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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025

OR

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

Commission file number 001-37359

BLUEPRINT MEDICINES CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**26-3632015**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
45 Sidney Street Cambridge, Massachusetts	**02139**
(Address of Principal Executive Offices)	**(Zip Code)**

(617) 374-7580
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

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

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

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

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

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

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	BPMC	Nasdaq Global Select Market

Number of shares of the registrant's common stock, $0.001 par value, outstanding on April 29, 2025: 64,582,163

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Unless otherwise stated, all references to "us," "our," "Blueprint," "Blueprint Medicines," "we," the "Company" and similar designations in this Quarterly Report on Form 10-Q refer to Blueprint Medicines Corporation and its consolidated subsidiaries. Blueprint Medicines, AYVAKIT®, AYVAKYT®, and associated logos are trademarks of Blueprint Medicines Corporation. GAVRETO® and associated logos are trademarks of Blueprint Medicines Corporation outside of the United States. Other brands, names and trademarks contained in this Quarterly Report on Form 10-Q are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements by words such as "aim," "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "opportunity," "predict," "project," "seek," "should," "target," "will," "would" or a variation or the negative of these words or other comparable terminology, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the timing or likelihood of regulatory actions, filings and approvals for our current and future drug candidates, including our ability to obtain marketing approval for avapritinib in additional geographies;
- our ability and plans in continuing to build out our commercial infrastructure and successfully launching, marketing and selling AYVAKIT® (avapritinib) (marketed in Europe under the brand name AYVAKYT®) and any current and future drug candidates for which we receive marketing approval;
- our expectations regarding the potential benefits of AYVAKIT/AYVAKYT and any current and future drug candidates in treating patients with indolent systemic mastocytosis (SM) and advanced SM;
- the rate and degree of market acceptance of AYVAKIT/AYVAKYT and any current and future drug candidates for which we receive marketing approval;
- the pricing and reimbursement of AYVAKIT/AYVAKYT and any current and future drug candidates for which we receive marketing approval;
- the initiation, timing, progress and results of our preclinical studies and clinical trials, including our ongoing clinical trials and any planned clinical trials for our current and future drug candidates and research and development programs;
- our ability to advance drug candidates into, and successfully complete, clinical trials;
- our ability to successfully develop manufacturing processes for any of our current and future drugs or drug candidates and to secure manufacturing, packaging and labeling arrangements for development activities and commercial production;
- the implementation of our business model and strategic plans for our business, drugs, drug candidates, platform and technology;
- the scope and length of protection we are able to establish and maintain for intellectual property rights covering our current and future drugs, drug candidates and technology;
- the potential benefits of our collaboration with CStone Pharmaceuticals (CStone) to develop and commercialize avapritinib and pralsetinib in Greater China, and our collaboration with Zai Lab to develop and commercialize BLU-525, BLU-945, and any back-up and other forms thereof, as inhibitors of epidermal growth factor receptor (EGFR) in Greater China, as well as our ability to maintain these collaborations and establish additional strategic collaborations;
- the potential benefits of our exclusive license agreement with Clementia Pharmaceuticals, Inc., a wholly-owned subsidiary of Ipsen S.A. (Clementia), to develop and commercialize BLU-782 for fibrodysplasia ossificans progressiva;

- the potential benefit of our strategic financing transaction with Garnich Adjacent Investments S.a.r.l. and Tao Talents, LLC, both affiliates of Sixth Street Partners and the potential acceleration of our commercial products and pipeline resulting from the non-dilutive growth capital;
- the potential benefits of our license agreement with IDRx, Inc., a subsidiary of GSK plc (IDRx) to develop our development candidate-stage KIT exon 13 inhibitor, IDRX-73, for the treatment of drug-resistant mutations of non-PDGFR-driven gastrointestinal stromal tumor (GIST);
- our financial performance, estimates of our revenues, expenses and capital requirements and our needs for future financing, including our ability to achieve a self-sustainable financial profile;
- developments relating to our competitors and our industry;
- the potential impact of the volatility of capital markets and other adverse macroeconomic factors on our business, financial condition or results of operations, including due to inflation, tariffs, interest rate and currency rate fluctuations, economic slowdown or recession, banking instability, monetary policy changes, geopolitical tensions or the outbreak of hostilities or war;
- our expectations regarding litigation matters; and
- the actual or potential benefits of designations granted by the U.S. Food and Drug Administration (FDA), such as orphan drug, fast track and breakthrough therapy designation or priority review.

Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. We have included important factors in the cautionary statements included in this Quarterly Report on Form 10-Q, particularly in the "Risk Factors" section in Part II, Item 1A, that could cause actual results or events to differ materially from the forward-looking statements that we make. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make or enter into.

You should read this Quarterly Report on Form 10-Q and the documents that we have filed as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results, performance or achievements may be materially different from what we expect. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This Quarterly Report on Form 10-Q also contains estimates, projections and other information concerning our industry, our business and the markets for certain diseases, including data regarding the estimated size of those markets, and the incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

For purposes of this Quarterly Report on Form 10-Q, including the footnotes to our condensed consolidated financial statements, (i) with respect to our terminated collaboration for pralsetinib, Roche means F. Hoffmann-La Roche Ltd and Genentech, Inc., and (ii) with respect to our financing transactions with Sixth Street Partners, Sixth Street Partners means Garnich Adjacent Investments S.a.r.l. and/or Tao Talents, LLC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Blueprint Medicines Corporation
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 122,245	$ 102,014
Marketable securities	453,992	513,473
Accounts receivable	78,083	75,797
Unbilled accounts receivable	1,718	1,812
Inventory	12,953	13,611
Prepaid expenses and other current assets	33,078	35,971
Total current assets	702,069	742,678
Marketable securities	323,547	248,450
Property and equipment, net	36,050	36,593
Operating lease right-of-use assets, net	61,607	64,181
Restricted cash	11,847	11,625
Equity investment	—	28,699
Other assets	60,484	47,587
Total assets	$ 1,195,604	$ 1,179,813
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	800	6,790
Accrued expenses	122,055	133,088
Current portion of operating lease liabilities	13,736	13,346
Current portion of deferred revenue	2,279	2,005
Current portion of liabilities related to the sale of future royalties and revenues	67,917	61,650
Current portion of term loan	43,797	43,917
Total current liabilities	250,584	260,796
Operating lease liabilities, net of current portion	65,216	68,790
Deferred revenue, net of current portion	8,037	8,193
Liabilities related to the sale of future royalties and revenues, net of current portion	178,715	193,524
Term loan, net of current portion	343,949	343,053
Other long-term liabilities	6,972	6,792
Total liabilities	853,473	881,148
Commitments and Contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value; 120,000,000 shares authorized; 64,563,911 and 63,712,256 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	65	64
Additional paid-in capital	2,751,838	2,709,183
Accumulated other comprehensive loss	(3,237)	(3,551)
Accumulated deficit	(2,406,535)	(2,407,031)
Total stockholders' equity	342,131	298,665
Total liabilities and stockholders' equity	$ 1,195,604	$ 1,179,813

See accompanying notes to the unaudited condensed consolidated financial statements.

Blueprint Medicines Corporation
Condensed Consolidated Statements of Operations and Comprehensive Income
(in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Revenues:		
Product revenue, net	$ 149,413	$ 92,525
Collaboration, license and other revenue	—	3,591
Total revenues	149,413	96,116
Cost and operating expenses:		
Cost of sales	2,802	3,191
Research and development	91,890	88,191
Selling, general and administrative	95,807	83,557
Total cost and operating expenses	190,499	174,939
Other income (expense):		
Interest expense, net	(8,129)	(5,895)
Other income, net	461	376
Equity investment gain	50,039	—
Debt extinguishment gain	—	173,658
Total other income, net	42,371	168,139
Income before income taxes	1,285	89,316
Income tax expense	789	180
Net income	$ 496	$ 89,136
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale investments	457	(564)
Currency translation adjustments	(143)	212
Comprehensive income	$ 810	$ 88,784
Net income per share - basic	$ 0.01	$ 1.45
Net income per share - diluted	$ 0.01	$ 1.40
Weighted-average number of common shares used in net income per share - basic	64,096	61,580
Weighted-average number of common shares used in net income per share - diluted	66,526	63,802

See accompanying notes to the unaudited condensed consolidated financial statements.

Blueprint Medicines Corporation
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	63,712,256	$ 64	$ 2,709,183	$ (3,551)	$ (2,407,031)	$ 298,665
Issuance of common stock under stock plan	851,655	1	13,356	—	—	13,357
Stock-based compensation expense	—	—	29,299	—	—	29,299
Other comprehensive income	—	—	—	314	—	314
Net income	—	—	—		496	496
Balance at March 31, 2025	64,563,911	$ 65	$ 2,751,838	$ (3,237)	$ (2,406,535)	$ 342,131
Balance at December 31, 2023	61,147,236	$ 61	$ 2,473,985	$ (3,495)	$ (2,339,942)	$ 130,609
Issuance of common stock under stock plan	902,292	1	17,900	—	—	17,901
Stock-based compensation expense	—	—	24,457	—	—	24,457
At-the-market offerings, net of issuance costs	544,719	1	48,935	—	—	48,936
Other comprehensive loss	—	—	—	(352)	—	(352)
Net income	—	—	—	—	89,136	89,136
Balance at March 31, 2024	62,594,247	$ 63	$ 2,565,277	$ (3,847)	$ (2,250,806)	$ 310,687

See accompanying notes to the unaudited condensed consolidated financial statements.

Blueprint Medicines Corporation
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities		
Net income	$ 496	$ 89,136
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	4,459	4,810
Non-cash lease expense	2,592	2,404
Stock-based compensation	29,056	24,225
Non-cash interest expense	776	793
Net (accretion of discount) amortization of premium on investments	(3,332)	(5,193)
Non-cash debt extinguishment gain	—	(173,658)
Equity investment gain	(50,039)	—
Other	(141)	(827)
Changes in assets and liabilities:		
Accounts receivable	(1,397)	(17,339)
Inventory	187	2,696
Prepaid expenses and other current assets	(961)	1,016
Other assets	(8,876)	(4,332)
Accounts payable	(6,044)	313
Accrued expenses	(13,552)	(25,826)
Deferred revenue and other long-term liabilities	(4,500)	3,158
Operating lease liabilities	(3,203)	(2,889)
Net cash used in operating activities	(54,479)	(101,513)
Cash flows from investing activities		
Purchases of property and equipment	(1,831)	(1,104)
Purchases of investments	(283,327)	(200,165)
Maturities of investments	271,500	278,400
Proceeds from sale of equity investment	78,737	—
Net cash provided by investing activities	65,079	77,131
Cash flows from financing activities		
Proceeds from at-the-market offerings, net of issuance costs	—	48,936
Net proceeds from stock option exercises and employee stock purchase plan	13,298	18,396
Principal payments for financing arrangements	(4,106)	(369)
Net cash provided by financing activities	9,192	66,963
Net increase in cash, cash equivalents, and restricted cash	19,792	42,581
Cash, cash equivalents and restricted cash at beginning of period	113,639	81,524
Effect of exchange rate changes on cash, cash equivalents and restricted cash	661	(145)
Cash, cash equivalents and restricted cash at end of period	$ 134,092	$ 123,960
Supplemental cash flow information		
Cash paid for interest	$ 21,465	$ 14,280
Property and equipment purchases unpaid at period end	$ 698	$ 1,834
Cash paid for taxes, net	$ 703	$ 520

See accompanying notes to the unaudited condensed consolidated financial statements.

Blueprint Medicines Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Business

Blueprint Medicines Corporation (the Company), a Delaware corporation incorporated on October 14, 2008, is a global fully-integrated biopharmaceutical company that invents life-changing medicines in two core focus areas: allergy/inflammation and oncology/hematology. The Company's approach targets the root causes of disease, using deep scientific knowledge in the Company's core focus areas and drug discovery expertise across multiple therapeutic modalities.

The Company has a track record of success with two approved medicines, including AYVAKIT®/AYVAKYT® (avapritinib), which the Company is bringing to patients living with systemic mastocytosis (SM) and PDGFRA Exon 18 mutant GIST in the U.S. and Europe. Leveraging the Company's established research, development, and commercial capability and infrastructure, the Company now aims to significantly scale its impact by advancing a broad pipeline of programs ranging from early science to advanced clinical trials in mast cell diseases including SM and chronic urticaria, breast cancer and other solid tumors.

As of March 31, 2025, the Company had cash, cash equivalents and marketable securities of $899.8 million. Based on the Company's current operating plans, the Company anticipates that its existing cash, cash equivalents and marketable securities will be sufficient to enable it to fund its current operations for at least the next twelve months from the issuance of the financial statements.

2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements

Basis of Presentation

The unaudited interim condensed consolidated financial statements of the Company included herein have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) as found in the Accounting Standards Codification (ASC), Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB) and the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted from this report, as is permitted by such rules and regulations. Accordingly, these financial statements should be read in conjunction with the financial statements as of and for the year ended December 31, 2024 and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 13, 2025 (2024 Annual Report on Form 10-K).

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited financial statements, and updated, as necessary, in this report. In the opinion of the Company's management, the accompanying unaudited interim condensed consolidated financial statements contain all adjustments that are necessary to present fairly the Company's financial position as of March 31, 2025, the results of its operations for the three months ended March 31, 2025 and 2024, stockholders' equity for the three months ended March 31, 2025 and 2024 and cash flows for the three months ended March 31, 2025 and 2024. Such adjustments are of a normal and recurring nature. The results for the three months ended March 31, 2025 are not necessarily indicative of the results for the year ending December 31, 2025 or for any other future period.

The accompanying unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Blueprint Medicines Security Corporation, which is a Massachusetts subsidiary created to buy, sell and hold securities, Blueprint Medicines (Switzerland) GmbH, Blueprint Medicines (Netherlands) B.V., Blueprint Medicines (UK) Ltd., Blueprint Medicines (Germany) GmbH, Blueprint Medicines (Spain) S.L., Blueprint Medicines (France) SAS, and Blueprint Medicines (Italy) S.r.L. All intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Management considers many factors in selecting appropriate financial accounting policies and in developing the estimates and assumptions that are used in the preparation of the financial statements. Management must apply significant judgment in this process. Management's estimation process often may yield a range of potentially reasonable estimates and management must select an amount that falls within that range of reasonable estimates. Estimates are used in the following areas, among others: revenue recognition, inventory, operating lease right-of-use assets, operating lease liabilities, stock-based compensation expense, accrued expenses, liabilities related to the sale of future royalties and future revenues, equity investment, debt modification, and income taxes.

Significant Accounting Policies

The significant accounting policies used in preparation of these condensed consolidated financial statements for the three months ended March 31, 2025 are consistent with those discussed in Note 2 to the consolidated financial statements in the 2024 Annual Report on Form 10-K.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed below, the Company does not believe that the adoption of recently issued standards have or may have a material impact on its condensed consolidated financial statements and disclosures.

In December 2023, the FASB issued *ASU 2023-09, Improvements to Income Tax Disclosures*, which requires entities to disclose disaggregated information about their effective tax rate reconciliation and income taxes paid. The disclosure requirements will be applied on a prospective basis, with the option to apply them retrospectively. The standard is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The Company will adopt the new disclosure requirements in its 2025 Annual Report on Form 10-K.

In November 2024, the FASB issued *ASU 2024-03, Disaggregation of Income Statement Expenses*, which is intended to improve disclosures by requiring additional information about specific expense categories in the notes to the financial statements on an annual and interim basis. The standard will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The standard updates may be applied on either a prospective or retrospective basis. The Company is currently evaluating the disclosure requirements related to this new standard.

Reclassification

Certain items in the prior year's condensed consolidated financial statements have been reclassified to conform to the current presentation.

3. Financing Arrangements

Royalty Pharma Purchase and Sale Agreement

On June 30, 2022, the Company entered into a purchase and sale agreement (Royalty Purchase Agreement) with Royalty Pharma Investments 2019 ICAV (Royalty Pharma). Pursuant to the Royalty Purchase Agreement, the Company received an upfront payment of $175.0 million in consideration for the Company's rights to receive royalty payments on the net sales of GAVRETO worldwide, excluding the CStone Territory (as defined below) and the U.S., under the terms of the Roche pralsetinib collaboration agreement.

Due to the Company's significant involvement in the global co-development of pralsetinib with Roche, which directly contributed to the generation of future GAVRETO royalties, any royalties and development and

commercialization milestones earned pertaining to the underlying territory under the Roche pralsetinib collaboration agreement were recognized as collaboration revenue on the consolidated statements of operations and comprehensive income (loss) throughout the contract term of the Roche pralsetinib collaboration agreement. The net proceeds received from the transaction were recorded as a liability related to sale of future royalties and revenues on the consolidated balance sheet on June 30, 2022.

The Roche pralsetinib collaboration agreement was terminated in February 2024 and the Company regained commercialization and development rights to GAVRETO from Roche worldwide excluding the CStone Territory. In connection with and effective upon the termination of the Roche pralsetinib collaboration agreement, on February 22, 2024 (the Royalty Pharma Termination Date), Royalty Pharma and the Company agreed to terminate the Royalty Purchase Agreement (Royalty Pharma Termination Agreement). Following the termination of the Royalty Purchase Agreement, the Company has no outstanding obligations under the Royalty Purchase Agreement, other than the remaining royalty payment obligation related to GAVRETO net sales as of the termination effective date. As of March 31, 2025, the Company had no plan to enter into a new arrangement to commercialize GAVRETO outside of the U.S. and the CStone Territory.

The Company has no material outstanding obligations under the Royalty Pharma Termination Agreement. This agreement was accounted for as a debt extinguishment under ASC 470-50 because the terms and conditions of the Royalty Purchase Agreement had undergone a substantial modification, and the modified terms are considered substantially different. As a result, the Company recorded a debt extinguishment gain of $173.7 million as other income in the unaudited condensed consolidated statements of operations and comprehensive income during the three months ended March 31, 2024. As of March 31, 2025, the Company paid off the final royalty amount related to the Royalty Pharma Termination Agreement.

