVID- 19 related restrictions could negatively impact research and development activities or sales and marketing efforts, or could present** ~~products --~~ **product distribution challenges** ~~, their approved indications and their efficacy and safety~~ . Some of the sites participating in our clinical trials are affected by site closings, reduced capacity, staffing shortages or other effects of the COVID- 19 pandemic. At some sites, we are experiencing impacts to our ability to monitor patients, activate sites, screen and enroll patients, complete site monitoring and manage samples. The extent of the impact on a particular clinical trial depends on the current stage of activities at a given site, for example study start up versus post- enrollment, and the number of impacted sites participating in that trial. Impacts on diagnosis

rates associated with the COVID- 19 pandemic may also negatively impact enrollment. While we do not at this time anticipate the need to revise our publicly reported projected clinical milestone dates as a result of the effects of the COVID- 19 pandemic, there may continue to be adverse impacts to our clinical study timelines, which, depending upon the duration and severity of the evolving effects of the COVID- 19 pandemic, could ultimately delay data availability. Due to the suspension of data monitoring activities at sites that do not currently allow remote monitoring, as well as impacts on the ability to monitor patients, maintain patient treatment according to the trial protocols and manage samples, there is also the potential for negative impacts on data quality. While we are actively utilizing digital monitoring measures and other mitigations designed to prevent negative data quality impacts, if there were in fact a negative impact on data quality, we or our collaborators could be required to repeat, extend the duration of, or increase the size of clinical trials, which could significantly delay potential commercialization and require greater expenditures. We expect that similar factors will impact clinical studies operationalized by our collaborators. **The effects** ~~In addition, many of our non- essential on- site research activities are currently significantly reduced as a result~~ of the COVID- 19 pandemic ~~, which may negatively impact the number of investigational new drug application, or IND, candidates entering our clinical pipeline in future years. The effects of the COVID- 19 pandemic continue to rapidly evolve. These effects~~ have increased market volatility and could result in a significant long- term disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, economic instability resulting from the effects of the COVID- 19 pandemic could materially affect our business and the value of our common stock. The extent to which the evolving effects of the COVID- 19 pandemic **(or any future pandemic)** impact our business will depend on future developments that are highly uncertain, such as ~~coronavirus~~ **virus** variants that may prove to be especially contagious or virulent, the ultimate duration and severity of the pandemic, government actions, such as travel restrictions, quarantines and social distancing requirements in the U. S. and in other countries, business closures or business disruptions and the effectiveness of vaccine programs and other actions taken to contain and treat the disease. Accordingly, we do not yet know the full extent of potential effects from the pandemic. However, these effects could materially and adversely affect our business, results of operations, financial condition and growth prospects. In addition, the evolving effects of the COVID- 19 pandemic may also heighten many of the other risks described elsewhere in this " Risk Factors ~~"~~ **"** section. It is also possible that future global pandemics could occur and materially and adversely affect our business, results of operations, financial condition and growth prospects. We have experienced and expect to continue to experience significant growth in the number of our employees and in the scope and complexity of our operations. This rapid growth and additional complexity places significant demands on our management and other personnel, our operational and financial resources and our third party suppliers. Our current and planned personnel, operational and financial systems, procedures, controls and suppliers may not be adequate to support our growth, and we may experience operating inefficiencies, delays, control deficiencies, compliance issues or other problems. In addition, we may not be able to achieve any necessary growth objectives in a timely or cost- effective manner, or at all, and may not realize a positive return on our investment. If we are unable to manage our growth effectively, our business, results of operations, financial condition and growth prospects may be adversely affected. We have operations outside the U. S., and we plan to continue expanding our operations internationally ~~. For example, we are continuing to expand our commercial infrastructure in Europe and Canada~~ . Consequently, we are, and will increasingly be, subject to risks and complexities related to operating internationally, including: • the increased complexity and costs inherent in managing international operations, including in geographically disparate locations; • diverse clinical, drug safety, drug quality, drug supply, healthcare compliance and other pharmaceutical regulatory regimes, and any future changes to such requirements, in the countries and regions where we are located or do business; • multiple, differing and changing laws and regulations such as tax laws, privacy regulations, tariffs, trade restrictions, export and import restrictions, employment, immigration and labor laws, corporate laws, and other governmental approvals, permits and licenses; • differing payor reimbursement regimes, governmental payors or patient self-pay systems and price controls; • adverse tax consequences, including changes in applicable tax laws and regulations; • political tensions, economic weakness, including inflation, or political or economic instability in particular economies and markets; • currency fluctuations, which could result in increased operating expenses or reduced revenues; • challenges inherent in efficiently managing employees in diverse geographies and different languages; • challenges in adapting systems, policies, benefits and compliance programs for different countries; • reliance on vendors who are located far from our headquarters and with whom we have not worked previously; and • workforce uncertainty in countries where labor unrest is more common **. For example, the U. S. government and other nations have imposed sanctions, including significant restrictions on most companies' ability to do business in Russia, as a result of the ongoing military conflict between Russia and Ukraine. It is not possible to predict the broader or longer- term consequences of this conflict, which could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates, the price and availability of energy, and financial markets. Such geopolitical instability and uncertainty could have a negative impact on our ability to continue expanding our operations internationally and to otherwise generate revenues and develop our product candidates internationally. In addition, a significant escalation or expansion of economic disruption or the conflict' s current scope could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Recent strengthening of the U. S. dollar as compared to other currencies, including currencies in jurisdictions where we and our licensees sell products, has adversely affected royalty revenues and TUKYSA net product sales in Europe and could further adversely affect these sources of revenues** . Additionally, the U. S. Foreign Corrupt Practices Act, or FCPA, and the anti- bribery laws and regulations of other countries are extensive and far- reaching. We must ensure that accurate records and controls required by the FCPA are maintained with respect to the activities of our employees, distributors and service providers in all of the countries where we operate. In the course of conducting operations internationally, we interact with regulatory authorities, as well as with healthcare professionals who are often employed by governments and may be deemed to be foreign officials under the FCPA. Any interactions with any

such third parties that are found to be in violation of relevant laws could result in substantial fines and penalties and could materially harm our business. Emerging- market countries may be especially vulnerable to periods of political, legal, and financial instability and may have a higher risk of corrupt business practices. As we expand our international operations, we continue to supplement and expand our global compliance program, controls, policies and procedures. However, there can be no assurance that such measures will work effectively at all times or protect us against liability. There is a risk that acts committed by our employees, agents, distributors, collaborators or third- party providers might violate the FCPA and other anti- corruption laws and that we might be held responsible. Furthermore, any finding of a violation under one country ~~'~~ s laws may increase the likelihood that we will be prosecuted and be found to have violated another country ~~'~~ s laws. Our failure, or the failure of others who we engage to act on our behalf, to comply with the laws and regulations of the countries in which we operate, or will operate in the future, could result in criminal and civil penalties, other remedial measures and reputational damage, all of which could materially harm our business, financial condition, results of operations, and prospects. As we continue to expand our footprint and activities internationally, our exposure to compliance risks under the FCPA and other similar laws will likewise increase. As a business, we do not have significant experience conducting operations outside of the U. S. and Canada. We might not be successful in establishing and conducting commercial and other operations in these regions and may not realize a positive return on our investment. Our failure to successfully do so could have a material adverse effect on our business, results of operations, financial condition and growth prospects. These and other risks associated with expanding our international operations, as described elsewhere in these risk factors, could have a material adverse effect on our business, results of operations, financial condition and growth prospects. We have engaged in, and may in the future engage in, strategic transactions that increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities and subject us to other risks. We actively evaluate various strategic transactions on an ongoing basis, including licensing or otherwise acquiring complementary products, product candidates, technologies or businesses. We may spend significant amounts, issue dilutive securities and / or assume or incur significant debt obligations in connection with these transactions. In addition, these transactions, including our ~~recent~~ in- license of development and commercialization rights to disitamab vedotin **and LAVA-1223, also known as SGN- EGFRd2,** and any potential future acquisitions or licensing transactions ~~,~~ entail numerous risks, including: • risks associated with satisfying the