Financing Arrangements with Sixth Street Partners

In July 2022, the Company closed two transactions pursuant to a purchase and sale agreement (Future Revenue Purchase Agreement) and a debt financing transaction for up to $660.0 million (as amended, the Financing Agreement) with Sixth Street Partners. Because two transactions were entered into with the same parties and in contemplation of one another, the Company recorded these transactions based on the relative fair values of each freestanding financial instrument and allocated the proceeds in proportion to those fair value amounts.

Sixth Street Partners Purchase and Sale Agreement

Pursuant to the Future Revenue Purchase Agreement, the Company received gross proceeds of $250.0 million in exchange for future royalty payments at a rate of 9.75% on up to $900 million each year of (i) aggregate worldwide annual net product sales of AYVAKIT/AYVAKYT (avapritinib) and (ii), if it is approved, aggregate worldwide annual net product sales of BLU-263 (elenestinib), but excluding sales in Greater China, subject to a cumulative cap of 1.45 times the upfront invested capital or a total of $362.5 million. In the event that certain revenue targets are not achieved by specified dates, the royalty rate and cumulative cap shall be increased to 15% and 1.85 times the invested capital (or $462.5 million), respectively.

The Company continues to own the research, development, manufacturing and commercialization of AYVAKIT/AYVAKYT and if it is approved, elenestinib, and has significant continuing involvement in the generation of the cash flows under the Future Revenue Purchase Agreement. Therefore, the Company continues to account for any revenue earned from worldwide product sales of AYVAKIT/AYVAKYT and, if it is approved, elenestinib, on its unaudited condensed consolidated statements of operations and comprehensive income. Net proceeds received from the transaction were recorded as a liability related to sale of future royalties and revenues on the consolidated balance sheet. The Company accretes the $250.0 million, net of transaction costs of $5.4 million, to the total of these future payments as interest expense using the effective interest method over the estimated life of the arrangement.

As payments are made to Sixth Street Partners, the balance of the liability is effectively repaid over the life of the Future Revenue Purchase Agreement. In order to determine the amortization of the liability, the Company estimates the total amount of future revenue payments to be paid to Sixth Street Partners over the life of the arrangement. The exact amount of repayment is likely to change each reporting period. A significant increase or decrease in worldwide product sales of AYVAKIT/AYVAKYT and, if it is approved, elenestinib, will materially impact the liability related to this arrangement, interest expense and the time period for repayment. The Company periodically assesses the expected payments to Sixth Street Partners and prospectively adjusts the amortization of the liability related to this arrangement for material changes in such payments. As of March 31, 2025, the Company's estimate of this total interest expense resulted in an effective annual interest rate of 10.3%. These estimates contain assumptions that impact the amount recorded and the interest expense that will be recognized in future periods.

As of March 31, 2025, the net carrying value of the liability related to this arrangement was $246.6 million. The following table shows the activity within the liability account during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Carrying value as of January 1	$ 254,436	$ 266,670
Interest expense recognized	6,199	7,096
Payments	(14,003)	(6,875)
Carrying value as of March 31	$ 246,632	$ 266,891

Sixth Street Partners Term Loan

The Financing Agreement entered into by the parties in connection with the transaction provides for (i) a senior secured term loan facility of up to $150.0 million and (ii) a senior secured delayed draw term loan facility of up to $250.0 million to be funded in two tranches at the Company's choice subject to certain terms and conditions. The term loans will mature on June 30, 2028 and bear interest at a variable rate equal to either the Secured Overnight Financing Rate (SOFR) plus 6.50% or the base rate plus 5.50%, subject to a floor of 1% and 2% with respect to the SOFR and base rate, respectively.

The following table shows the proceeds the Company has received under the Financing Agreement with Sixth Street Partners (in thousands):

Term loan draw	Date	Gross proceeds	Debt discount/ Transaction cost	Net proceeds
Senior Secured Term Loan Facility	July 2022	$ 150,000	$ 12,214	$ 137,786
1st Senior Secured Delayed Draw Term Loan Facility	August 2023	100,000	2,067	97,933
2nd Senior Secured Delayed Draw Term Loan Facility	May 2024	150,000	3,027	146,973
		$ 400,000	$ 17,308	$ 382,692

Debt discounts and transaction costs have been recorded as a reduction to the carrying amount of the debt on the Company's consolidated balance sheet and are amortized as additional interest expenses using the effective interest rate method over the period from issuance through maturity. In addition, the Company may at any time request an incremental term loan in an amount not to exceed $260.0 million on terms to be agreed and subject to the consent of Sixth Street Partners providing such incremental term loan. As of March 31, 2025, the Company's estimate of the total interest expense resulted in an effective annual interest rate of 12.0%. The carrying amount of the debt as of March 31, 2025 is subject to variable interest rates, which are based on current market rates, and as such, approximates fair value.

The following table shows the activity within the liability account during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Carrying value as of January 1	$ 386,970	$ 238,813
Interest expense recognized	11,605	7,977
Payments	(10,829)	(7,405)
Carrying value as of March 31	$ 387,746	$ 239,385

The Company's obligations under the Financing Agreement are secured, subject to certain exceptions, by security interests in substantially all assets of the Company and certain of its subsidiaries. The Financing Agreement contains customary negative covenants that, among other things and subject to certain exceptions, could restrict the Company's ability to incur additional liens, incur additional indebtedness, make investments, including acquisitions, engage in fundamental changes, sell or dispose of assets that constitute collateral, including certain intellectual property, pay dividends or make any distribution or payment on or redeem, retire or purchase any equity interests, amend, modify or waive certain material agreements or organizational documents and make payments of certain subordinated indebtedness. The Financing Agreement also requires the Company to maintain a consolidated liquidity of at least $80.0 million. As of March 31, 2025, the Company was in compliance with the applicable terms and conditions of the covenants under the Financing Agreement.

4. Marketable Securities

Marketable securities consisted of the following at March 31, 2025 and December 31, 2024 (in thousands):

March 31, 2025	Amortized Cost	Unrealized Gain	Unrealized Losses	Fair Value
Marketable securities, available-for-sale:				
U.S. government agency securities	$ 190,673	$ 91	$ (113)	$ 190,651
U.S. treasury obligations	585,897	1,144	(153)	586,888
Total	$ 776,570	$ 1,235	$ (266)	$ 777,539

December 31, 2024	Amortized Cost	Unrealized Gain	Unrealized Losses	Fair Value
Marketable securities, available-for-sale:				
U.S. government agency securities	$ 129,897	$ 118	$ (230)	$ 129,785
U.S. treasury obligations	631,514	1,025	(401)	632,138
Total	$ 761,411	$ 1,143	$ (631)	$ 761,923

The following table summarizes the amortized cost basis and estimated fair value of the Company's available-for-sale securities by contractual maturity as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025		December 31, 2024	
	Amortized Cost	Fair value	Amortized Cost	Fair value
Within one year	$ 453,575	$ 453,992	$ 512,515	$ 513,473
After one through five years	322,995	323,547	248,896	248,450
Total	$ 776,570	$ 777,539	$ 761,411	$ 761,923

As of March 31, 2025 and December 31, 2024, the Company held 33 and 32 debt securities, respectively, that were in an unrealized loss position. The following table summarizes the estimated fair value and the aggregate unrealized loss of the Company's available-for-sale securities that are in loss position as of March 31, 2025 and December 31, 2024 by the length of time the security has been in loss position (in thousands):

	March 31, 2025		December 31, 2024	
	Fair value	Unrealized losses	Fair value	Unrealized losses
Debt securities in unrealized loss position for 12 months or less	$ 222,844	$ (266)	$ 205,910	$ (631)
Debt securities in unrealized loss position for more than 12 months	—	—	—	—
Total debt securities in unrealized loss position	$ 222,844	$ (266)	$ 205,910	$ (631)

The Company has the intent and ability to hold its debt securities until recovery of amortized cost basis. As a result, the Company did not recognize any differences between the fair value and amortized cost basis as a loss in its condensed consolidated statements of operations and comprehensive income for the three months ended March 31, 2025 and 2024. The Company did not record any credit-related impairments for its available-for-sale securities for the three months ended March 31, 2025 and 2024.

The following table summarizes the proceeds from maturities of debt securities during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Proceeds from maturities of debt securities	$ 271,500	$ 278,400

The Company did not realize any gains or losses from maturities of debt securities for the three months ended March 31, 2025 and 2024.

5. Fair Value of Financial Instruments

The following table summarizes the Company's cash equivalents and marketable securities measured at fair value on a recurring basis as of March 31, 2025 (in thousands):

Description	March 31, 2025	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$ 67,898	$ 67,898	$ —	$ —
U.S. treasury obligations	22,402	22,402	—	—
Marketable securities, available-for-sale:				
U.S. government agency securities	190,651	—	190,651	—
U.S. treasury obligations	586,888	586,888	—	—
Total	$ 867,839	$ 677,188	$ 190,651	$ —

The following table summarizes the Company's cash equivalents and marketable securities measured at fair value on a recurring basis as of December 31, 2024 (in thousands):

Description	December 31, 2024	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$ 69,729	$ 69,729	$ —	$ —
Marketable securities, available-for-sale:				
U.S. government agency securities	129,785	—	129,785	—
U.S. treasury obligations	632,138	632,138	—	—
Total	$ 831,652	$ 701,867	$ 129,785	$ —

6. Product Revenue and Related Reserves

The Company generates product revenue from the sales of AYVAKIT/AYVAKYT. The following table summarizes net revenue recognized from product sales for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
United States	$ 129,446	$ 83,136
Rest of World	19,967	9,389
Total product revenue	$ 149,413	$ 92,525

The Company primarily sells AYVAKIT/AYVAKYT through specialty distributors and specialty pharmacies. The following table summarizes the customers that represent 10% or greater of gross product revenue for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Customer 1	38 %	39 %
Customer 2	15 %	* %

* Indicates the customer's share is under 10%.

The following table summarizes the customers with amounts due that represent 10% or greater of the accounts receivable associated with the Company's product sales as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Customer 1	28 %	31 %
Customer 2	13 %	11 %
Customer 3	11 %	14 %

The following table summarizes activity in the product revenue allowance and reserve categories for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance at January 1	$ 33,779	$ 19,274
Provision related to sales in the current period	28,964	16,926
Adjustment related to prior periods sales	(2,061)	(309)
Credits and payments made	(17,422)	(12,488)
Ending balance at March 31	$ 43,260	$ 23,403

The total reserves that are included in the Company's unaudited condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024, are summarized as follows (in thousands):

	March 31, 2025	December 31, 2024
Reduction of accounts receivable, net	$ 2,912	$ 2,963
Component of accrued expenses	40,348	30,816
Total revenue-related reserves	$ 43,260	$ 33,779

7. Inventory

Capitalized inventory consists of the following at March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Work in process	$ 35,517	$ 30,300
Finished goods	10,020	8,975
Total	$ 45,537	$ 39,275

Balance sheet classification

	March 31, 2025	December 31, 2024
Inventory	$ 12,953	$ 13,611
Other assets	32,584	25,664
Total	$ 45,537	$ 39,275

Inventory amounts written down as a result of excess, obsolescence, unmarketability or other reasons are charged to cost of sales. The Company did not recognize significant write-downs of inventory during the three months ended March 31, 2025 and 2024. Long-term inventory, which consists of work in process and finished goods, is included in other assets in the unaudited condensed consolidated balance sheets.

8. Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash as reported within the Company's condensed consolidated balance sheets to the total of such amounts shown in the condensed consolidated statements of cash flows for the three months ended March 31, 2025 and 2024 (in thousands):

	March 31, 2025	March 31, 2024
Cash and cash equivalents	$ 122,245	$ 113,326
Restricted cash	11,847	10,634
Total cash, cash equivalents, and restricted cash shown in condensed consolidated statements of cash flows	$ 134,092	$ 123,960

As of March 31, 2025 and December 31, 2024, $11.8 million and $11.6 million, respectively, of the Company's cash is restricted by a financial institution primarily related to funds held to satisfy the requirements of certain government agreements and the security deposits for the lease agreements for the Company's office and laboratory spaces. For additional information, see Note 15, *Leases*.

9. Accrued Expenses

Accrued expenses as of March 31, 2025 and December 31, 2024 consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Research, development and commercial contract costs	$ 32,637	$ 33,957
Employee compensation	21,771	48,725
Accrued professional fees	17,999	14,134
Revenue-related reserves	40,348	30,816
Other	9,300	5,456
Total	$ 122,055	$ 133,088

10. Collaboration, License and Other Agreements

Rigel

On February 22, 2024, the Company entered into an Asset Purchase Agreement with Rigel Pharmaceuticals, Inc. (Rigel) for Rigel to purchase certain assets from the Company comprising the U.S. rights to research, develop, manufacture and commercialize GAVRETO (pralsetinib). Such assets include, among other things, applicable intellectual property related to pralsetinib in the U.S, including patents, copyrights and trademarks, as well as clinical regulatory and commercial data and records. Simultaneously and in connection with entering into the Asset Purchase Agreement, the parties also entered into certain supporting agreements, including a customary transition agreement, (such agreements collectively, the Rigel Agreement), pursuant to which, the Company transitioned certain inventory and regulatory and distribution responsibilities for pralsetinib to Rigel.

Under the terms of the Rigel Agreement, the Company has the right to receive a purchase price of $15.0 million, with $10.0 million paid upon first commercial sale of GAVRETO by Rigel and an additional $5.0 million as a delayed purchase price payable on the later of (i) the first anniversary of the closing date of the transaction, or (ii) the completion of certain transition activities. The Company is also eligible to receive up to $102.5 million in contingent specified regulatory and commercial milestone payments, in addition to tiered percentage royalties ranging from 10 percent to 30 percent on annual net sales of GAVRETO in the U.S. The royalties will be payable until the later of (i) the expiration of the royalty term, as defined in the agreement, which begins on the date of the first commercial sale of GAVRETO in the U.S., (ii) the date of expiration of the last valid patent claim within the Company's IP that covers GAVRETO in the U.S., and (iii) the expiration of the last regulatory exclusivity for GAVRETO in the U.S.

The Company determined that the Rigel Agreement is a transaction with a customer and therefore accounted for the transaction in accordance with ASC 606. As of the effective date, the Company determined that the agreement includes three performance obligations: the delivery of (1) the U.S. rights to GAVRETO; (2) additional pralsetinib clinical data; and (3) GAVRETO product to be purchased from Genentech.

The transaction price under ASC 606 was fully constrained at the inception of the Rigel Agreement due to the pending completion of key transition activities stipulated in the agreement, including the transfer of the new drug application (NDA). These key transition activities, including the transfer of the NDA, related patents, and GAVRETO product, were completed in the second quarter of 2024. The performance obligations related to the U.S. rights to GAVRETO and the delivery of GAVRETO product were satisfied at a point in time upon the completion of these key transition activities. The transaction price was determined to be $27.7 million, which consisted of $6.5 million consideration for the GAVRETO product, $10.0 million upfront purchase price payment, and $11.2 million in the milestone and royalty payments that were considered probable of achievement and not subject to significant subsequent reversal of revenue. The transaction price was allocated to the three performance obligations on a relative stand-alone

selling price basis. The transaction price allocated to the U.S. rights to GAVRETO and GAVRETO product was recognized as revenue of $24.3 million in the second quarter of 2024. The additional clinical data performance obligation will be satisfied at a point in time once the transfer of such data to Rigel is completed, and the allocated transaction price of $3.6 million was recorded as deferred revenue on the condensed consolidated financial statements as of March 31, 2025. During the three months ended March 31, 2025, insignificant revenue was recognized under the Rigel agreements.

The Company reevaluates the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and if necessary, the Company adjusts its estimate of the transaction price, and any addition to the transaction price would be recognized as revenue when it becomes probable that inclusion would not lead to a significant revenue reversal.

The following table summarizes the assets and liabilities under the Rigel agreements as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025			December 31, 2024		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Contract assets	$ 2,915	$ 6,602	$ 9,517	$ 2,939	$ 7,380	$ 10,319
Contract liabilities	$ —	$ 3,562	$ 3,562	$ —	$ 3,562	$ 3,562

IDRx

In August 2022, the Company entered into a license agreement with IDRx, Inc. (IDRx), granting IDRx an exclusive, worldwide, royalty-bearing license to exploit the Company's internally discovered KIT exon 13 inhibitor IDRX-73 (IDRx License Agreement). IDRx is a clinical-stage biopharmaceutical company and among IDRx's founders are Alexis Borisy, George Demetri, M.D., and Nicholas Lydon, Ph.D., who were each a member of the Company's board of directors at the time. Due to these relationships, the transaction with IDRx is a related party transaction.

In connection with the IDRx License Agreement, the Company also entered into a stock purchase agreement with IDRx (IDRx Stock Purchase Agreement), pursuant to which the Company received 4,509,105 shares of IDRx's Series A preferred stock. In July 2023, the Company received 192,282 additional shares under an anti-dilution provision under the IDRx Stock Purchase Agreement and as of December 31, 2024, the Company owned a total of 4,701,387 shares of IDRx's Series A preferred stock.

The Company is also eligible to receive up to $217.5 million in contingent cash payments, including specified development, regulatory and sales-based milestone payments. In addition, the Company is eligible to receive royalties on aggregate annual worldwide net sales of licensed products at tiered percentage rates up to low-teens, subject to adjustments in specified circumstances under the IDRx License Agreement.

Unless earlier terminated, the IDRx License Agreement will expire on a country-by-country, licensed product-by-licensed product basis upon the latest of: (a) the expiration of the last valid claim within the licensed patents covering such licensed product in a such country, (b) the expiration of the regulatory exclusivity period for such licensed product in such country, or (c) the 10th anniversary of the first commercial sale of such licensed product in such country. Following the end of the term for any such licensed product and in such region by expiration, the license granted to IDRx will become exclusive, perpetual, irrevocable, fully paid-up and royalty-free. IDRx may terminate the IDRx License Agreement for convenience at any time upon at least twelve months' prior written notice to the Company. Either party may also terminate the IDRx License Agreement for material breach of the other party or for insolvency, and the Company may terminate the IDRx License Agreement for IDRx's breach of the anti-dilution provision in the IDRx Stock Purchase Agreement. Upon termination of the license agreement in its entirety, all rights and obligations under the license agreement will terminate and revert back to the Company, and the Company has a license under certain

intellectual property of IDRx to continue to exploit the compound and terminated product, subject to a royalty that will be negotiated at the time of termination.

The Company combined the IDRx License Agreement and the IDRx Stock Purchase Agreement into a single contract under ASC 606. Therefore, the Company determined that the shares of IDRx's Series A preferred stock should be attributed to the transaction price of the IDRx License Agreement. The transaction price of the IDRx License Agreement at the contract inception was determined to be $27.5 million, which was based on the fair value derived from IDRx's then-most recent financing transaction with unrelated investors. The Company identified two material promises in the IDRx License Agreement, which were the exclusive license and the initial know-how transfer, which were combined into one distinct performance obligation. The Company concluded that the license is a functional intellectual property license and that IDRx benefited from the license along with the initial know-how transfer at the time of grant, and therefore the related performance obligation was satisfied at a point in time and the revenue for the transaction price of $27.5 million was recorded in 2022.

All potential milestone payments that the Company is eligible to receive under the IDRx License Agreement have been excluded from the transaction price. The Company reevaluates the transaction price for inclusion of milestone payments and royalties at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and if necessary, the Company adjusts its estimate of the transaction price, and any addition to the transaction price would be recognized as revenue when it becomes probable that inclusion would not lead to a significant revenue reversal. Additionally, revenue from any sales milestones and royalties shall be recognized when the related sales occur.

The Company accounted for the preferred stock investment as an equity investment under the measurement alternative for equity investments without a readily determinable fair value, at cost of $27.8 million including transaction costs of $0.3 million in 2022. Subsequently, in August 2024, IDRx completed a Series B preferred stock financing and accordingly, the Company adjusted the carrying value of its investment in IDRx to $28.7 million.

During the three months ended March 31, 2025, GSK plc (GSK) acquired IDRx for an upfront cash consideration of $1.0 billion with an additional $150.0 million contingent consideration. The Company received $78.7 million in cash from this transaction, which resulted in a net investment gain of $50.0 million. Consequently, the Company derecognized its investment in IDRx on its unaudited condensed consolidated balance sheets. Any additional contingent consideration received related to this acquisition will be recognized as an investment gain once it is realized.

The acquisition does not affect the Company's rights related to the license agreement. The Company will continue to be eligible to receive contingent cash payments under the IDRx License Agreement as outlined above. No revenue was recorded under the IDRx License Agreement during the three months ended March 31, 2025 and 2024.

VantAI

In February 2022, the Company entered into an exclusive collaboration agreement with Oncopia Therapeutics, Inc. d/b/a Proteovant Therapeutics, Inc. (Proteovant) (the 2022 Agreement) to jointly research and advance certain protein degrader therapies into development candidates, with VantAI, Inc. (VantAI) performing computational chemistry services on behalf of Proteovant under the agreement. In December 2023, the Company entered into an Amended and Restated Collaboration and License Agreement (the A&R Agreement) with VantAI and Proteovant, which amended and restated and replaced in its entirety the 2022 Agreement. Under the A&R Agreement, Proteovant ceased its role under the 2022 Agreement and VantAI provides expanded computational support directly to the Company, including computational biology and expanded computational chemistry to advance three novel protein degrader programs, and the Company has the option, at its sole discretion, to expand the collaboration to include a fourth target program.

Under the A&R Agreement, VantAI is eligible to receive up to a total of $1.67 billion in contingent payments including specified research, development, regulatory and commercialization milestones for all the target programs. As of March 31, 2025, VantAI has achieved $8.5 million of such contingent payments. The Company will be obligated to pay VantAI tiered percentage royalties on a licensed product-by-licensed product basis ranging from the mid-single digits on annual net sales of each licensed product in the applicable territory, subject to adjustment in specified circumstances.

Under the 2022 Agreement, the Company paid Proteovant an upfront payment of $20.0 million in connection with the execution of the 2022 Agreement. This upfront payment was recorded as a prepaid asset on the Company's consolidated balance sheet and was amortized as research and development expense over the expected research period because the Company concluded that Proteovant was providing the Company with research services throughout such period. The Company determined to continue to amortize the remaining prepaid asset balance as research and development expense over the expected research period of the A&R Agreement as VantAI continued to provide such research and development services. During the three months ended March 31, 2025 and 2024, the Company recorded research and development expense of $1.8 million and $2.1 million, respectively, under the A&R Agreement.

The following table summarizes the assets associated with the A&R Agreement as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025			December 31, 2024		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Prepaid and other assets	$ 5,030	$ 5,816	$ 10,846	$ 4,971	$ 2,666	$ 7,637

The Company reevaluates the expected research period at the end of each reporting period and prospectively adjusts the amortization of the asset for changes in the expected research period. Each research and development milestone payment is accrued and expensed when probable.

Zai Lab

In November 2021, the Company entered into a collaboration (the Zai Lab agreement) with Zai Lab (Shanghai) Co., Ltd., (Zai Lab) to develop and commercialize certain licensed products for the treatment of EGFR-driven non-small cell lung cancer in Greater China, including Mainland China, Hong Kong, Macau and Taiwan (collectively, the Zai Lab Territory), which currently include BLU-945 and BLU-525. In January 2024, the Company decided to discontinue further investment in the early clinical-stage therapies for EGFR-mutant NSCLC globally. Zai Lab retains its rights to BLU-945 and BLU-525 under the agreement. The Company retains exclusive rights to the licensed products outside the Zai Lab Territory. The decision to deprioritize the licensed products does not have an impact on the Company's accounting treatment related to the Zai Lab agreement.

Under the Zai Lab agreement, the Company received an upfront cash payment of $25.0 million and, in addition to the upfront payment received, the Company is eligible to receive up to $590.0 million in contingent payments, including specified development, regulatory and sales-based milestones and tiered percentage royalties on a licensed product-by-licensed product basis ranging from the low-teens to mid-teens on annual net sales of each licensed product in the Zai Lab Territory, subject to adjustment in specified circumstances. Zai Lab is responsible for costs related to clinical trials in the Zai Lab Territory, other than the specified shared services costs as defined in the Zai Lab agreement which are shared by the Company and Zai Lab. Zai Lab is responsible for conducting all development and commercialization activities in the Zai Lab Territory related to the licensed drug candidates.

The Zai Lab agreement will continue on a licensed product-by-product and region-by-region basis until the later of (i) the 12th anniversary of the date of the first commercial sale of a licensed product in the Zai Lab Territory, (ii) the date of expiration of the last valid patent claim related to the Company's patent rights of the product in the Zai Lab Territory, and (iii) the expiration of the last regulatory exclusivity for that product in a region in the Zai Lab Territory. Zai Lab may terminate the agreement for convenience by giving a written notice (a) at least 12 months after the date of notice, in the event such notice is given after the first commercial sale of a licensed product in the Zai Lab Territory or (b) at least nine months after the date of such notice, in the event such notice is given prior to the first commercial sale of the first licensed product in the Zai Lab Territory. Either party may terminate the Zai Lab agreement for the other party's uncured material breach or insolvency. Upon termination, all licenses and all other rights granted by the Company to Zai Lab will terminate. Each party will retain its joint ownership interests in any joint collaboration technology.

The Company concluded that the Zai Lab agreement is a collaborative agreement under ASC 808. The Company determined that the Zai Lab agreement contained two material components: (i) licenses granted to Zai Lab to exploit and develop each licensed product in the Zai Lab Territory and related activities in the Zai Lab Territory, including manufacturing, and (ii) global development of the licensed products. The Company concluded that Zai Lab is

the Company's customer for the licenses and related activities in the Zai Lab Territory under ASC 606, whereas payments received by the Company for global development activities, including manufacturing, are accounted for as a reduction of related expenses. No reduction of expenses was recorded under the Zai Lab agreement during the three months ended March 31, 2025 and 2024.

The Company evaluated the Zai Lab Territory specific licenses and related activities under ASC 606 and identified one performance obligation, which consists of the licenses and their initial know-how transfer at the outset of the arrangement. The manufacturing activities were excluded as performance obligation at the outset of the arrangement because it represented a customer option that was not a material right.

The Company determined that the license is a functional intellectual property license as Zai Lab benefited from the license along with the initial know-how transfer at the time of grant, and therefore the related performance obligation is satisfied at a point in time. The transaction price of the Zai Lab agreement at the outset of the arrangement was determined to be $25.0 million and the Company satisfied the performance obligation upon delivery of the licenses and initial know-how transfer and accordingly, the upfront payment of $25.0 million was recognized as revenue in 2021. All milestone and royalty payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement. The Company reevaluates the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur. Costs that are incurred associated with Zai Lab Territory specific activities are reimbursable from Zai Lab and are recognized as revenue. No revenue was recorded under the Zai Lab agreement during the three months ended March 31, 2025 and 2024.

Roche – Pralsetinib Collaboration

In July 2020, the Company entered into a collaboration agreement (the Roche pralsetinib collaboration agreement) with F. Hoffmann-La Roche Ltd and Genentech, Inc., a member of the Roche Group (collectively, Roche), granting Roche exclusive rights to develop and commercialize the Company's drug candidate pralsetinib worldwide, excluding the CStone Territory (as defined below), and a co-exclusive license in the U.S. to develop and commercialize pralsetinib. The Roche pralsetinib collaboration agreement was terminated on February 22, 2024 (the collaboration termination effective date), at which time the Company regained worldwide commercialization and development rights to GAVRETO excluding the CStone Territory. The Company and Roche continued to perform their respective obligations under the Roche pralsetinib collaboration agreement through the collaboration termination effective date, when the Company and Roche entered into a transition agreement (the Roche transition agreement).

Under the Roche pralsetinib collaboration agreement, the Company received an upfront cash payment of $675.0 million and Roche Holdings, Inc. (Roche Holdings) purchased shares of the Company's common stock at a purchase price of $100.0 million, with a premium of $20.7 million attributed to the transaction price of the Roche pralsetinib collaboration agreement.

In the U.S., the Company and Roche co-commercialized pralsetinib and shared profits and losses equally. In addition, the Company received tiered royalties on annual net sales of pralsetinib outside the U.S., excluding the CStone Territory (the Roche Territory). The Company and Roche shared global development costs for pralsetinib at a rate of 45 percent for the Company and 55 percent for Roche.

The Company concluded that the Roche pralsetinib collaboration agreement contained two material promises within the scope of ASC 606, pralsetinib license and the Roche Territory activities. The pralsetinib license was deemed a functional intellectual property license and a distinct performance obligation, satisfied at the time of grant. The initial transaction price of the Roche pralsetinib collaboration agreement at the outset of the arrangement was determined to be $695.7 million, including the $675.0 million upfront cash payment and the $20.7 million premium on the sale of common stock to Roche Holdings, which was allocated to the performance obligation related to the pralsetinib licenses. Through the collaboration termination effective date, the Company achieved an aggregate of $105.0 million in specified regulatory and commercialization milestones which were added to the estimated transaction price of the Roche pralsetinib collaboration agreement and recorded as revenue in the respective periods when they were achieved.

For the parties' participation in global development for pralsetinib and the U.S. commercialization activities for GAVRETO, the Company concluded that those activities and cost-sharing payments related to such activities were

within the scope of ASC 808, as both parties were active participants in the development, manufacturing and commercialization activities and are exposed to significant risks and rewards of those activities under the Roche pralsetinib collaboration agreement. Payments to or reimbursements from Roche related to the global development activities were accounted for either as an increase or reduction of research and development expenses.

No operating expenses have been recorded under the Roche pralsetinib collaboration since June 30, 2024. During the three months ended March 31, 2024, the Company recorded a $1.0 million reduction to selling, general and administrative expenses in connection with the commercialization of GAVRETO in the U.S and a $1.4 million increase in research and development expenses related to global development activities for pralsetinib under the Roche pralsetinib collaboration.

Roche was the principal for recording product sales to customers in the U.S., and the Company recognized a portion of the profit as revenue and losses as collaboration loss sharing in its consolidated statements of operations and comprehensive income. No collaboration revenue has been recorded under the Roche pralsetinib collaboration since June 30, 2024. During the three months ended March 31, 2024, the Company recorded revenue of $1.4 million derived from profit sharing on Roche sales of GAVRETO in the U.S. and $0.5 million revenue related to Roche Territory specific activities and royalties earned during the three months ended March 31, 2024.

Upon termination of the Roche pralsetinib collaboration agreement, the Company chose not to assume responsibility for any ongoing pralsetinib clinical trials, and under the terms of the Roche pralsetinib collaboration agreement, Roche bears sole responsibility for all costs associated with the wind-down of these trials.

Pursuant to the Roche transition agreement, the Company is obligated to reimburse Roche for wind-down costs associated with the marketing and commercialization activities occurred for Roche Territory until December 31, 2026. Additionally, the Company is obligated to reimburse Roche for any U.S. transition related costs that exceeds GAVRETO's net sales in the U.S., and any remaining net profit are shared equally between the Company and Roche until December 31, 2025. The Company has concluded that such activities and associated payments to Roche are not within the scope of ASC 808 as only the Company is exposed to significant risks and awards associated with those activities. The Company records those wind-down costs and the net amount of U.S. transition costs reimbursable to Roche as selling, general, and administrative expenses when they are incurred. During the three months ended March 31, 2025, the Company recorded $0.4 million in such costs. Such costs were insignificant during the three months ended March 31, 2024.

The following table summarizes the Company's liabilities associated with the Roche transition agreement as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Accrued expenses	$ 365	$ 1,712

Clementia

In October 2019, the Company entered into a license agreement (the Clementia agreement) with Clementia Pharmaceuticals, Inc. (Clementia), a wholly-owned subsidiary of Ipsen S.A. Under the Clementia agreement, the Company granted an exclusive, worldwide, royalty-bearing license to Clementia to develop and commercialize BLU-782, the Company's oral, highly selective investigational ALK2 inhibitor in clinical development for the treatment of fibrodysplasia ossificans progressiva (FOP), now referred to as fidrisertib, as well as specified other compounds related to the BLU-782 program.

Under the Clementia agreement, the Company received an upfront cash payment of $25.0 million and through March 31, 2025, the Company has received an aggregate of $50.0 million in cash milestone payments. Subject to the terms of the Clementia agreement, in addition to the upfront and milestone payments received through March 31, 2025, the Company is eligible to receive up to $460.0 million in contingent payments, including specified development, regulatory and sales-based milestones for licensed products. In addition, Clementia is obligated to pay to the Company royalties on aggregate annual worldwide net sales of licensed products at tiered percentage rates ranging from the low-

to mid-teens, subject to adjustment in specified circumstances under the Clementia agreement, and Clementia purchased specified manufacturing inventory from the Company for a total of $1.5 million.

Unless earlier terminated in accordance with the terms of the Clementia agreement, the agreement will expire on a country-by-country, licensed product-by-licensed product basis on the date when no royalty payments are or will become due. Clementia may terminate the agreement at any time upon at least 12 months' prior written notice to the Company. Either party may terminate the agreement for the other party's uncured material breach or insolvency and in certain other circumstances agreed to by the parties. In certain termination circumstances, the Company is entitled to retain specified licenses to be able to continue to exploit the Clementia licensed products.

The Company evaluated the Clementia agreement under ASC 606, as the agreement represented a transaction with a customer. The Company identified the following material promises under the agreement: (1) the exclusive license to develop, manufacture and commercialize BLU-782; (2) the technology transfer of BLU-782 program; (3) the transfer of existing manufacturing inventory; and (4) the transfer of in-process manufacturing inventory. In addition, the Company determined that the exclusive license and technology transfer were not distinct from each other, as the exclusive license has limited value without the corresponding technology transfer. As such, for the purposes of ASC 606, the Company determined that these four material promises, described above, should be combined into three performance obligations: (1) the exclusive license and the technology transfer; (2) the transfer of existing manufacturing inventory; and (3) the transfer of in-process manufacturing inventory.

The Company determined that the transaction price at the outset of the arrangement was $46.5 million, which was allocated to the three performance obligations on a relative stand-alone selling price basis, and was recognized as revenue in prior years.

No revenue was recorded under the Clementia Agreement during the three months ended March 31, 2025 and 2024. All potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as the amounts were fully constrained based on the probability of achievement. The Company reevaluates the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and if necessary, the Company adjusts its estimate of the transaction price, and any addition to the transaction price would be recognized as revenue when it becomes probable that inclusion would not lead to a significant revenue reversal.

CStone Pharmaceuticals

In June 2018, the Company entered into a collaboration and license agreement (the CStone agreement) with CStone Pharmaceuticals (CStone) pursuant to which the Company granted CStone exclusive rights to develop and commercialize the Company's drug candidates avapritinib, pralsetinib and fisogatinib, including back-up and other forms thereof, in Mainland China, Hong Kong, Macau and Taiwan (each, a CStone region and collectively, the CStone Territory), either as a monotherapy or as part of a combination therapy.

The Company received an upfront cash payment of $40.0 million, and through March 31, 2025, the Company has achieved an aggregate of $38.5 million in milestones under this collaboration. Subject to the terms of the CStone agreement, in addition to the upfront payments received and milestones achieved through March 31, 2025, the Company will be eligible to receive up to $307.5 million in contingent payments, including specified development, regulatory and sales-based milestones for licensed products. In addition, CStone is obligated to pay the Company tiered percentage royalties on a licensed product-by-licensed product basis ranging from the mid-teens to low twenties on annual net sales of each licensed product in the CStone Territory, subject to adjustment in specified circumstances. CStone is responsible for costs related to the development of the licensed products in the CStone Territory, other than specified costs related to the development of fisogatinib as a combination therapy in the CStone Territory that are shared by the Company and CStone.