closing conditions relating to such transactions and realizing their anticipated benefits; • increased operating expenses and cash requirements; • difficulty integrating acquired technologies, products, operations, compliance programs and personnel with our existing business; • acquired or licensed products, product candidates or technologies, such as disitamab vedotin **and SGN- EGFRd2** , may not perform as expected and may not result in regulatory approvals; • failure to successfully develop and commercialize acquired or licensed products, product candidates or technologies or to achieve other strategic objectives; • the potential disruption of our historical core business; • diversion of management ~~'~~ s attention in connection with both negotiating the acquisition or license and integrating the business, technology or product; • retention of key employees; • uncertainties in our ability to maintain key business relationships of any acquired companies; • difficulty implementing and maintaining effective internal control over financial reporting of businesses that we acquire; • exposure to unanticipated liabilities of acquired companies or companies in which we invest; • the potential need to write down assets or recognize impairment charges or significant amortization expenses; and • potential costly and time- consuming litigation, including stockholder lawsuits. As a result of these or other problems and risks, businesses, technologies or products we acquire or invest in or obtain licenses to may not produce the revenues, earnings, business synergies or other benefits that we anticipated, within the expected timeframe or at all. As a result, we may incur higher costs and realize lower revenues than we had anticipated. We cannot assure you that any acquisitions or investments we have made or may make in the future will be completed or that, if completed, the acquired business, licenses, investments, products, or technologies will generate sufficient revenue to offset the costs or other negative effects on our business. Further, while we seek to mitigate risks and liabilities of potential acquisitions and in- licensing transactions through, among other things, due diligence, there may be risks and liabilities that we fail to discover, that are not disclosed to us, or that we inadequately assess. Any failure in identifying and managing these risks, liabilities and uncertainties effectively, including in connection with our ~~recent~~ in- license of development and commercialization rights to disitamab vedotin **and SGN- EGFRd2** , could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Moreover, we may not be able to identify, negotiate and close strategic acquisition or in- licensing opportunities in the future, and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business. Other pharmaceutical companies, many of which may have substantially greater resources, compete with us for these opportunities. Failure to effectively advance our business strategy and manage our operations through acquisitions or in- licensing transactions could have a material adverse effect on our business, results of operations, financial condition, and growth prospects. If we lose our key personnel or are unable to attract and retain additional qualified personnel, our future growth and ability to compete would suffer. We are highly dependent on the efforts and abilities of the principal members of our senior management and other key personnel. For example, we have scientific personnel with significant and unique expertise in monoclonal antibodies, ADCs and related technologies, and our products and product candidates. The loss of the services of any one of the principal members of our managerial, scientific or other key staff may prevent us from achieving our business objectives **. For example, in May 2022, Clay B. Siegall resigned as our President and Chief Executive Officer and as a member of our Board of Directors, and Roger Dansey, M. D., our Chief Medical Officer, was appointed as our Interim Chief Executive Officer. In November 2022, David R. Epstein was appointed as Chief Executive Officer and as a member of our Board of Directors, and Dr. Dansey was appointed President, Research and Development and Chief Medical Officer. Changes to company strategy, which can often times occur with the appointment of new executive leadership, can create uncertainty. Failure to ensure a smooth transition and successfully implement our strategy could have a material adverse effect on our business, results of operations, financial condition and growth prospects** . In addition, the competition for qualified personnel in the

biotechnology field is intense, and our future success depends upon our ability to attract, retain and motivate highly skilled biotechnology employees. In order to continue to commercialize our products, and advance the development and commercialization of our product candidates, we will be required to expand our workforce and management team, particularly in the areas of manufacturing, clinical trials, regulatory affairs, business development, sales and marketing, both in the U. S. and in Europe. We continue to face intense competition for qualified individuals from numerous pharmaceutical and biotechnology companies, as well as academic and other research institutions, and with increasing reliance on remote work arrangements, the geographic market in which we compete for talent is expanding. Our ability to attract and retain talent in this competitive environment may be further complicated by evolving employment trends arising from the COVID- 19 pandemic, including an increased preference for remote, alternative or flexible work arrangements. Our failure to effectively