Pursuant to the terms of the CStone agreement, CStone is responsible for conducting all development and commercialization activities in the CStone Territory related to the licensed products. Subject to specified exceptions, during the term of the CStone agreement, each party has agreed that neither it nor its affiliates will conduct specified development and commercialization activities in the CStone Territory related to selective inhibitors of FGFR4, KIT, PDGFRA and RET. In addition, under the CStone agreement, each party has granted the other party specified

intellectual property licenses to enable the other party to perform its obligations and exercise its rights under the CStone agreement, including license grants to enable each party to conduct research, development and commercialization activities pursuant to the terms of the CStone agreement.

The CStone agreement will continue on a licensed product-by-licensed product and CStone region-by-CStone region basis until the later of (i) 12 years after the first commercial sale of a licensed product in a CStone region in the CStone Territory and (ii) the date of expiration of the last valid patent claim related to the Company's patent rights or any joint collaboration patent rights for the licensed product that covers the composition of matter, method of use or method of manufacturing such licensed product in such region. Subject to the terms of the CStone agreement, CStone may terminate the CStone agreement in its entirety or with respect to one or more licensed products for convenience by providing written notice to the Company, and CStone may terminate the CStone agreement with respect to a licensed product for convenience at any time by providing written notice to the Company following the occurrence of specified events. In addition, the Company may terminate the CStone agreement under specified circumstances if CStone or certain other parties challenges the Company's patent rights or any joint collaboration patent rights or if CStone or its affiliates do not conduct any material development or commercialization activities with respect to one or more licensed products for a specified period of time, subject to specified exceptions. Either party may terminate the CStone agreement for the other party's uncured material breach or insolvency. In certain termination circumstances, the parties are entitled to retain specified licenses to be able to continue to exploit the licensed products, and in the event of termination by CStone for the Company's uncured material breach, the Company will be obligated to pay CStone a low single digit percentage royalty on a licensed product-by-licensed product basis on annual net sales of such licensed product in the CStone Territory, subject to a cap and other specified exceptions.

The Company evaluated the CStone agreement to determine whether it is a collaborative arrangement for purposes of ASC 808. The Company determined that there were two material components of the CStone agreement: (i) the CStone Territory-specific license and related activities in the CStone Territory, and (ii) the parties' participation in global development of the licensed products. The Company concluded that the CStone Territory-specific license and related activities in the CStone Territory are not within the scope of ASC 808 because the Company is not exposed to significant risks and rewards. The Company concluded that CStone is a customer with regard to the component that includes the CStone Territory-specific license and related activities in CStone Territory, which include manufacturing. For the parties' participation in global development of the licensed products, the Company concluded that the research and development activities and cost-sharing payments related to such activities are within the scope of ASC 808 as both parties are active participants exposed to the risk of the activities under the CStone agreement. The Company concluded that CStone is not a customer with regard to the global development component in the context of the CStone agreement. Therefore, net payments received by the Company for global development activities under the CStone agreement, including manufacturing, are accounted for as a reduction of related expenses.

The Company did not have significant manufacturing and research and development services related to the global development activities during the three months ended March 31, 2025 and 2024.

The Company evaluated the CStone Territory-specific license and related activities in the CStone Territory under ASC 606, as these transactions are considered transactions with a customer. The Company identified the following material promises under the arrangement: (1) the three exclusive licenses granted in the CStone Territory to develop, manufacture and commercialize the three licensed products; (2) the initial know-how transfer for each licensed product; (3) manufacturing activities related to development and commercial supply of the licensed products; (4) participation in the joint steering committee (JSC) and joint project teams (JPT); (5) regulatory responsibilities; and (6) manufacturing technology and continuing know-how transfers. The Company determined that each licensed product is distinct from the other licensed products. In addition, the Company determined that the exclusive licenses and initial know-how transfers for each licensed product were not distinct from each other, as each exclusive license has limited value without the corresponding initial know-how transfer. For purposes of ASC 606, the Company determined that participation on the JSC and JPTs, the regulatory responsibilities and the manufacturing technology and continuing know-how transfers are qualitatively and quantitatively immaterial in the context of the CStone agreement and therefore are excluded from performance obligations. As such, the Company determined that these six material promises, described above, should be combined into one performance obligation for each of the three candidates.

The Company evaluated the provision of manufacturing activities related to development and commercial supply of the licensed products as an option for purposes of ASC 606 to determine whether these manufacturing

activities provide CStone with any material rights. The Company concluded that the manufacturing activities were not issued at a significant and incremental discount, and therefore do not provide CStone with any material rights. As such, the manufacturing activities are excluded as performance obligations at the outset of the arrangement.

Based on these assessments, the Company identified three distinct performance obligations at the outset of the CStone agreement, which consists of the following for each licensed product: (1) the exclusive license and (2) the initial know-how transfer.

Under the CStone agreement, in order to evaluate the transaction price for purposes of ASC 606, the Company determined that the upfront amount of $40.0 million constituted the entirety of the consideration to be included in the transaction price at the outset of the arrangement, which was allocated to the three performance obligations. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement. The Company satisfied the performance obligations upon delivery of the licenses, initial know-how transfers and product trademark and recognized the upfront payment of $40.0 million as revenue in 2018.

The Company did not achieve any milestones under the CStone agreement during the three months ended March 31, 2025 and 2024. The Company reevaluates the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and if necessary, the Company adjusts its estimate of the transaction price, and any addition to the transaction price would be recognized as revenue when it becomes probable that inclusion would not lead to a significant revenue reversal.

Subsequent to the CStone agreement, the Company entered into various commercial supply and manufacturing technology transfer agreements for avapritinib and pralsetinib related to supply of active pharmaceutical ingredient (API), drug substance and commercialization activities conducted specifically for the CStone Territory. The manufacturing activities in these agreements were considered as distinct performance obligations from the CStone collaboration agreement and collaboration revenue is recognized upon delivery of the supply to CStone. Considerations payable to CStone related to the Company's obligations in connection with commercial supply of pralsetinib for the CStone Territory was recognized as a reduction of collaboration revenue.

A summary of revenue recognized under the CStone agreement during the three months ended March 31, 2025 and 2024 is as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Manufacturing services and royalty revenue related to CStone territory-specific activities	$ (393)	$ 1,653

The following table presents the contract liabilities associated with the CStone collaboration as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Accrued expenses	$ 548	$ 2,027

The Company's liabilities associated with the CStone collaboration as of March 31, 2025 primarily related to payment associated with the Company's manufacturing services and royalty revenue related to the CStone territory-specific activities. The Company's liabilities as of December 31, 2024 resulted from the Company's obligations in connection with commercial supply of pralsetinib for the CStone Territory.

11. Stockholders' Equity

In February 2022, the Company entered into an at-the-market (ATM) facility (ATM Facility) with Cowen and Company, LLC (Cowen), pursuant to which the Company may offer and sell, from time to time at its sole discretion, shares of its common stock having an aggregate offering price of up to $300.0 million through Cowen as sales agent. The Company did not issue any shares under the ATM Facility during the three months ended March 31, 2025. During the three months ended March 31, 2024, the Company issued and sold 544,719 shares of its common stock under the ATM Facility and received net proceeds of $48.9 million.

12. Stock-based Compensation

Stock Plans

In 2015, the Company's board of directors and stockholders approved the 2015 Stock Option and Incentive Plan (the 2015 Plan), which replaced the Company's 2011 Stock Option and Grant Plan, as amended (the 2011 Plan). The 2015 Plan includes incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance-based restricted stock units, unrestricted stock, performance-based awards and cash-based awards. The Company initially reserved a total of 1,460,084 shares of common stock for the issuance of awards under the 2015 Plan. The 2015 Plan provided that the number of shares reserved and available for issuance under the 2015 Plan would be cumulatively increased on January 1 of each calendar year by 4% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or such lesser amount as specified by the compensation committee of the board of directors.

In March 2020, the Company's board of directors adopted the 2020 Inducement Plan (the Inducement Plan), pursuant to which the Company may grant, subject to the terms of the Inducement Plan and Nasdaq rules, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock units, and other stock-based awards. The Company initially reserved a total of 1,000,000 shares of common stock for the issuance of awards under the Inducement Plan and in June 2022, the Company's board of directors approved the reservation of an additional 1,500,000 shares of common stock for the issuance of awards under the Inducement Plan.

At the Company's annual meeting of stockholders held on June 12, 2024, the Company's stockholders approved the 2024 Stock Incentive Plan (the 2024 Plan), which replaced the Company's 2015 Plan and the Inducement Plan. As of March 31, 2025, there were 6,983,233 and 668,819 shares underlying awards outstanding under the 2015 Plan and the Inducement Plan, respectively. No further shares will be granted under the 2015 Plan and the Inducement Plan after the effective date of the 2024 Plan. The 2024 Plan provides for the granting of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance-based restricted stock units, unrestricted stock and cash-based awards. The 2024 Plan provides for the issuance of up to 9,200,000 shares. Any shares of common stock underlying any awards that are forfeited, canceled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, repurchased, expire or are otherwise terminated by the Company under the 2024 Plan and the 2015 Plan will be added back to the shares of common stock available for issuance under the 2024 Plan. As of March 31, 2025, there were 7,281,467 shares available for future grant under the 2024 Plan.

2015 Employee Stock Purchase Plan

In 2015, the Company's board of directors and stockholders approved the 2015 Employee Stock Purchase Plan (the 2015 ESPP), which became effective upon the closing of the Company's initial public offering in May 2015. The Company initially reserved a total of 243,347 shares of common stock for issuance under the 2015 ESPP. The 2015 ESPP provides that the number of shares reserved and available for issuance under the 2015 ESPP will be cumulatively increased on January 1 of each calendar year by 1% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or such lesser amount as specified by the compensation committee of the board of directors. For the calendar year beginning January 1, 2025, the number of shares reserved for issuance under the 2015 ESPP was increased by 637,122 shares.

Stock options

The following table summarizes the stock option activity for the three months ended March 31, 2025:

	Shares	Weighted-Average Exercise Price
Outstanding at December 31, 2024	6,369,724	$ 72.09
Granted	795,360	97.50
Exercised	(213,210)	62.65
Canceled	(26,578)	74.98
Outstanding at March 31, 2025	6,925,296	$ 75.28
Exercisable at March 31, 2025	4,538,663	$ 72.02

As of March 31, 2025, the total unrecognized compensation expense related to unvested stock option awards was $102.6 million, which is expected to be recognized over a weighted-average period of approximately 2.8 years.

Restricted stock units

The following table summarizes the restricted stock units activity for the three months ended March 31, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Unvested shares at December 31, 2024	2,290,931	$ 75.36
Granted	932,355	97.06
Vested	(638,445)	75.03
Forfeited	(34,936)	75.91
Unvested shares at March 31, 2025	2,549,905	$ 83.37

As of March 31, 2025, the total unrecognized compensation expense related to unvested restricted stock units was $197.4 million, which is expected to be recognized over a weighted-average period of approximately 2.9 years.

Performance-based restricted stock units

In 2023, the Company began granting performance-based restricted stock units (PSUs) that will settle in stock. PSUs awarded to employees have a three-year performance period and vest on the third anniversary of the grant date. The vesting of these awards is subject to the respective employee's continued employment. The number of PSUs granted represents the target number of units that are eligible to be earned based on the achievement of cumulative three-year performance measures established at the beginning of the performance period, which ends on December 31 of the third year of the performance period.

Participants may ultimately earn between zero and 200.0% of the target number of PSUs granted based on the degree of achievement of the performance metric which is measured on a three-year cumulative relative total shareholder return metric. Accordingly, additional PSUs may be issued or currently issued PSUs may be cancelled upon final determination of the number of units earned.

The following table summarizes the PSU activity for the three months ended March 31, 2025:

	Shares	Weighted-Average Grant Date Grant Date Fair Value
Unvested shares at December 31, 2024	142,500	$ 107.65
Granted	152,825	136.93
Vested	—	—
Forfeited	—	—
Unvested shares at March 31, 2025	295,325	$ 122.80

As of March 31, 2025, the total unrecognized compensation expense related to unvested PSUs was $29.1 million, which is expected to be recognized over a weighted-average period of approximately 2.26 years.

The Company values PSUs on the grant date using a lattice model with a Monte Carlo simulation. This valuation methodology utilizes several key assumptions, including defined consecutive trading day average closing stock price on the grant date, valuation date stock price, expected volatilities using historical volatilities, correlation coefficients based on the volatility data, risk-free rates of return and expected dividend yield. The probability of actual shares expected to be earned is considered in the grant date valuation and the expense is not adjusted to reflect the actual units earned.

Stock-based compensation expense

The Company recognized stock-based compensation expense of $29.1 million and $24.2 million for the three months ended March 31, 2025 and 2024, respectively. Stock-based compensation expense by award type included within the unaudited condensed consolidated statements of operations and comprehensive income was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Stock options	$ 10,268	$ 9,573
Restricted stock units	16,827	13,836
Performance-based restricted stock units	1,844	594
Employee stock purchase plan	360	454
Subtotal	29,299	24,457
Capitalized stock-based compensation costs	(243)	(232)
Stock-based compensation expense included in total cost and operating expenses	$ 29,056	$ 24,225

Stock-based compensation expense, that is included in operating expenses, by classification within the unaudited condensed consolidated statements of operations and comprehensive income was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Research and development	$ 12,127	$ 10,875
Selling, general and administrative	16,929	13,350
Total	$ 29,056	$ 24,225

13. Net Earnings per Share

Basic earnings per share (EPS) is calculated by dividing net income by the weighted average number of shares of common stock outstanding during the period, without consideration of common stock equivalents. Diluted EPS is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period. For purposes of the diluted EPS calculation, the effect of stock options, unvested restricted stock units, PSUs and ESPP shares on the weighted average number of shares is calculated using the treasury stock method. In periods with reported net operating losses, all common stock equivalents are deemed anti-dilutive such that basic net loss per share and diluted net loss per share are equal.

The calculation of net income and the number of shares used to compute basic and diluted EPS are as follows (in thousands, except for per share data):

	Three Months Ended March 31,	
	2025	2024
Net income	$ 496	$ 89,136
Weighted average shares outstanding - basic	64,096	61,580
Effect of dilutive securities:		
Stock options	1,381	1,165
Restricted stock units	942	985
Performance-based restricted stock units	107	72
Weighted average shares outstanding - diluted	66,526	63,802
Net income per share - basic	$ 0.01	$ 1.45
Net income per share - diluted	$ 0.01	$ 1.40

The following table sets forth the potential shares excluded from the calculation of EPS for the three months ended March 31, 2025 and 2024 because their inclusion would be anti-dilutive (in thousands):

	March 31,	
	2025	2024
Stock options	2,026	2,126
Restricted stock units	18	372
Performance-based restricted stock units	53	31
ESPP shares	28	39
Total	2,125	2,568

14. Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax basis of assets and liabilities using enacted tax rates in effect for years in which the temporary differences are expected to reverse. The Company provides a valuation allowance when it is more likely than not that deferred tax assets will not be realized.

The realization of deferred income tax assets is dependent on the generation of sufficient taxable income during future periods in which temporary differences are expected to reverse. Where the realization of such assets does not meet the more likely than not criterion, the Company applies a valuation allowance against the deferred income tax asset under consideration. The valuation allowance is reviewed periodically and if the assessment of the more likely than not criterion changes, the valuation allowance is adjusted accordingly. As of March 31, 2025, the Company has a full valuation allowance applied against its U.S. and foreign deferred tax assets.

During the three months ended March 31, 2025, GSK acquired IDRx for an upfront consideration of $1.0 billion and an additional $150.0 million in regulatory approval-based milestone payments. The Company received consideration in the amount of $78.7 million and the Company recorded a gain on sale of investment in the amount of

$50.0 million during the three months ended March 31, 2025. For tax purposes, the gain will also be included in the taxable income calculation for the year ended December 31, 2025.

As of March 31, 2025, the Company expects to be in a taxable income position for the calendar year ended December 31, 2025, and has recorded an income tax expense of $0.8 million for the three months ended March 31, 2025.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of March 31, 2025, the Company did not have any gross unrecognized tax benefit.

15. Leases

The Company's building leases are comprised of office and laboratory spaces under non-cancelable operating leases. The lease agreements contain various clauses for renewal at the Company's option and only certain exercised renewal options were included in the calculation of the operating lease assets and the operating lease liabilities, as other renewal options were not reasonably certain of being exercised as of March 31, 2025. The lease agreements do not contain residual value guarantees.

Lease costs for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,	
Operating leases:	2025	2024
Lease cost	$ 6,252	$ 5,572

The Company has not entered into any material short-term leases or financing leases as of March 31, 2025.

Supplemental cash flow information related to leases for the three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:	$ 4,663	$ 4,546
Lease liabilities arising from obtaining right-of-use assets:		
Operating leases	$ —	$ —

The weighted average remaining lease term and weighted average discount rate of the operating leases are as follows:

	Operating leases
Weighted average remaining lease term in years	4.6
Weighted average discount rate	7.3%

16. Segment Information

The Company operates as one operating segment, focused on discovering, developing and delivering therapies for allergy/immunology and oncology/hematology. The determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker (CODM). The Company's CEO, as the CODM, uses consolidated, single-segment financial information for purposes of evaluating performance, making operating decisions, allocating resources, and planning and forecasting for future periods.

The CODM assesses performance and decides how to allocate resources based on consolidated net income (loss). This measure is used to monitor budget versus actual results to evaluate the performance of the segment.

The CODM reviews cash, cash equivalents and marketable securities as a measure of segment assets. As of March 31, 2025 and December 31, 2024, the Company's cash, cash equivalents and marketable securities were $899.8 million and $863.9 million, respectively.

The following tables illustrates information about segment revenue, significant segment expenses and segment operating loss for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Revenue	$ 149,413	$ 96,116
Less[1]:		
Cost of sales	2,802	3,191
Research and development expense[2]:		
Compensation and related expenses	31,790	29,592
Early drug discovery and platform[5]	18,170	14,565
Facilities and IT[5]	12,977	10,580
Clinical and manufacturing related activities[5]	8,251	17,857
Consulting and professional services	7,446	4,294
Other	1,129	428
Total research and development expense[2]	79,763	77,316
Selling, general and administrative expense[3]:		
Compensation and related expenses	33,852	33,116
Commercial and related expenses[5]	27,053	17,552
Consulting and professional services	9,869	14,500
Facilities and IT	4,834	2,779
Other[5]	3,270	2,260
Total selling, general and administrative expense[3]	78,878	70,207
Stock-based compensation	29,056	24,225
Other segment items[4]	41,582	167,959
Net income	$ 496	$ 89,136

1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the chief operating decision maker.
2) Research and development expense for the three months ended March 31, 2025 and 2024 exclude $12.1 million and $10.9 million of stock-based compensation expense, respectively.
3) Selling, general and administrative expense for the three months ended March 31, 2025 and 2024 exclude $16.9 million and $13.4 million of stock-based compensation expense, respectively.
4) Other segment items include interest expense, net, other income, net, equity investment gain, debt extinguishment gain, and income tax expense.
5) Certain prior period items are recast to conform to the current period presentation.

The Company operates in the U.S. and Europe. All material long-lived assets of the Company reside in the U.S. For geographic information about the Company's product revenues, see Note 6, *Product Revenue and Related Reserves*.

17. Commitments and Contingencies

Purchase Commitments Associated with Clinical and Commercial Supply Agreements

In connection with the commercialization of AYVAKIT/AYVAKYT, the Company has negotiated manufacturing agreements with certain vendors that require the Company to meet minimum purchase obligations on an annual basis. The aggregate amount of future unconditional purchase obligations under these manufacturing agreements over the period of next five years is approximately $2.0 million as of March 31, 2025.

Legal Proceedings

In the normal course of business, the Company from time to time is named as a party to various legal claims, actions and complaints, which have included and may include matters involving securities, employment, intellectual property, arising from the use of therapeutics utilizing its technology, or others. The Company records a loss contingency reserve for a legal proceeding when it considers the potential loss probable and it can reasonably estimate the amount of the loss or determine a probable range of loss. The Company provides disclosure when it considers a loss reasonably possible or when it determines that a loss in excess of a reserve is reasonably possible. The Company provides an estimate of such reasonably possible losses or an aggregate range of such reasonably possible losses, unless the Company believes that such an estimate cannot be made. The Company expenses the costs related to its legal proceedings as they are incurred. As of March 31, 2025, the Company has not recorded any significant accruals for loss contingencies.

On June 7, 2024, a purported stockholder filed a putative class action lawsuit against the Company in the Court of Chancery of the State of Delaware, with the caption Johnson v. Blueprint Medicines Corporation, Case No. 2024-0625. Plaintiff claims in the complaint that a "Proxy Access" provision in the Company's Amended and Restated Bylaws, effective November 30, 2022, is invalid under Delaware law because it allegedly usurps the right of stockholders to select the members of the board of directors, and plaintiff seeks declaratory relief invalidating that provision, as well as attorneys' fees and costs. On October 7, 2024, the lawsuit was consolidated with twelve other lawsuits against companies with similar bylaw provisions, and a fourteenth lawsuit was consolidated on April 7, 2025, all under the caption In re Irrevocable Resignation Bylaw Litigation, Consolidated C.A. No. 2024-0538-JTL. On October 11, 2024, the Company, together with the other companies in the consolidated action, filed an opening brief in support of a motion to dismiss the complaint. Plaintiff filed an answering brief on November 25, 2024, and the Company filed a reply brief on December 20, 2024. The Company does not believe the outcome of this matter will have a material effect on its financial position, results of operations, or liquidity.

On November 22, 2024, a purported stockholder filed a putative class action lawsuit against the Company, the members of the board of directors and certain executive officers of the Company, as well as a derivative action against the members of the board of directors and certain executive officers of the Company, in the Court of Chancery of the State of Delaware in an action captioned Taylor v. Haviland, et al., C.A. No. 2024-1203-JTL (the Taylor Action). Plaintiff in the Taylor Action claimed that the record date for the Company's 2024 annual meeting of stockholders, which was the close of business on Friday, April 12, 2024, did not comply with the 60-day maximum under Section 213(a) of the DGCL, because it was 61 days before the date of the 2024 annual meeting. Plaintiff brought direct claims for violation of Section 213(a) of the DGCL and breach of fiduciary duty, and derivative claims for breach of fiduciary duty and unjust enrichment, and sought a declaration that certain actions taken in connection with the Company's annual meeting of stockholders were void, as well as attorneys' fees and costs.

On December 2, 2024, the Company filed a petition pursuant to Section 205 of the DGCL seeking the validation of certain actions taken in connection with the Company's 2024 annual meeting of stockholders, retroactive to the date of the 2024 annual meeting, in the Court of Chancery of the State of Delaware in an action captioned In re Blueprint Medicines Corporation, C.A. No. 2024-1234-JTL (the Section 205 Action). On December 4, 2024, plaintiff in the Taylor Action agreed to hold the defendants' answer in abeyance pending resolution of the Section 205 Action. Following the Company's brief in support of its petition in the Section 205 Action on December 20, 2024, and the lack of any objection, the Court granted the petition on January 23, 2025, such that the stockholder proposals that were presented to and approved by the Company's stockholders at the 2024 annual meeting, and all actions taken in reliance on the stockholder votes at the annual meeting, were declared valid and effective as of the date of the 2024 annual meeting. As a result, on March 17, 2025, the Taylor Action was dismissed as moot, with the court retaining jurisdiction to determine plaintiff's counsel's application for an award of attorneys' fees and reimbursement of expenses.

Indemnification Agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners, and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and senior management that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers of the Company. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any material claims under indemnification arrangements, and it has not accrued any liabilities related to such obligations in its condensed consolidated financial statements as of March 31, 2025 or December 31, 2024.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes thereto and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the SEC) on February 13, 2025. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Quarterly Report on Form 10-Q, our actual results or timing of certain events could differ materially from the results or timing described in, or implied by, these forward-looking statements.

Overview

We are a global, fully integrated biopharmaceutical company that invents life-changing medicines. We seek to alleviate human suffering by solving important medical problems in two core focus areas: allergy/inflammation and oncology/hematology. Our approach begins by targeting the root causes of disease, using deep scientific knowledge in our core focus areas and drug discovery expertise across multiple therapeutic modalities. We have a track record of success with two approved medicines, including AYVAKIT®/AYVAKYT® (avapritinib) which we are bringing to patients with systemic mastocytosis (SM) in the U.S. and Europe. Leveraging our established research, development, and commercial capability and infrastructure, we now aim to significantly scale our impact by advancing a broad pipeline of programs ranging from early science to advanced clinical trials in mast cell diseases including SM and chronic urticaria, breast cancer and other solid tumors.

Since 2011, we have advanced a drug discovery approach that combines evolving biological insights with our proprietary research platform and drug design capabilities, with a focus on small molecule inhibitors and target protein degraders. We aim to rapidly and reproducibly translate science into a potentially life-changing clinical benefit for broad populations of patients with significant medical needs. Our focused business model integrates our research engine with robust clinical development and commercial capabilities in allergy/inflammation and solid tumors to create a sustainable cycle of innovation.

Mast Cell-Mediated Diseases — AYVAKIT®/AYVAKYT® (avapritinib), Elenestinib (BLU-263), and BLU-808

Mast cells are core drivers of biology in a range of inflammatory diseases. KIT is a clinically validated mast cell target. The KIT receptor regulates growth, proliferation, and activation of mast cells – characterized by the release of inflammatory molecules like cytokines, histamine, tryptase, and heparin in a process called degranulation. KIT-mediated signaling plays a central role in survival, proliferation, and activation of mast cells. Under normal conditions, these molecules mediate the normal physiological response to an inflammatory stimulus – leading to symptoms like sneezing, swelling, itching, and gastrointestinal effects.

There are many disease states caused by increased activation of mast cells. In addition to diseases caused by a KIT receptor mutation, there are also diseases that may be treated by dialing down mast cell activation. For instance, in nearly all cases, SM is a disorder of mast cells driven by the KIT D816V mutation. Other mast cell disorders, including chronic urticaria, asthma and other skin, respiratory, and gastrointestinal disorders are characterized by generalized mast cell dysregulation, which has been shown to be modifiable with inhibition of wild-type KIT.

We continue to build a mast cell disease franchise, based on our deep understanding of mast cell biology and the KIT pathway. We are commercializing our first KIT D816V inhibitor, AYVAKIT/AYVAKYT globally for the treatment of advanced SM and indolent SM. We are developing elenestinib, or BLU-263, an investigational, orally available, potent and highly selective KIT D816V inhibitor, for the treatment of indolent SM. Additionally, we are advancing BLU-808, a potent and selective wild-type KIT inhibitor, for mast cell diseases, including chronic urticaria allergic rhinitis/allergic conjunctivitis, allergic asthma, and mast cell activation syndrome (MCAS). With AYVAKIT, we were able to demonstrate that successful inhibition of mutated KIT with a highly potent and specific molecule can result in the first and only approved disease modifying therapy for SM. Through AYVAKIT development, we have amassed considerable data on mast cell biology and a strong clinical understanding of disease areas connected to mast cell

activation, which is helping to drive our efforts to extend our position in SM and expand into other mast cell disorders. We are doing this by leveraging our deep understanding of mast cell biology to drive scientific innovation, bringing that innovation to patients with our clinical and regulatory know-how, and driving compelling top-line revenue growth through commercial execution.

AYVAKIT/AYVAKYT (avapritinib)

We are commercializing avapritinib for the treatment of advanced SM and indolent SM. The FDA approved avapritinib under the brand name AYVAKIT for the treatment of adult patients with advanced SM, including ASM, SM-AHN, and MCL in June 2021, and for adult patients with indolent SM in May 2023. In March 2022, the European Commission approved the marketing authorization for AYVAKYT for the treatment of adult patients with ASM, SM-AHN, or MCL, after at least one systemic therapy. In December 2023, the European Commission approved AYVAKYT for the treatment of adult patients with indolent SM with moderate to severe symptoms inadequately controlled on symptomatic treatment. These approvals in advanced SM were supported by our Phase 1 clinical trial in advanced SM, which we refer to as our EXPLORER trial, and our ongoing registrational clinical trial in advanced SM, which we refer to as our PATHFINDER trial. The approvals of AYVAKIT for the treatment of patients with indolent SM were supported by data from our ongoing Phase 2/3 clinical trial in indolent SM, which we refer to as the PIONEER trial. At the European Academy of Allergy and Clinical Immunology (EAACI) Congress 2024, we presented long-term data from PIONEER, demonstrating that with a median follow-up of more than two years, AYVAKIT showed durable efficacy and a favorable safety profile in patients with indolent SM, and that safety data were consistent for the small number of patients whose doses escalated to 50 mg once daily.

The FDA has granted breakthrough therapy designation to avapritinib for (i) the treatment of advanced SM, including the subtypes of ASM, SM-AHN and MCL and (ii) the treatment of moderate to severe indolent SM. In addition, the FDA has granted orphan drug designation to avapritinib for the treatment of mastocytosis, and the European Commission has granted orphan medicinal product designation to avapritinib for the treatment of mastocytosis.

Avapritinib is also approved in the U.S. under the brand name AYVAKIT for the treatment of adults with unresectable or metastatic GIST harboring a PDGFRA exon 18 mutation, including PDGFRA D842V mutations, and is approved in the EU, the UK and Switzerland with conditional marketing authorization under the brand name AYVAKYT as a monotherapy for the treatment of adult patients with unresectable or metastatic GIST harboring a PDGFRA D842V mutation. Currently, AYVAKIT is the only FDA-approved treatment for patients with D842V mutant PDGFRA-driven GIST. Through our collaboration with CStone, China's National Medicinal Products Administration approved AYVAKIT for the treatment of adults with unresectable or metastatic GIST harboring a PDGFRA exon 18 mutation, including PDGFRA D842V mutations. AYVAKIT also received accelerated approval from the Taiwan Food and Drug Administration and approval in Hong Kong, both for adults with unresectable or metastatic GIST harboring PDGFRA D842V mutations. We also have distributor arrangements to commercialize AYVAKIT in global jurisdictions, including Israel and Canada, where approvals have been received. To date, AYVAKIT/AYVAKYT is approved and reimbursed for one or more indications in 16 countries, where we or our distribution partners are commercializing it. The FDA has granted breakthrough therapy designation for avapritinib for the treatment of unresectable or metastatic GIST harboring the PDGFRA D842V mutation. In addition, the FDA has granted orphan drug designation to avapritinib for the treatment of GIST, and the European Commission has granted orphan medicinal product designation to avapritinib for the treatment of GIST.

Elenestinib (BLU-263)

We are developing elenestinib an investigational, orally available, potent and highly selective KIT inhibitor, for the treatment of indolent SM and other mast cell disorders. Elenestinib is designed to have equivalent potency as avapritinib, with low off-target activity and minimal penetration of the central nervous system relative to avapritinib based on preclinical data.

We are evaluating elenestinib in an ongoing Phase 2/3 clinical trial in indolent SM, which we refer to as our HARBOR trial. In December 2022, we announced top-line, 12-week data from the dose-finding Part 1 of the HARBOR trial. In December 2023, we presented HARBOR Part 1 trial data for elenestinib in indolent SM at the 65th American

Society of Hematology (ASH) Annual Meeting and Exposition. We initiated the registration-enabling Phase 3 HARBOR trial of elenestinib in indolent SM in the fourth quarter of 2024.

BLU-808

In the first half of 2023, we nominated the development candidate BLU-808 from our discovery programs, an oral, highly potent and selective wild-type KIT inhibitor. We are developing BLU-808 as a potential first- and best-in-class treatment for mast cell disorders, including chronic urticaria, a debilitating inflammatory skin disorder characterized by wheals (hives), and sleep disruption, stress and anxiety due to severe itching are major contributors to disease burden. Wild-type KIT inhibition has an established proof-of-concept in chronic urticaria, and BLU-808 represents a small molecule approach with the opportunity to drive market expansion with an oral regimen. Beyond chronic urticaria, we plan to initiate proof of concept studies in other related allergic-inflammatory indications, including but not limited to allergic rhinitis/allergic conjunctivitis, allergic asthma, and MCAS.

In February 2024, at the AAAAI Annual Meeting, we presented the preclinical attributes of BLU-808 that demonstrate its potency, selectivity, low potential for drug-drug interactions, and peripheral restriction. BLU-808 treatment led to dose-dependent inhibition and depletion of mast cells in multiple in vivo studies, and also improved lung function in an ovalbumin-induced asthma model. In June 2024, we submitted an Investigational New Drug (IND) application to FDA for BLU-808. We received FDA clearance to proceed with a Phase 1 study in healthy volunteers and initiated that study in the third quarter of 2024. In January 2025, we reported results from this study, showing a differentiated profile that enables the evaluation of tunable dosing strategies. BLU-808 was well-tolerated at all doses tested, showed consistent pharmacokinetics supporting once daily oral dosing, and achieved dose-dependent reductions in tryptase exceeding 80 percent. In the second quarter of 2025, we initiated the Phase 2a proof of concept study in allergic rhinoconjunctivitis. This is a randomized, double blind placebo-controlled challenge study designed to measure the safety, pharmacokinetic (PK), and clinical efficacy of multiple doses of BLU-808. We also initiated the Phase 2a proof of concept study in chronic urticaria. This study comprises an open-label portion in chronic inducible urticaria and a randomized, double blind portion in chronic spontaneous urticaria. Both portions will evaluate the safety, PK and clinical efficacy of multiple doses of BLU-808.

Oncology/Hematology

Our oncology research program has delivered a number of innovative therapies and continues to be an active area of discovery. Based on early clinical success, we plan to further advance discovery research in oncology in 2025.

Cell Cycle Inhibition Programs

We are advancing multiple therapeutic candidates and research programs targeting the cell cycle as potential treatments for patients with hormone-receptor-positive/human epidermal growth receptor 2 negative (HR+/HER2-) breast cancer and other solid tumors. These include CDK2 and CDK4 targeted protein degraders, which have progressed rapidly in preclinical development toward potentially best-in-class development candidate profiles supporting our prioritization of these programs. We are completing the Phase 1 dose escalation study of our CDK2 inhibitor BLU-222 and are de-prioritizing any further investment in this program. We continue to engage strategic partners on potential opportunities to broadly advance our franchise of CDK programs.

Discovery Platform

We continue to drive organic growth with our innovative and highly productive research platform, which has nominated 17 development candidates to date. With drug design capabilities spanning small molecule inhibitors and targeted protein degraders, our approach begins by choosing the best modality for the targets we are pursuing and designing highly potent and selective therapeutic candidates. Within our focus areas of allergy/inflammation and oncology/hematology, we pursue targets where the biology is clear and there is opportunity to impact large patient populations. We consistently aim to achieve first- or best-in-class profiles with the potential to disrupt the current standard of care and dramatically improve patient outcomes. In addition, we prioritize opportunities where early data can de-risk future investment and we deeply integrate the insights and capabilities of our R&D and commercial functions to create significant and sustainable growth opportunities.

Collaborations, Licenses and Other Agreements Summary

Roche—Pralsetinib Collaboration. In July 2020, we entered into a collaboration agreement with Roche, which we refer to as the Roche pralsetinib collaboration, to develop and commercialize pralsetinib for the treatment of RET-altered cancers. Under the Roche pralsetinib collaboration, we and Genentech co-commercialized GAVRETO in the U.S., and Roche was granted exclusive commercialization rights for pralsetinib outside of the U.S., excluding Mainland China, Hong Kong, Macau and Taiwan (each a CStone region and, collectively, the CStone Territory). In February 2023, we received written notice from Roche of their election to terminate for convenience the Roche pralsetinib collaboration agreement. The termination became effective on February 22, 2024, at which time we entered into a transition agreement with Roche (the Roche transition agreement) and sold the U.S. rights to research, develop, manufacture and commercialize pralsetinib to Rigel Pharmaceuticals (Rigel). In January 2024, we decided to discontinue global development and marketing of GAVRETO in territories excluding the U.S. and CStone Territory, due to a lack of an alternate partner in these regions. We continue to work with Roche on the transition and wind-down activities contemplated in the Roche transition agreement.