compete for and retain talent could negatively affect our ability to achieve our business objectives and have a material adverse effect on our business, results of operations, financial condition and growth prospects. If our information technology systems or data are or were compromised, we could experience interruptions to our operations, legal claims, liability, harm to our reputation, a loss of sales and other adverse impacts. We and our collaborators, suppliers and service providers rely on information technology systems to keep financial and other records, capture laboratory and clinical trial data, support internal and external communications and operate other critical functions. Despite our security measures, these systems are potentially vulnerable to malware, cyber- attacks, security breaches, natural disasters, terrorism, software and hardware failures, telecommunication and electrical failures, and similar issues. If such an event were to occur, it could result in material interruptions to our operations, loss of data or applications, loss of sales, significant extra expenses to restore data or systems, reputational harm and diversion of funds. For example, the loss of preclinical study or clinical trial data could result in delays in our product development or regulatory approval efforts and significantly increase our costs in order to recover or reproduce the data. The effects of the COVID- 19 pandemic **and the transition to more remote and hybrid work schedules** have intensified our dependence on information technology systems as many of our critical business activities are ~~currently~~ being conducted remotely **,** and our increased reliance on personnel working from home could increase our cybersecurity risk. In addition **, our cybersecurity risk could be increased as a result of the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia. In addition** to traditional computer ~~“~~ **"** hackers ~~”~~ **"** and threat actors, sophisticated nation- state and nation- state supported actors now engage in attacks (including advanced persistent threat intrusions). Ransomware attacks, including those from organized criminal threat actors, nation- states and nation- state supported actors, are becoming increasingly prevalent and severe. To alleviate the financial, operational and reputational impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so (including, for example, if applicable laws or regulations prohibit such payments). Similarly, supply chain attacks have increased in frequency and severity. We cannot guarantee that third parties and infrastructure in our supply chain have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Although, to our knowledge, we have not experienced any material security breach to date, any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. While we have taken steps to protect the security of the personal data and other sensitive information that we handle, there can be no assurance that any security measures will be effective against current or future security threats. Any unauthorized or accidental access to, or disclosure, modification, misuse, or loss of, personal or other data could result in legal claims or proceedings, liability, significant regulatory penalties, and loss of trade secrets or other intellectual property. In addition, such an event could disrupt our operations, damage our reputation and delay development of our product candidates. Risks Related to Our Operating Results, Financial Condition and Capital Requirements Our operating results are difficult to predict and may fluctuate significantly from quarter to quarter and year to year. We believe that our quarterly and annual results of operations may be affected by a variety of factors, including: • customer ordering patterns for our products, which may vary significantly from period to period; • the overall level of demand for our products, including the impact of any competitive or biosimilar products; • the extent to which coverage and adequate reimbursement for our products is available from government and other third- party payors; • changes in the amount of deductions from gross sales, including government- mandated rebates, chargebacks and discounts that can vary because of changes to the government discount percentage, including increases in the discount percentage resulting from price increases, or due to different levels of utilization by entities entitled to government rebates and discounts and changes in patient demographics; • increases in the scope of eligibility for customers to purchase our products at the discounted government price or to obtain government- mandated rebates on purchases of our products; • the timing, receipt and amount of development funding and milestone, royalty and other payments under collaboration and license arrangements, which may vary significantly from quarter to quarter; • entry into new strategic transactions, such as collaborations, license agreements or acquisitions of products, technologies or businesses; • changes in our cost of sales due to potential new product launches, royalties owed under technology license agreements or write- offs of inventory; • the incidence rate of new patients in the approved indications for our products; • the evolving effects of the COVID- 19 pandemic, including those leading to past and potential future reductions in rates of cancer diagnoses; • the timing, cost and level of investment in our sales and marketing efforts to support our products sales; • the timing, cost and level of investment in clinical trials, research and development, pre-commercialization, manufacturing and other activities by us or our collaborators; and • expenditures to develop and / or commercialize any additional products, product candidates, or technologies that we may develop, in- license, or acquire. Sales of a newly- approved product, or sales **of** an existing product in a newly- approved indication or territory, are particularly difficult to predict. Sales results or trends for such products, indications or territories in any period may not necessarily be