CStone. In June 2018, we entered into a collaboration with CStone to develop and commercialize avapritinib, pralsetinib and fisogatinib, as well as any back-up and other forms thereof, in the CStone Territory either as a monotherapy or as part of a combination therapy.

Clementia. In October 2019, we entered into a license agreement with Clementia, which we refer to as the Clementia license agreement. Pursuant to the Clementia license agreement, we granted Clementia an exclusive, worldwide, royalty-bearing license to develop and commercialize BLU-782, as well as specified other compounds related to the BLU-782 program. BLU-782 is an investigational, orally available, potent and highly selective inhibitor that targets mutant activin-like kinase 2 (ALK2) in development for the treatment of fibrodysplasia ossificans progressiva (FOP). The FDA has granted a rare pediatric disease designation, orphan drug designation and fast track designation to BLU-782, each for the treatment of FOP. Clementia has an ongoing Phase 2 clinical trial of BLU-782, now referred to as fidrisertib.

Zai Lab. In November 2021, we entered into a license and collaboration agreement with Zai Lab, which we refer to as the Zai Lab agreement, to develop and commercialize certain licensed products for the treatment of EGFR-driven NSCLC in Greater China, including Mainland China, Hong Kong, Macau and Taiwan, which currently includes BLU-945 and BLU-525. In January 2024 at the J.P. Morgan Healthcare Conference, we announced that we are discontinuing further investment in early clinical-stage therapies for EGFR-mutant NSCLC globally; however, Zai Lab retains its rights to BLU-945 and BLU-525 under the Zai Lab agreement.

IDRx. In August 2022, we entered into a license agreement with IDRx, Inc. (IDRx), which we refer to as the IDRx License Agreement. Pursuant to the IDRx License Agreement, we granted IDRx an exclusive, worldwide, royalty-bearing license to exploit our internally discovered development candidate-stage KIT exon 13 inhibitor, IDRX-73.

In connection with the IDRx License Agreement, we also entered into a stock purchase agreement with IDRx, which we refer to as the IDRx Stock Purchase Agreement, pursuant to which we received 4,509,105 shares of IDRx's Series A preferred stock. In July 2023, we received an additional 192,282 shares of Series A preferred stock pursuant to the anti-dilution provision in the IDRx Stock Purchase Agreement and as of December 31, 2024, we owned a total of 4,701,387 shares of IDRx's Series A preferred stock. In the first quarter of 2025, IDRx was acquired by GSK plc (GSK) for an upfront cash consideration of $1.0 billion with an additional $150.0 million contingent consideration, and we received $78.7 million for our shares in IDRx. We continue to be eligible to receive cash payments under the license agreement with IDRx.

For additional information, see Note 10, *Collaborations, License and Other Agreements*, to our unaudited condensed consolidated financial statements.

Financing Arrangements Summary

Royalty Purchase Agreement. In June 2022, we entered into a purchase and sale agreement with Royalty Pharma, which we refer to as the Royalty Purchase Agreement. Pursuant to the Royalty Purchase Agreement, we received an upfront cash payment of $175.0 million in exchange for all of our existing rights to receive royalty payments

on the net sales of GAVRETO worldwide, excluding the CStone Territory and U.S. territory under the terms of the Roche pralsetinib collaboration agreement. However, in February 2023, we received written notice from Roche of their election to terminate for convenience the Roche pralsetinib collaboration agreement. The termination became effective in February 2024. In connection with and effective upon the termination of the Roche pralsetinib collaboration agreement, on February 22, 2024, we and Royalty Pharma agreed to terminate the Royalty Purchase Agreement, which we refer to as the Royalty Pharma Termination Agreement. Following the termination of the Royalty Purchase Agreement, we have no outstanding obligations under the Royalty Purchase Agreement, other than the remaining royalty payment obligation related to GAVRETO net sales as of the termination effective date, which has since been paid. As of March 31, 2025, we have no plans to enter into a new arrangement to commercialize GAVRETO outside of the U.S. and the CStone Territory. As of March 31, 2025, we had paid off the final royalty amount related to the Royalty Pharma Termination Agreement.

Synthetic Royalty Facility. In June 2022, we entered into a purchase and sale agreement with Sixth Street Partners, which we refer to as the Future Revenue Purchase Agreement. In July 2022, upon the closing of the transaction pursuant to the Future Revenue Purchase Agreement, we received gross proceeds of $250.0 million in exchange for future royalty payments at a rate of 9.75% on up to $900 million each year of (i) aggregate worldwide annual net product sales of AYVAKIT/AYVAKYT and (ii) if it is approved, aggregate worldwide annual net product sales of elenestinib, excluding sales in Greater China, subject to a cumulative cap of 1.45 times the upfront invested capital or a total of $362.5 million. In the event that certain revenue targets are not achieved by specified dates, the royalty rate and cumulative cap shall be increased to 15% and 1.85 times the invested capital (or $462.5 million), respectively.

Debt Facility. In June 2022, we entered into a financing agreement for up to $660.0 million with Sixth Street Partners, which we refer to as the Financing Agreement. The Financing Agreement, as amended, provides for (i) a senior secured term loan facility of up to $150.0 million and (ii) a senior secured delayed draw term loan facility of up to $250.0 million to be funded in two tranches at our choice, subject to certain terms and conditions. The loans will mature on June 30, 2028 and bear interest at a variable rate equal to either the Secured Overnight Financing Rate (SOFR) plus 6.50% or the base rate plus 5.50%, subject to a floor of 1% and 2% with respect to the SOFR and base rate, respectively. The initial gross proceeds of $150.0 million was funded in July 2022. In August 2023, we received the first tranche of the senior secured delayed draw term loan facility in the amount of $100.0 million in gross proceeds and in May 2024, we received the second tranche in the amount of $150.0 million in gross proceeds. In addition, we may at any time request an incremental term loan in an amount not to exceed $260.0 million on terms to be agreed and subject to the consent of the lenders providing such incremental term loan.

For additional information, see Note 3*, Financing Arrangements*, to our unaudited condensed consolidated financial statements.

Financial Operations Overview

To date, we have financed our operations primarily through public offerings of our common stock, private placements of our convertible preferred and common stock, collaboration, license and other agreements, future royalty and revenue monetization, and a term loan. Through March 31, 2025, we have received an aggregate of $4.0 billion from such transactions, including $1.9 billion in aggregate gross proceeds from the sale of common stock in our initial public offering (IPO), follow-on public offerings, through our “at the market” stock offering program and the equity investment by Roche, $115.1 million in gross proceeds from the issuance of convertible preferred stock, $175.0 million in gross proceeds from our Royalty Purchase Agreement with Royalty Pharma, $250.0 million in gross proceeds from our Future Revenue Purchase Agreement with Sixth Street Partners, $1.1 billion in upfront and milestone payments under our collaborations with CStone and Zai Lab, our now terminated collaborations with Roche, our license agreement with Clementia, our agreement with Rigel and our former collaboration with Alexion Pharma Holding (Alexion), $400.0 million in gross proceeds from a term loan from Sixth Street Partners, and $78.7 million in net proceeds received related to the sale of our equity investment in IDRx. In addition, since January 2020, we have also generated meaningful revenue through the sales of our approved drug products.

Since inception, we have incurred significant operating losses. Our net income was $0.5 million for the three months ended March 31, 2025 primarily due to the $50.0 million equity investment gain recognized upon sale of our equity investment in IDRx. Our net losses were $67.1 million and $507.0 million for the years ended December 31, 2024 and 2023, respectively. As of March 31, 2025, we had an accumulated deficit of $2,406.5 million. We expect to continue

to incur significant expenses over the next few years, with anticipated variability in these expenses due to our ongoing activities, particularly as we:

- maintain and expand our sales, marketing and distribution infrastructure to continue to commercialize avapritinib and any current or future drug candidates for which we may obtain marketing approval;
- seek marketing approval for avapritinib in additional geographies;
- initiate or advance clinical development activities for other current or future drug candidates as monotherapies or in combination with other agents;
- continue to discover, validate and develop additional drug candidates or development candidates, including elenestinib (BLU-263) and BLU-808;
- continue to manufacture increasing quantities of drug substance and drug product material for use in preclinical studies, clinical trials and commercialization; and to purchase quantities of other agents for use in our clinical trials as we develop our drugs and drug candidates either as potential combination therapies or for use as comparator agents;
- conduct research and development activities under current or future collaborations;
- maintain, expand and protect our intellectual property portfolio;
- acquire or in-license additional businesses, technologies, drugs or drug candidates, form strategic alliances or create joint ventures with third parties; and
- hire additional research, clinical, quality, manufacturing, regulatory, commercial and general and administrative personnel.

In addition, the U.S. and other countries have recently imposed, and may continue to impose, new tariffs. While pharmaceuticals are largely exempt from the recently imposed U.S. tariffs, such exemptions may be terminated or may not apply to any future tariffs. Additionally, pharmaceuticals are not exempt from certain tariffs recently imposed outside of the U.S. We continue to evaluate the impacts of tariffs on our business and results of operations. Based on current information, we do not believe the impact of tariffs on our business, financial condition or results of operations will be material.

Revenue

In January 2020, the FDA granted approval of avapritinib under the brand name AYVAKIT for the treatment of adults with unresectable or metastatic GIST harboring a PDGFRA exon 18 mutation, including PDGFRA D842V mutations. In September 2020, the European Commission granted conditional marketing authorization for avapritinib under the brand name AYVAKYT as a monotherapy for the treatment of adult patients with unresectable or metastatic GIST harboring the PDGFRA D842V mutation. In June 2021, the FDA granted a subsequent approval for AYVAKIT, expanding the labeled indications to include adult patients with advanced SM. In March 2022, the European Commission expanded the marketing authorization for AYVAKYT to include the treatment of adult patients with ASM, SM-AHN, or MCL, after at least one systemic therapy. In May 2023, the FDA approved AYVAKIT for the treatment of adult patients with indolent SM and in December 2023, the European Commission approved AYVAKYT for the treatment of adult patients with indolent SM with moderate to severe symptoms inadequately controlled on symptomatic treatment.

For the three months ended March 31, 2025, our revenue primarily consisted of product sales of AYVAKIT/AYVAKYT. In the future, we expect to generate revenue from a combination of sources, including sales of our current drug product and any current or future drug candidates for which we receive marketing approval, royalties on drug sales, upfront, milestone, profit sharing and other payments, if any, under any current or future collaboration, license and other agreements, including revenues related to the supply of our drug candidates or approved drugs to our

various collaboration partners. We anticipate variability in revenue in the future as a result of the timing and amount of product sales, license fees, manufacturing services, and achievement of milestones or other payments under our collaboration, license or other agreements, if any.

In 2025, we anticipate a robust increase in net product revenues compared to 2024, as we continue to add new patients onto AYVAKIT/AYVAKYT, including those with indolent SM and advanced SM.

Cost of Sales

Our cost of sales includes the cost of producing and distributing inventories that are related to product revenue as well as the sales of drug substance and drug product to our collaboration partners during the respective period, including salary related expenses and stock-based compensation expense for employees involved with production, distribution, freight, and indirect overhead costs as well as amounts written down as a result of excess, obsolescence, unmarketability or other reasons. In addition, shipping and handling costs for product shipments are recorded in cost of sales as incurred.

We estimate our costs of goods sold related to product sales to be within the low to mid-single digit percentage range. Cost of goods sold related to sales of drug products to our collaboration partners are at lower margins.

Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research and development activities, including our drug discovery efforts, and the development of our drug candidates, which include:

- employee-related expenses including salaries, benefits, and stock-based compensation expense;
- expenses incurred under agreements with third parties that conduct research and development, preclinical activities, clinical activities and manufacturing on our behalf;
- expenses incurred in connection with research and development activities under our collaboration with VantAI and development activities under our now terminated collaboration for pralsetinib with Roche;
- the cost of consultants in connection with our research and development activities;
- the cost associated with regulatory quality assurance and quality control operations;
- the cost of lab supplies and acquiring, developing and manufacturing preclinical study materials, clinical trial materials and pre-validated commercial supply materials; and
- facilities, depreciation, and other expenses, which include direct and allocated lease, information technology and maintenance of facilities expenses, insurance, and other operating costs in support of research and development activities.

Research and development costs are expensed as incurred. Costs for certain activities are recognized based on an evaluation of the progress to completion of specific tasks. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

The successful development of our drug candidates is highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of these drug candidates. We are also unable to predict when material net cash inflows

will commence from the sale of our current or future drug candidates for which we received marketing approval. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- establishing an appropriate safety profile with IND-enabling toxicology studies;
- successful initiation, enrollment in, and completion of clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing manufacturing capabilities or making arrangements with third-party manufacturers to ensure adequate clinical and commercial supply;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our drug candidates;
- commercializing our drug candidates, if and when approved, whether alone or in collaboration with others;
- market acceptance of AYVAKIT/AYVAKYT and any future drug we may commercialize; and
- continued acceptable safety profile of the drugs following approval.

A change in the outcome of any of these variables with respect to the development of any of our drug candidates would significantly change the costs and timing associated with the development of that drug candidate.

Research and development activities are central to our business model. Drug candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials.

A significant portion of our research and development expenses have been external expenses, which we track on a program-by-program basis following nomination as a development candidate. Our internal research and development expenses are primarily personnel-related expenses, including stock-based compensation expense. Except for internal research and development expenses related to collaboration agreements, we do not allocate our internal research and development expenses to specific drug candidate programs as they are deployed across multiple projects under development.

The following table summarizes our research and development expenses by principal program for the three months ended March 31, 2025 and 2024 (in thousands). Other development and pre-development candidate expenses, unallocated expenses and internal research and development expenses have been classified separately.

	Three Months Ended March 31,			
	2025	2024	Dollar change	% Change
Avapritinib external expenses	$ 952	$ 4,487	$ (3,535)	(79)%
Elenestinib external expenses	7,303	3,544	3,759	106
BLU-222 external expenses	1,914	6,479	(4,565)	(70)
BLU-808 external expenses	11,333	3,179	8,154	256
Other development and pre-development candidate expenses and unallocated expenses*	27,567	30,838	(3,271)	(11)
Internal research and development expenses	42,821	39,664	3,157	8
Total research and development expenses	$ 91,890	$ 88,191	$ 3,699	4 %

* Certain prior period items have been reclassified to conform to the current presentation.

We expect increases in our research and development expenses in future periods as our drug candidate development programs progress. The costs related to the implementation and expansion of clinical trial sites and related patient enrollment, monitoring, program management and manufacturing expenses for active pharmaceutical ingredient (API), drug product and drug substance for current and future clinical trials will vary depending on clinical data results and our resource allocation priorities. In addition, our research and development expenses may increase with potential new collaborations and future acquisitions. We do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. There are numerous factors associated with the successful commercialization of any of our approved drugs or drug candidates for which we may receive marketing approval, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. In addition, future commercial and regulatory factors beyond our control will impact our clinical development programs and plans.

In 2025, we anticipate a modest increase in our research and development expenses compared to 2024. This is due to increased investment in our priority programs to advance the associated clinical trials, in contrast to our focused approach towards optimizing operational efficiency across our portfolio in 2024.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of compensation and benefits, including stock-based compensation expense, for commercial operations and for personnel in executive, finance, accounting, commercial, business development, information technology, legal and human resources functions. Other significant costs include facility costs not otherwise included in research and development expenses, commercial development activities, insurance fees, legal fees related to intellectual property and corporate matters and fees for accounting and consulting services.

We expect that our selling, general and administrative expenses will continue to increase in the future to support additional research and development activities and commercialization activities, including expanding our sales, marketing and distribution infrastructure to commercialize any drugs for which we may obtain marketing approval for additional indications or in additional geographies and expanding our operations globally. These increases will likely include increased costs related to the hiring of additional personnel, legal, auditing and filing fees and general compliance and consulting expenses, among other expenses. We have incurred and will continue to incur additional expenses associated with operating as a public company and expanding the scope of our operations.

In 2025, we anticipate a modest increase in selling, general, and administrative expenses compared to 2024. This increase is driven by our enhanced efforts to expand our global commercial and compliance infrastructure to support the commercialization of AYVAKIT/AYVAKYT.

Interest Expense, net

Interest expense, net consists primarily of interest expense related to our financing arrangements with Sixth Street Partners. Interest expense on liabilities related to the sale of future revenues consists of the periodic interest calculated using the effective interest rate method over the future estimated royalty payments due to Sixth Street Partners over the life of the Future Revenue Purchase Agreement. Interest expense on the term loan with Sixth Street Partners results from the amortization of the debt liability using the effective interest method over the maturity of the term loan. We anticipate variability in interest expense from period to period as a result of the timing and amount of the sales of the underlying products and the changes in interest rates. For additional information, see Note 3, *Financing Arrangements*, to our unaudited condensed consolidated financial statements.

Interest expense, net also includes income earned on cash equivalents and marketable securities. Our interest income may fluctuate depending on the movement of interest rates and our total amount of cash equivalents and marketable securities.

Other Income, net

Other income, net, consists of miscellaneous income and expenses unrelated to our core operations, including the impacts of foreign currency exchange differences.

Equity Investment Gain

Equity investment gain consists of the net gain recognized upon the sale of our equity investment in IDRx following its acquisition by GSK. For additional information, see Note 10, *Collaboration, License and Other Agreements*, to our unaudited condensed consolidated financial statements.

Debt Extinguishment Gain

Debt extinguishment gain consists of the gain recognized as a result of the Royalty Pharma Termination Agreement entered into on February 22, 2024. For additional information, see Note 3, *Financing Arrangements*, to our unaudited condensed consolidated financial statements.

Income Tax Expense

Income tax expense consists of U.S. federal, state and foreign income taxes incurred.

Critical Accounting Policies and Estimates

For a description of our critical accounting policies and estimates, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Operations Overview—Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes to our critical accounting policies and estimates since December 31, 2024.

Results of Operations

Comparison of Three Months Ended March 31, 2025 and 2024

The following table summarizes our results of operations for the three months ended March 31, 2025 and 2024, together with the changes in those items in dollars and as a percentage (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar Change	% Change
Total revenues	$ 149,413	$ 96,116	$ 53,297	55 %
Total cost and operating expenses	190,499	174,939	15,560	9
Total other income, net	42,371	168,139	(125,768)	(75)
Income before income taxes	1,285	89,316	(88,031)	(99)
Income tax expense	789	180	609	338
Net income	$ 496	$ 89,136	$ (88,640)	(99)%

Total Revenues

Total revenues consist of the following during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar Change	% Change
Product revenue, net	$ 149,413	$ 92,525	$ 56,888	61 %
Collaboration, license and other revenue	—	3,591	(3,591)	(100)
Total revenues	$ 149,413	$ 96,116	$ 53,297	55 %

Product Revenue, Net

The following table summarizes revenue recognized from sales of AYVAKIT/AYVAKYT during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar Change	% Change
United States	$ 129,446	$ 83,136	$ 46,310	56 %
Rest of World	19,967	9,389	10,578	113
Total	$ 149,413	$ 92,525	$ 56,888	61 %

Product revenue, net increased during the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily driven by growth in the number of indolent SM and advanced SM patients on therapy.

Collaboration, License and Other Revenue

The following table summarizes the revenue recognized from our collaboration, license and other agreements during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar change	% Change
Collaboration, license and other revenue	$ —	$ 3,591	$ (3,591)	(100)%

Revenue recognized from our collaboration, license and other agreements decreased during the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The decrease was primarily due to a decrease in manufacturing services and royalty revenue related to CStone Territory-specific activities, as well as a decrease in profit sharing on Roche sales of GAVRETO in the U.S. following the termination of Roche pralsetinib collaboration agreement which became effective in February 2024.

Cost of Sales

The following table summarizes the cost of sales during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar change	% Change
Cost of product sales	$ 2,747	$ 1,312	$ 1,435	109 %
Cost of collaboration sales	55	1,879	(1,824)	(97)
Total cost of sales	$ 2,802	$ 3,191	$ (389)	(12)%

The total cost of sales decreased during the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to a decrease in collaboration sales to CStone. The cost of product sales increased in the three months ended March 31, 2025 as compared to the three months March 31, 2024 primarily due to the increase in product sales volume.

Research and Development Expense

The following table summarizes the research and development expenses during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar change	% Change
Compensation and related expenses	$ 31,790	$ 29,592	$ 2,198	7 %
Early drug discovery and platform*	18,170	14,565	3,605	25
Facilities and IT*	12,977	10,580	2,397	23
Stock-based compensation	12,127	10,875	1,252	12
Clinical and manufacturing related activities*	8,251	17,857	(9,606)	(54)
Consulting and professional services	7,446	4,294	3,152	73
Other	1,129	428	701	164
Total research and development expenses	$ 91,890	$ 88,191	$ 3,699	4 %

* Certain prior year items have been reclassified to conform to the current presentation.

Research and development expense increased for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to the increased activities for our priority programs, including elenestinib and BLU-808, to advance the associated clinical trials. This increase was partially offset by the decrease in

clinical and manufacturing related activities attributed to our focused approach towards optimizing operational efficiency across our portfolio while executing across our priority programs, and the timing of clinical trial manufacturing.

Selling, General and Administrative Expense

The following table summarizes the sales, general and administrative expenses during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar change	% Change
Compensation and related expenses	$ 33,852	$ 33,116	$ 736	2 %
Commercial and related expenses*	27,053	17,552	9,501	54
Stock-based compensation	16,929	13,350	3,579	27
Consulting and professional services	9,869	14,500	(4,631)	(32)
Facilities and IT	4,834	2,779	2,055	74
Other*	3,270	2,260	1,010	45
Total sales, general and administrative expenses	$ 95,807	$ 83,557	$ 12,250	15 %

* Certain prior year items have been reclassified to conform to the current presentation.

Selling, general and administrative expense increased for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to an increase in commercial and related activities primarily driven by efforts to support the commercialization of AYVAKIT/AYVAKYT.

Interest Expense, Net

The following table summarizes the interest expense, net, during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar Change	% Change
Interest income	$ 9,677	$ 9,178	$ 499	5 %
Interest expense	(17,806)	(15,073)	(2,733)	(18)
Interest expense, net	$ (8,129)	$ (5,895)	$ (2,234)	(38)%

Interest expense, net, increased for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. This increase was primarily due to higher interest charges on the term loan with Sixth Street Partners, driven by the additional $150.0 million delayed draw term loan facility that occurred in May 2024.

Other Income, Net

The following table summarizes the other income, net, during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar Change	% Change
Other income, net	$ 461	$ 376	$ 85	23 %

Other income, net, increased for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to an increase in foreign currency exchange gains.

Equity investment gain

During the three months ended March 31, 2025, we recorded a net gain of $50.0 million in connection with the sale of our equity investment in IDRx following its acquisition by GSK during the three months ended March 31, 2025. For additional information, see Note 10, *Collaboration, License and Other Agreements*, to our unaudited condensed consolidated financial statements.

Debt extinguishment gain

During the three months ended March 31, 2024, a debt extinguishment gain of $173.7 million was recognized as a result of the Royalty Pharma Termination Agreement entered into on February 22, 2024. No debt extinguishment gain was recognized during the three months ended March 31, 2025. For additional information, see Note 3, *Financing Arrangements*, to our unaudited condensed consolidated financial statements.

Income Tax Expense

The following table summarizes the income tax expense during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,			
	2025	2024	Dollar Change	% Change
Income tax expense	$ 789	$ 180	$ 609	338 %

Income tax expense increased for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 primarily due to forecasted taxable income for both U.S. and foreign jurisdictions.

Liquidity and Capital Resources

Sources of Liquidity

To date, we have financed our operations primarily through public offerings of our common stock, private placements of our convertible preferred and common stock, collaboration, license and other agreements, future royalty and revenue monetization, and a term loan. Through March 31, 2025, we have received an aggregate of $4.0 billion from such transactions, including $1.9 billion in aggregate gross proceeds from the sale of common stock in our IPO, follow-on public offerings, through our “at the market” stock offering program and the equity investment by Roche, $115.1 million in gross proceeds from the issuance of convertible preferred stock, $175.0 million in gross proceeds from our Royalty Purchase Agreement with Royalty Pharma, $250.0 million in gross proceeds from our Future Revenue Purchase Agreement with Sixth Street Partners, $1.1 billion in upfront payments and milestone payments under our collaborations with CStone and Zai Lab, our now terminated collaborations with Roche, our license agreement with Clementia, our agreement with Rigel and our former collaboration with Alexion, $400.0 million in gross proceeds from a term loan from Sixth Street Partners and $78.7 million in net proceeds received related to the sale of our equity investment in IDRx. In addition, since January 2020, we have also generated meaningful revenue through the sales of our approved drug products.

As of March 31, 2025, we had cash, cash equivalents and marketable securities of $899.8 million.

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Net cash used in operating activities	$ (54,479)	$ (101,513)
Net cash provided by investing activities	65,079	77,131
Net cash provided by financing activities	9,192	66,963
Net increase in cash, cash equivalents, and restricted cash	$ 19,792	$ 42,581

Net Cash Used in Operating Activities. For the three months ending March 31, 2025, compared to the same period in 2024, net cash used in operating activities decreased by $47.0 million. This decrease was primarily driven by lower net adjustments reconciling net income to net cash used in operating activities, partially offset by a $88.6 million decrease in net income. These net adjustments included a debt extinguishment gain of $173.7 million recorded during the same period in 2024 and an equity investment gain of $50.0 million for the three months ending March 31, 2025.

Net Cash Provided by Investing Activities. For the three months ending March 31, 2025, compared to the same period in 2024, net cash provided by investing activities decreased by $12.1 million. This decrease was primarily due to a $90.1 million increase in net purchases of investments classified as available for sale, which was partially offset by $78.7 million in net proceeds from the sale of our equity investment in IDRx.

Net Cash Provided by Financing Activities. For the three months ending March 31, 2025, compared to the same period in 2024, net cash provided by financing activities decreased by $57.8 million. This decrease was due to a $48.9 million reduction in proceeds from the ATM Facility related to common stock, a $5.1 million decrease in net proceeds from stock option exercises and the employee stock purchase plan and an increase of $3.7 million in principal payments for the Future Revenue Purchase Agreement with Sixth Street Partners.

Debt Financing

In July 2022, we closed a Future Revenue Purchase Agreement with Sixth Street Partners and received gross proceeds of $250.0 million in exchange for future royalty payments at a rate of 9.75% on up to $900 million each year of (i) aggregate worldwide annual net product sales of AYVAKIT/AYVAKYT (avapritinib) and (ii) if it is approved, aggregate worldwide annual net product sales of elenestinib (BLU-263), but excluding sales in Greater China, subject to a cumulative cap of 1.45 times the upfront invested capital or a total of $362.5 million. In the event that certain revenue targets are not achieved by specified dates, the royalty rate and cumulative cap shall be increased to 15% and 1.85 times the invested capital (or $462.5 million), respectively. Net proceeds from the transaction were recorded as liabilities related to sale of future royalties and revenues on the consolidated balance sheet and as of March 31, 2025, the net carrying value of the liability related to this arrangement was $246.6 million.

In July 2022, we closed the Financing Agreement with Sixth Street Partners for up to $660.0 million. The Financing Agreement, entered into by the parties in connection with the transaction provides for (i) a senior secured term loan facility of up to $150.0 million and (ii) a senior secured delayed draw term loan facility of up to $250.0 million to be funded in two tranches at our choice subject to certain terms and conditions. The loans will mature on June 30, 2028 and bear interest at a variable rate equal to either the Secured Overnight Financing Rate (SOFR) plus 6.50% or the base rate plus 5.50%, subject to a floor of 1% and 2% with respect to the SOFR and base rate, respectively. The initial gross proceeds of $150.0 million was funded in July 2022. In August 2023, we received the first tranche of the senior secured delayed draw term loan facility in the amount of $100.0 million in gross proceeds. In May 2024, we received the second tranche in the amount of $150.0 million in gross proceeds. In addition, we may at any time request an incremental term loan in an amount not to exceed $260.0 million on terms to be agreed and subject to the consent of the lenders providing such incremental term loan. As of March 31, 2025, the net carrying value of the term loan was $387.7 million.

Our obligations under the Financing Agreement are secured, subject to certain exceptions, by security interests in substantially all of our assets and certain of our subsidiaries' assets. The Financing Agreement contains customary negative covenants that, among other things and subject to certain exceptions, could restrict our ability to incur additional liens, incur additional indebtedness, make investments, including acquisitions, engage in fundamental changes, sell or dispose of assets that constitute collateral, including certain intellectual property, pay dividends or make any distribution or payment on or redeem, retire or purchase any equity interests, amend, modify or waive certain material agreements or organizational documents and make payments of certain subordinated indebtedness. The Financing Agreement also requires us to have consolidated liquidity of at least $80.0 million.

For additional information, see Note 3*, Financing Arrangements*, to our unaudited condensed consolidated financial statements.

Sales Agreement with Cowen

In February 2022, we entered into an at-the-market (ATM) facility (ATM Facility) with Cowen and Company, LLC (Cowen), pursuant to which we may offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate offering price of up to $300.0 million through Cowen as sales agent. We did not issue any shares under the ATM Facility during the three months ended March 31, 2025. During the three months ended March 31, 2024, we issued and sold 544,719 shares of our common stock under the ATM Facility, at an average price of $91.88 per share, and received net proceeds of $48.9 million. As of March 31, 2025, we had $250.0 million of remaining capacity available under the ATM Facility.

Funding Requirements

We expect variability in our expenses in connection with our ongoing activities, particularly as we continue the research and development of, initiate or continue clinical trials of, and seek marketing approval for our drug candidates. In addition, we expect to incur additional significant commercialization expenses for AYVAKIT/AYVAKYT and other drug candidates, if approved, related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of potential collaborators or licensors. We may incur additional significant costs if we choose to pursue additional indications or geographies for any of our approved drugs or drug candidates or otherwise expand more rapidly than we presently anticipate. Accordingly, we may seek to obtain additional funding from time to time in connection with our continuing operations or business objectives. If we are unable to raise capital when needed or on attractive terms, we may be forced to delay, reduce or eliminate certain of our research and development programs or future commercialization efforts.

As of March 31, 2025, we had cash, cash equivalents and marketable securities of $899.8 million. Based on our current operating plans, we anticipate our existing cash, cash equivalents and marketable securities, together with anticipated future product revenues, will provide sufficient capital to enable us to achieve a self-sustainable financial profile.

Our future capital requirements will depend on and may increase as a result of many factors, including:

- the success of our commercialization efforts and market acceptance for AYVAKIT/AYVAKYT or any of our current or future drug candidates for which we receive marketing approval;
- the costs of maintaining, expanding or contracting for sales, marketing and distribution capabilities in connection with commercialization of AYVAKIT/AYVAKYT and any of our current or future drug candidates for which we receive marketing approval;
- the costs of securing manufacturing, packaging and labeling arrangements to ensure adequate supply for development activities and commercial production, including API, drug substance and drug product material for use in preclinical studies, clinical trials, our compassionate use program and for use as commercial supply, as applicable;
- the cost of purchasing quantities of agents for use in our clinical trials in connection with our efforts to develop our drugs and drug candidates, including for development as combination therapies;

- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our approved drugs and drug candidates;
- the costs, timing and outcome of regulatory review of marketing applications for our drug candidates, to the extent these expenses are not the responsibility of our collaboration partners;
- the success of our collaboration with CStone, our license agreements with Clementia and IDRx, our agreement with Rigel, as well as our ability to establish and maintain additional collaborations, partnerships or licenses on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under our existing collaboration, license or other agreements, our financing arrangements, or any collaboration, partnership, financing or license agreements that we may enter into in the future;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, research and development, clinical or other costs under future collaboration agreements, if any;
- the extent to which we acquire or in-license other approved drugs, drug candidates or technologies and the terms of any such arrangements;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the costs of continuing to expand our operations.

Identifying potential drug candidates, conducting preclinical development and testing and clinical trials and, for any drug candidates that receive marketing approval, establishing and maintaining commercial infrastructure is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain additional marketing approvals and achieve substantial revenues for any of our drugs or drug candidates that receive marketing approval. In addition, our drugs and any current or future drug candidates that receive marketing approvals may not achieve commercial success. Accordingly, we may need to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until we can generate material net cash inflows from our operations, we may choose to finance our cash needs primarily through a combination of public and private equity offerings, debt financings, future revenue monetization arrangements, collaborations, strategic alliances and licensing arrangements. We do not have any committed external sources of funds, other than our collaboration with CStone, the license agreements with Clementia and IDRx, the agreement with Rigel and the Financing Agreement with Sixth Street Partners, which are limited in scope and duration and subject to the achievement of milestones or royalties on sales of licensed products, if any. In addition, we may sell additional shares of our common stock pursuant to our ATM Facility with Cowen, as further discussed above. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that materially adversely affect the rights of our common stockholders. Additional debt financing, if available, would increase our fixed payment obligations and may involve agreements that include additional covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances, licensing arrangements or future revenue monetization arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, future revenue streams, research programs, drugs or drug candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our drug development or future commercialization efforts or grant rights to develop and market drug and drug candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations

Our contractual obligations primarily consist of our obligations under unconditional purchase obligations related to certain commercial manufacturing agreements, non-cancellable operating leases, term loan and defined benefit obligation.

As of March 31, 2025, there have been no material changes to our contractual obligations outside the ordinary course of business from those described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of March 31, 2025 and December 31, 2024, we had cash, cash equivalents and marketable securities of $899.8 million and $863.9 million, respectively, consisting primarily of money market funds and investments in U.S. government agency securities and treasury obligations.

Our primary exposure to market risk is interest rate sensitivity in our fixed income portfolio, which is affected primarily by changes in the general level of U.S. interest rates resulting from the Federal Reserve's raising or lowering of interest rates. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, we believe an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio. We have the ability to hold our investments until maturity, and therefore, we would not expect our operating results or cash flows to be materially affected to any significant degree by the effect of a change in market interest rates on our investment portfolio.

We are also exposed to interest rate risk in connection with our borrowings under our senior secured term loan with Sixth Street Partners. As of March 31, 2025, we had $387.7 million of outstanding borrowings under the senior secured term loan. Pursuant to the Financing Agreement, outstanding indebtedness under the term loan bears interest at a rate equal to either the Secured Overnight Financing Rate (SOFR) plus 6.50% or the base rate plus 5.50%, subject to a floor of 1% and 2% with respect to the SOFR and base rate, respectively. The effective annual interest was 12.0% as of March 31, 2025. We currently do not engage in any interest rate hedging activity, and we have no intention to do so in the foreseeable future. Based on the current interest rate of the term loan and the scheduled payments thereunder, we do not believe a 1.0% increase in interest rates would have a material impact on our financial condition or results of operations. For more information regarding the Financing Agreement and the term loan with Sixth Street Partners, see Note 3, *Financing Arrangements*, to our unaudited condensed consolidated financial statements.

We are also exposed to market risk related to changes in foreign currency exchange rates, including changes resulting from monetary policy from the U.S. and international central banks, inflationary pressures, and geopolitical developments, or instability or volatility in the global markets. From time to time, we contract with vendors that are located in Asia and Europe, which are denominated in foreign currencies. We are subject to fluctuations in foreign currency rates in connection with these agreements. We do not currently hedge our foreign currency exchange rate risk. As of March 31, 2025 and December 31, 2024, we held considerable funds and obligations denominated in foreign currencies.