indicative of future performance. Changes in our operations, such as new or expanding pipeline programs, the continued expansion or our international operations, additional business activities, or entry into strategic transactions, including potential future acquisitions of products, technologies or businesses, may cause significant fluctuations in our expenses. In addition, stock- based compensation expense may vary significantly from period to period. The variables we use for valuing these awards, including our underlying stock price, change over time. Additionally, from time to time, we have ~~implemented long~~ **granted performance** ~~- term incentive plans for~~ **based equity awards to** eligible employees **with vesting of** ~~, and the incentives provided under these --~~ **the awards** ~~plans are~~ contingent upon the achievement of certain regulatory milestones. Costs of performance- based compensation ~~under~~ **for** these ~~plans~~ **awards** are not recorded as an expense until the achievement of the applicable milestones is deemed probable, which may result in large fluctuations to the expense we must recognize in any particular period. For these and other reasons, it is difficult for us to accurately forecast future sales of our current or any future approved products, collaboration and license agreement revenues, royalty revenues, operating expenses or future profits or losses. In addition, although we provide financial guidance from time to time, such guidance is based on assumptions that may be incorrect or that may change from quarter to quarter. You also should not rely on operating results in any period as being indicative of future performance. Our operating results have on occasion been, and in in future periods may also be, below prior period results, our own guidance and / or the expectations of securities analysts or investors. Such results could cause the trading price of our common stock to decline, perhaps substantially. We have incurred substantial net losses in each of our years of operation, other than the year ended December 31, 2020. We have incurred these losses principally from costs incurred in our research and development programs and from our selling, general and administrative expenses. We expect to continue to spend substantial amounts on research and development, including amounts for conducting clinical trials of our products and product candidates. In addition, we expect to make substantial expenditures to commercialize our products and potentially commercialize our product candidates. For example, in connection with our ~~recent~~ in- license of development and commercialization rights to disitamab vedotin, we have incurred and expect to continue to incur substantial expenses, including to further develop and potentially commercialize disitamab vedotin. We may also pursue new operations or continue the expansion of our existing operations, including with respect to the continued development of our commercial infrastructure in Europe and our plans to otherwise continue to expand our operations internationally. Accordingly, we expect to continue to incur net losses in the future and may not achieve sustained profitability for some time, if at all. Although we recognize revenue from product sales and we continue to earn amounts under our collaboration agreements, our revenue and profit potential is unproven and our future operating results are difficult to predict. Even if we do achieve profitability in the future, we may not be able to sustain or increase profitability on a quarterly or annual basis. If we are unable to achieve and sustain profitability, the market value of our common stock will likely decline. We may need to raise additional capital that may not be available to us. We expect to make additional capital outlays and to increase operating expenditures over the next several years as we hire additional employees, support our development and commercialization activities, invest in our facilities, and expand globally, which may require us to raise additional capital. In addition, we may pursue new operations or continue the expansion of our existing operations, including with respect to the continued development of our commercial infrastructure in Europe and our plans to otherwise continue to expand our operations internationally. Our commitment of resources to the continuing development, regulatory and commercialization activities for our products, the continued research, development and manufacturing of our product candidates, our pursuit of regulatory approvals for and preparing to potentially launch and commercialize our product candidates, and the anticipated expansion of our pipeline and operations may require us to raise additional capital. Further, we actively evaluate various strategic transactions on an ongoing basis, including licensing or otherwise acquiring complementary products, technologies or businesses, and we may require significant additional capital in order to complete or otherwise provide funding for such transactions. We may seek additional capital through some or all of the following methods: corporate collaborations, licensing arrangements and public or private debt or equity financings. We do not know whether additional capital will be available when needed, or that, if available, we will obtain financing on terms favorable to us or our stockholders. If we are unable to raise additional funds when we need them, we may be required to scale back our operations, delay, reduce the scope of, or eliminate development programs **,** enter into collaboration or license agreements on terms that are not favorable to us, sell or relinquish rights to certain assets, proprietary technologies or product candidates or forego strategic opportunities. Our future capital requirements will depend upon a number of factors, including: • the level of sales of our products and any future approved products; • the time and costs involved in pursuing regulatory approvals and the timing of any approvals; • the costs, timing, progress and results of our research and development, including preclinical testing and clinical trials; • the timing, receipt and amount of royalty revenue generated from commercial sales by our collaborators and licensees, as well as development funding, milestone payments and other payments under collaboration and license arrangements; • the cost of establishing and maintaining clinical supplies of our products and product candidates and commercial supplies of our current and any future approved products; • the extent of our investment in development, manufacturing and commercialization outside the U. S.; • the costs associated with past and potential future strategic transactions, including acquisitions or licenses of additional technologies, products or businesses as well as licenses we may need to commercialize our current or any future approved products; • the terms and timing of any future collaboration, licensing and other arrangements; • expenses associated with current or future litigation; • the potential costs associated with international, state and federal taxes; and • competing technological and market developments. In addition, changes in our spending rate may occur that would consume available capital resources sooner, such as increased development, manufacturing and clinical trial expenses in connection with our expanding pipeline programs or our undertaking of additional programs, business activities or entry into additional strategic transactions, including potential future acquisitions of products, technologies or businesses. Moreover, we may choose to raise additional capital due to market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital by issuing equity securities, our

stockholders may experience substantial dilution. Debt financing arrangements may require us to pledge certain assets or enter into covenants that could restrict our operations or our ability to pay dividends or other distributions on our common stock or incur further indebtedness. To the extent that we raise additional funds through collaboration and licensing arrangements, we may be required to relinquish some rights to our technologies or product candidates, or grant licenses on terms that are not favorable to us. During the past several years, domestic and international financial markets have experienced, and they may continue to experience, extreme disruption from time to time, including, among other things, high volatility, significant declines in stock prices and severely diminished liquidity and credit availability for both borrowers and investors. Such adverse capital and credit market conditions could make it more difficult to obtain additional capital on favorable terms, or at all, which could have a material adverse effect on our business and growth prospects. For example, our ability to raise additional capital may be adversely impacted by deteriorating global economic conditions and the disruptions to and volatility in the credit and financial markets in the U. S. and worldwide resulting from the evolving effects of the COVID- 19 pandemic **, inflationary pressures, rising interest rates, the ongoing military conflict between Russian and Ukraine and related sanctions imposed against Russia and otherwise** . The potential future impairment of intangible assets and goodwill may negatively affect our results of operations and financial position. As of December 31, ~~2021~~ **2022** , we carried $ ~~535~~ **512** . ~~3~~ **2** million of intangible assets, net and goodwill on our ~~condensed~~ consolidated balance sheet. Our intangible assets and goodwill are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Additionally, goodwill and indefinite- lived assets are subject to an impairment test at least annually. Events giving rise to impairment are an inherent risk in the pharmaceutical industry and cannot be predicted. Our results of operations and financial position in future periods could be negatively impacted should future impairments of intangible assets or goodwill occur. Risks Related to Our Common Stock The market price of our stock has been, and is likely to continue to be, volatile. As a result of fluctuations in the price of our common stock, you may be unable to sell your shares at or above the price you paid for them. The market price of our common stock may be subject to substantial volatility in response to many risk factors listed in this section, and others beyond our control, including: • the levels of product sales; • regulatory approval or non- approval of our products or product candidates, specific label indications for or restrictions, warnings or limitations in their use, or delays in the regulatory review process; • clinical trial results; • announcements regarding the results of discovery efforts, product development and commercial activities by us, our collaborators or our competitors; • announcements regarding, or negative publicity concerning, adverse events or safety concerns associated with the use of our products or product candidates; • issuance of new or changed analysts ~~'~~ **'** reports and recommendations regarding us or our competitors; • termination of or changes in our existing collaborations or licensing arrangements, or establishment of new collaborations or licensing arrangements; • our failure to achieve the perceived benefits of our strategic transactions, including our ~~recent~~ in- license of development and commercialization rights to disitamab vedotin, as rapidly or to the extent anticipated by financial analysts or investors; • our entry into additional material strategic transactions including licensing or acquisition of products, businesses or technologies; • regulatory actions with respect to our products, product candidates, clinical trials or regulatory filings; • our raising of additional capital and the terms upon which we may raise any additional capital; • developments or disputes concerning our proprietary rights, including with respect to our disputes with Daiichi Sankyo; • developments regarding any litigation or potential litigation; • the evolving effects of the COVID- 19 pandemic; • share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; • changes in laws, regulations or government policies, including with respect to pricing and reimbursement; • market conditions for equity investments in general, or the biotechnology or pharmaceutical industries in particular; and • other economic, social or political conditions. The stock markets in general, and the markets for biotechnology and pharmaceutical stocks in particular, have historically experienced significant volatility that has often been unrelated or disproportionate to the operating performance of particular companies. In the past, companies whose securities have experienced periods of volatility in market price have been subjected to securities class action or derivative litigation. In this regard, we have been, and may in the future again become, subject to claims and litigation alleging violations of the securities laws or other related claims. Lawsuits brought against us could result in substantial costs, which would hurt our financial condition and results of operations and divert management ~~'~~ **'** s attention and resources. Substantial future sales or issuances of shares of our common stock or equity- related securities could cause the market price of our common stock to decline. Sales of a substantial number of shares of our common stock, and sales by members of our management or board of directors or entities affiliated with such members, could occur at any time. In addition, in December 2020, pursuant to a ten- year registration rights agreement we entered into with certain entities affiliated with Baker Bros. Advisors LP, or the Baker Entities, we registered up to 47, 366, 602 shares of our common stock for resale by the Baker Entities, and we may be required to register the resale of additional shares held by the Baker Entities from time to time in the future. Sales by our management, our directors, their affiliates, or significant shareholders like the Baker Entities, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock, perhaps substantially, and could impair our ability to raise capital through the sale of additional equity or equity- related securities. In addition, we may issue a substantial number of shares of our common stock or equity- related securities, including convertible debt, to meet our capital needs, including in connection with funding potential future acquisition or licensing opportunities, capital expenditures or product development costs. These issuances could be substantially dilutive and could adversely affect the market price of our common stock. Likewise, future issuances of our common stock upon the exercise, conversion or settlement of equity- based awards or other equity- related securities would dilute existing stockholders ~~'~~ **'** ownership interest in our company. Based on information available to us as of December 31, ~~2021~~ **2022** , the Baker Entities collectively beneficially owned approximately ~~26~~ **25** % of our common stock. In addition, based solely on the most recent Schedules 13G and 13D filed with the SEC, reports filed with the SEC under Section 16 of the **Securities Exchange Act of 1934, as amended, or the** Exchange Act, and our outstanding shares of common stock as of December 31, ~~2021~~ **2022** , our executive officers and directors and holders of greater than five percent of our outstanding

common stock beneficially owned approximately ~~51~~ **52** % of our voting power as of December 31, ~~2021~~ **2022** . As a result, these stockholders are able to exert substantial influence over our management and affairs and matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. Consequently, this concentration of ownership may result in our taking corporate actions that other stockholders may not consider to be in their best interest. For example, it may have the effect of delaying, deferring or preventing a change in control, including a merger, consolidation, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control, which might affect the market price of our common stock. Anti- takeover provisions could make it more difficult for a third party to acquire us. Our Board of Directors has the authority to issue up to 5, 000, 000 shares of preferred stock and to determine the terms of those shares, including voting rights, without any further action by the stockholders. The rights of the holders of common stock may be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control of Seagen. Further, certain provisions of our charter documents, including provisions eliminating the ability of stockholders to take action by written consent and limiting the ability of stockholders to raise matters at a meeting of stockholders without giving advance notice, may have the effect of delaying or preventing changes in control or management of Seagen, which could have an adverse effect on the market price of our stock. In addition, our charter documents provide for a classified board, which may make it more difficult for a third party to gain control of our Board of Directors. Similarly, state laws in Delaware and Washington related to corporate takeovers may prevent or delay a change of control of Seagen. Our disclosures related to environmental, social and governance, or ESG, matters expose us to various risks, including risks to our reputation and stock price. Investors are increasingly likely to factor ESG disclosures into their investment decisions. We have elevated the degree to which we manage, track and report on our ESG efforts and goals. Where provided, goal statements are aspirational, are subject to a number of risks, many of which are beyond our control, and are not guarantees. Our processes and operations may not always conform to various frameworks for identifying, measuring and reporting ESG metrics, and ESG reporting standards may change over time, either of which could result in significant revisions to reported metrics. In addition, our interpretation of reporting standards may differ from those of others. Any failure or perceived failure to pursue or fulfill our goals or to satisfy various reporting standards could have negative impacts on our reputation and stock price and expose us to litigation or government actions. **Moreover, the SEC has recently proposed certain mandated ESG reporting requirements, such as the SEC' s proposed rules designed to enhance and standardize climate- related disclosures, which, if finally approved, would significantly increase our compliance and reporting costs and may also result in disclosures that certain investors or other stakeholders may deem to negatively impact our reputation and / or that harm our stock price.** General Risk Factors Changes in tax laws or regulations may have a material adverse effect on our business, results of operations, financial condition or growth prospects. Due to economic and political conditions, ~~new~~ **various countries have made or are actively considering changes to existing** tax laws ~~, statutes, rules, regulations or ordinances could be enacted at any time~~ , which could adversely affect our business operations and financial performance ~~. Further~~ , **and we cannot predict the form** ~~existing tax laws, statutes, rules, regulations~~ or **timing of such** ~~ordinances could be interpreted, changed~~ **changes** ~~, modified or applied adversely to us~~ . For example, **beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures in the year incurred, requiring amortization in accordance with IRC Section 174. If this requirement is not repealed or otherwise modified, it will reduce our operating cash flows. In addition,** the current U. S. presidential administration ~~has proposed~~ **continues to pursue** numerous corporate tax reform proposals **to** ~~including implementation of a minimum tax on book income and increasing~~ **increase** taxation of international business operations. **Further** ~~In addition~~ , **organizations such** as **the Organization for Economic Cooperation and Development have published actions plans that, if adopted by countries where** we **do business** ~~continue to expand our operations internationally~~ , **could increase our tax obligations** ~~we may become increasingly subject to taxation~~ in ~~jurisdictions outside the~~ **those countries** ~~U. S~~ . Changes in corporate tax rates or in rules applicable to the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings or the deductibility of expenses could have a material impact on the value of our deferred tax assets, result in significant one- time charges, increase our future tax expense or otherwise have a material adverse effect on our business, results of operations, financial condition or growth prospects. If our facilities are damaged or our research and development, manufacturing or other business processes are interrupted, our business could be seriously harmed. We conduct most of our business in a limited number of facilities. Damage or extended periods of interruption to these facilities due to fire, natural disaster, severe weather, power loss, communications failure, unauthorized entry or other events could cause significant disruption and / or delays in our research and development, manufacturing and commercial activities and could cause us to incur large expenses to repair or replace the facilities. Although we maintain property damage and business interruption insurance coverage on these facilities, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such disruption, delays and costs. Legislative actions and new accounting pronouncements are likely to impact our future financial position or results of operations. Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our financial position or results of operations. New pronouncements and varying interpretations of pronouncements have occurred with frequency in the past and are expected to occur again in the future. As a result we may be required to make changes in our accounting policies that could adversely affect our reported revenues and expenses, future profitability or financial position. The application of existing or future financial accounting standards, particularly those relating to the way we account for revenues and costs, could have a significant impact on our reported results. Item 1B. Unresolved Staff Comments None. Item 2. Properties