Inflation generally affects us by increasing our cost of labor, clinical trial and manufacturing costs and indirectly increasing interest rates. We have not seen a significant impact from inflation on our business, financial condition or results of operations during the three months ended March 31, 2025. However, a significant or prolonged period of high inflation could adversely impact our results if the increase in costs outpaces the growth in our revenues.

Tariffs generally affect us by increasing our manufacturing costs of clinical compounds and drug products. We continue to evaluate the impacts of tariffs on our business and results of operations. Based on current information, we do not believe the impact of tariffs on our business, financial condition or results of operations will be material.

Item 4. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2025. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter covered by this report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For a description of our material legal proceedings, please see the section titled "*Legal Proceedings*" in Note 17, *Commitments and Contingencies* to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

The following risk factors and other information included in this Quarterly Report on Form 10-Q should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. We believe the risks described below include risks that are material to us as well as other risks that may adversely affect our business, financial condition, results of operations and growth prospects. Please see the Section titled "Forward-Looking Statements" of this Quarterly Report on Form 10-Q for a discussion of some of the forward-looking statements that are qualified by these risk factors. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected.

Risk Factor Summary

Below is a summary of the material risks to our business, operations and the investment in our common stock. This summary does not address all of the risks that we face. Risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information in this Quarterly Report on Form 10-Q in its entirety before making investment decisions regarding our common stock.

- We are in the process of growing as a commercial company and the marketing and sale of AYVAKIT® (avapritinib) (marketed in Europe under the brand name AYVAKYT®) or any future approved drugs may be unsuccessful or less successful than anticipated.
- The commercial success of our current and future drugs will depend upon the degree of market acceptance by physicians, patients, third-party payors and others in the medical community.
- If the market opportunities for our approved drugs or drug candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability may be adversely affected.
- We face substantial competition, which may result in our commercial opportunity being reduced or limited by others commercializing, developing or discovering drugs before or more successfully than we do.
- Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any of our approved drugs or drug candidates that we may develop.
- If we are unable to obtain regulatory approval for our drug candidates (including for avapritinib in additional geographies) and ultimately commercialize them, or experience significant delays in doing so, our business may be materially harmed.
- If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

- If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals for our drug candidates, we will not be able to commercialize, or may be delayed in commercializing, such drug candidates, and our ability to generate revenue will be materially impaired.

- Our drugs and drug candidates may cause undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, result in restrictive distribution or result in other negative consequences following marketing approval, if any.

- Positive preclinical data, individual case report presentations, and interim or early or clinical results for our drug candidates may not be indicative of future results and may not evolve into final clinical data that supports continued clinical development or into registration-enabling data.

- We may not be successful in our efforts to expand our pipeline of drug candidates.

- We are required to comply with comprehensive and ongoing regulatory requirements for any of our current or future approved drugs, including conducting confirmatory clinical trials for any drug that receives accelerated approval. In addition, our current or future approved drugs could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our drugs.

- We have a history of operating losses and may never become and remain profitable.

- We have entered into collaborations and licenses with our partners for the development and commercialization of several of our drugs and drug candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these drugs and drug candidates.

- We rely on third parties to conduct our clinical trials. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.

- We contract with third parties for the manufacture of our approved drugs and drug candidates, including for preclinical, clinical and commercial supply. This reliance on third parties increases the risk that we will not have sufficient quantities of our approved drugs or drug candidates or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

- If we are unable to adequately protect our proprietary technology or obtain and maintain patent protection for our technology and drugs or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be impaired.

- Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

- We may acquire or in-license businesses, technologies or platforms, approved drugs, drug candidates or discovery-stage programs, or form strategic alliances, collaborations or partnerships, in the future, and we may not realize the benefits of such acquisitions, in-licenses, alliances, collaborations or partnerships.

- The use of new and evolving technologies, such as artificial intelligence, in our business may result in spending material resources and presents risks and uncertainties that can impact our business.

- The price of our common stock has been and may in the future be volatile and fluctuate substantially.

Risks Related to Commercialization

We continue to grow as a commercial company and the marketing and sale of AYVAKIT/AYVAKYT or any future approved drugs may be unsuccessful or less successful than anticipated.

We have had two approved precision therapies, AYVAKIT/AYVAKYT and GAVRETO. While we have been commercializing AYVAKIT in the U.S. and AYVAKYT in Europe and, prior to the sale of the related assets to Rigel pursuant to the Rigel Agreement, co-commercializing GAVRETO with Roche in the U.S., we only became a commercial company in 2020, and our track record of demonstrating our ability to successfully overcome the many risks and uncertainties encountered by companies commercializing drugs in the biopharmaceutical industry is somewhat limited. To execute our business plan, in addition to successfully marketing and selling our approved drugs, we will need to successfully:

- establish and maintain our relationships with healthcare providers who will be treating patients who may receive our drugs and any future drugs;
- obtain and maintain adequate pricing and reimbursement for AYVAKIT/AYVAKYT and any future drugs;
- gain regulatory acceptance for the development and commercialization of current or future drug candidates in our pipeline, including for additional indications or in additional geographies for marketed drugs in our portfolio;
- maintain key collaborations;
- expand our global operations or enter into collaboration, partnerships or distribution arrangements in geographies where we may not have current operations or expertise; and
- manage our spending as costs and expenses increase due to clinical trials, marketing approvals, and commercialization.

If we are unsuccessful in accomplishing these objectives, we may not be able to successfully commercialize our current or future approved drugs, develop current or future drug candidates, expand our business or continue our operations.

The commercial success of AYVAKIT/AYVAKYT, as well as any other drugs that we may bring to the market, will depend upon the degree of market acceptance by physicians, patients, third-party payors and others in the medical community.

AYVAKIT/AYVAKYT, as well any other drugs that we may bring to the market, may not gain market acceptance by physicians, patients, third-party payors and others in the medical community. If these drugs do not achieve an adequate level of acceptance, we may not generate significant product revenues and may not become profitable. The degree of market acceptance for AYVAKIT/AYVAKYT, as well as any current or future drug candidates for which we receive marketing approval, will depend on a number of factors, including:

- the potential efficacy and potential advantages over alternative treatments;
- the prevalence and severity of any side effects, including any limitations or warnings contained in the drug's approved labeling;
- the relative convenience and ease of administration;
- the willingness of eligible patients to try new therapies and of physicians to prescribe these therapies;
- the length of time that patients who are prescribed our drugs remain on treatment;

- the pricing of our drugs and any current or future drug candidates for which we receive marketing approval;
- publicity concerning our current and future drugs, or competing products and treatments; and
- sufficient third-party insurance coverage or reimbursement.

Even if a drug candidate displays a favorable efficacy and safety profile in preclinical and clinical studies and the drug candidate receives marketing approval, market acceptance of the drug will not be known until after it is launched. Our efforts to educate the medical community and third-party payors on the benefits of our drugs may require significant resources, including more resources than those required for treatments marketed by competitors, and may never be successful. Any of these factors may cause our approved drugs, as well as any current or future drug candidates for which we receive marketing approval, to be unsuccessful or less successful than anticipated.

If we are unable to establish additional commercial capabilities and infrastructure, we may be unable to generate sufficient revenue to sustain our business.

We continue to build out our commercial capabilities and infrastructures and have been growing our sales and distribution experience and capabilities for marketing and market access. To successfully commercialize our approved drugs or any current or future drug candidates for which we receive marketing approval, we will need to continue to develop these capabilities and further expand our infrastructure to support commercial operations in the U.S., Europe and other regions, either on our own or with others. We may be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without a significant internal team or the support of a third party to perform these functions, including marketing and sales functions, we may be unable to compete successfully against these more established companies.

We cannot be sure that we will be able to or can successfully compete with other companies to recruit, hire and retain a sufficient number of sales representatives or that they will be effective at promoting our drugs. In addition, we will need to commit significant additional management and other resources to maintain and grow our sales organization. We may not be able to achieve the necessary development and growth in a cost-effective manner or realize a positive return on our investment.

Factors that may inhibit our efforts to commercialize our drugs include:

- our inability to recruit, train and retain adequate numbers of sales and marketing personnel;
- the inability of sales personnel to obtain access to or to persuade adequate numbers of physicians to prescribe our drugs;
- unforeseen costs and expenses associated with maintaining an independent sales and marketing organization; and
- delays or disruptions to sales and marketing activities.

In the event that we are unable to effectively deploy our sales organization or distribution strategy on a timely and efficient basis, if at all, the commercialization of our drugs could be delayed which would negatively impact our ability to generate product revenues.

If the market opportunities for our approved drugs or drug candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability will be adversely affected.

The precise incidence and/or prevalence for SM, GIST, chronic urticaria, asthma, allergic rhinitis, mast cell activation syndrome (MCAS), and other allergy/inflammation indications are unknown. Our projections of the number of people who have these diseases, the frequency of the genetic alterations targeted by our drugs and drug candidates and the subset of patients who have the potential to benefit from our treatment options are based on estimates. These

estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, healthcare claims data, patient foundations or third-party market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases and the number of patients may turn out to be lower than expected. For example, new claims data and epidemiology data suggest that SM prevalence is greater than previously thought; however, other future studies could contradict such findings. Additionally, the potentially addressable patient population for our approved drugs and drug candidates may be limited or may not be amenable to treatment with our precision therapies.

Accordingly, the incidence and/or prevalence of the diseases we aim to address may not be otherwise amenable to treatment with our drugs, patients treated with our drugs and drug candidates may develop mutations that confer resistance to treatment or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

We face substantial competition, which may result in others commercializing, developing or discovering drugs before or more successfully than we do.

The development and commercialization of new drugs is highly competitive. We face competition with respect to our drugs and current clinical-stage drug candidates, and we will face competition with respect to any drugs and drug candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell drugs or are pursuing the development of therapies in our areas of focus, including allergy/inflammation and hematology/oncology. Some of these competitive drugs and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches, which could be more successful than ours. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization. Specifically, there are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies.

AYVAKIT/AYVAKYT and elenestinib (BLU-263) face competition for advanced SM from Novartis AG's midostaurin and imatinib, and may face competition from drug candidates in development, including that being developed by Alys Pharmaceuticals Inc., Cogent Biosciences, Inc. and Hoth Therapeutics, Inc. Avapritinib and elenestinib may face non-advanced SM competition from drug candidates in development, including those being developed by AB Science S.A., Alys Pharmaceuticals Inc., Celldex Therapeutics, Inc., Cogent Biosciences, Inc., Hoth Therapeutics, Inc., Invea Therapeutics Inc., and Telios Pharma Inc.

AYVAKIT/AYVAKYT may face competition from drug candidates in development for PDGFRA-driven GIST, including those being developed by AB Science S.A., ARIAD Pharmaceuticals, Inc., a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited, AROG Pharmaceuticals, Inc., AstraZeneca plc, Cogent Biosciences, Inc., Deciphera Pharmaceuticals, LLC (acquired by Ono Pharmaceuticals, Co., Ltd. in June 2024), Exelixis, Inc., Ningbo Tai Kang Medical Technology Co. Ltd. and Xencor, Inc.

We are developing BLU-808 for chronic urticaria, asthma, allergic rhinitis/conjunctivitis, MCAS, and other allergy/inflammation indications which, if approved, will face competition from omalizumab developed by Genentech, Inc. and Novartis AG, tezepelumab developed by Amgen and AstraZeneca, dupilumab developed by Sanofi and Regeneron, mepolizumab developed by GSK, and benralizumab developed by AstraZeneca. In addition, BLU-808 may face competition from drug candidates in development, including those developed by Alivexis, Inc., Amgen Inc., Areteia Therapeutics, AstraZeneca plc, Celldex Therapeutics, Inc., Concentra Biosciences, Connect Biopharma, Eli Lilly, Enanta Pharmaceuticals, Inc., Evommune, Inc., Hangshou Highlightll Pharmaceutical Co., Ltd., Pharma, Incyte Corp., InflaRx, Inmagene Bio, Jasper Therapeutics, Inc., Keymed Biosciences, Kymera Therapeutics, Leo Pharma A/S, LongBio Pharma, Novartis AG, Regeneron Pharmaceuticals, Inc., Sanofi S.A., Taiho Pharmaceutical Co., Ltd., Third Harmonic Bio, Inc., LTD, United BioPharma Inc., Upstream Bio, Inc. and Xencor, Inc.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we or our collaborators may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we or our collaborators are able to enter the market. The key competitive factors affecting the success of all of our drug candidates, if approved, are likely to be their efficacy, safety, convenience, price, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any of our approved drugs or drug candidates that we may develop.

We face an inherent risk of product liability exposure related to the testing of our approved drugs and drug candidates in human clinical trials and use of our drug candidates through compassionate use programs, and an even greater risk in connection with our commercialization of our current and future drugs. If we cannot successfully defend ourselves against claims that any of our approved drugs or drug candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any of our approved drugs or drug candidates that we may develop and commercialize;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize any of approved drugs or drug candidates that we may develop.

Although we maintain product liability insurance coverage, it may not be adequate to cover all liabilities that we may incur. We anticipate that we may need to further increase our insurance coverage as we begin additional clinical trials or if we successfully commercialize additional drug candidates. Insurance coverage is increasingly expensive. We

may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Increasing demand for compassionate use of our drug candidates could negatively affect our reputation and harm our business.

We are developing drug candidates for the treatment of indications for which there are currently limited or no available therapeutic options. It is possible for individuals or groups to target companies with disruptive social media campaigns related to a request for access to unapproved drugs for patients with significant unmet medical need. If we experience a similar social media campaign regarding our decision to provide or not provide access to any of our current or future drug candidates under an expanded access policy, our reputation may be negatively affected and our business may be harmed.

In addition, some patients who receive access to drugs prior to their commercial approval through compassionate use, expanded access programs or right to try access, collectively referred to as compassionate use programs, have life-threatening illnesses and have exhausted all other available therapies. The risk for serious adverse events in this patient population is high, which, if those adverse events are determined to be drug-related, could have a negative impact on the safety profile of our drug candidates if we were to provide them to these patients, which could cause significant delays or an inability to successfully commercialize our drug candidates and materially harm our business. If we were to provide patients with any of our drug candidates under a compassionate use program, our supply capabilities may limit the number of patients who are able to enroll in the program and we may in the future need to restructure or pause any compassionate use program in order to enroll sufficient numbers of patients in our controlled clinical trials required for regulatory approval and successful commercialization of our drug candidates, which could prompt adverse publicity or other disruptions related to current or potential participants in such programs.

If we are unable to establish, maintain and, if necessary, expand sales and marketing capabilities or enter into agreements with third parties to sell and market our drugs and drug candidates, we may not be successful in commercializing our drugs and drug candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time-consuming and could delay any drug launch. If the commercial launch of a drug candidate or a new indication for a drug product for which we establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses, which may be costly.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our drug revenues or the profitability of these drug revenues to us are likely to be lower than if we were to market and sell any current or future drugs ourselves. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drugs effectively. In addition, we may not be successful in entering into arrangements with third parties to sell and market our current and future drugs or may be unable to do so on terms that are favorable to us.

If we do not establish, maintain and, if necessary, expand sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our drugs and drug candidates, if approved. Further, our business, results of operations, financial condition and prospects will be materially adversely affected.

Risks Related to Drug Development and Regulatory Approval

If we are unable to advance our drug candidates to clinical development, obtain regulatory approval for our drug candidates, including for avapritinib in additional geographies, and ultimately commercialize them, or experience significant delays in doing so, our business will be materially harmed.

Our ability to generate material net cash inflows from our operations will depend heavily on the successful development and commercialization of our drugs and drug candidates. Each of our drug candidates will require additional preclinical or clinical development, management of clinical, preclinical and manufacturing activities,

regulatory approval in multiple jurisdictions, obtaining manufacturing supply, substantial investment and significant marketing efforts before we generate substantial revenues from sales for those drug candidates, if approved. The success of our approved drugs and drug candidates will depend on several factors, including the following:

- successful enrollment in, and initiation and completion of, clinical trials, including our ongoing and planned clinical trials for our drugs and drug candidates as monotherapies and in combination with other agents;
- successful initiation and completion of preclinical studies for our other drug candidates;
- receipt of regulatory approvals from applicable regulatory authorities and transitioning any conditional marketing authorizations to full approvals;
- in-house commercial manufacturing capabilities or arrangements with third-parties for clinical supply and commercial manufacturing, packaging and labeling and the receipt by such third-party manufacturers of requisite approvals to supply commercial inventories of our approved drugs and drug candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our drugs and drug candidates;
- successful commercialization of our approved drugs and drug candidates, if and when approved, whether alone or in collaboration with others;
- acceptance of our approved drugs and drug candidates, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement;
- enforcing and defending intellectual property rights and claims; and
- maintaining a continued acceptable safety profile of our drugs and drug candidates following approval.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our drugs and drug candidates, which would materially harm our business. If we do not receive regulatory approvals for our drug candidates, we may not be able to continue our operations.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for our drug candidates, if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the U.S. because the target patient populations for our drug candidates and approved drugs in clinical development for additional indications are relatively small, it may be difficult to successfully identify patients. In addition, current commercially available diagnostic tests to identify appropriate patients for our clinical trials or any approved drug candidates may become unavailable in the future.

Furthermore, some of our competitors have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates and approved drugs in clinical development for additional indications, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' drug candidates.

Patient enrollment may be affected by other factors including:

- the severity of the disease under investigation;
- the size of the target patient population;
- the eligibility criteria for the clinical trial;
- the availability of an appropriate genomic screening test;
- the perceived risks and benefits of the drug candidate under study;
- the efforts to facilitate timely enrollment in clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

Our inability to identify patients appropriate for enrollment in our clinical trials, or to enroll a sufficient number of patients in our clinical trials, would result in significant delays and could require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our drug candidates. If we are unable to include patients with the driver of the disease, including the applicable genomic alteration for diseases in genomically defined patient populations, this could compromise our ability to seek participation in the FDA's expedited review and approval programs, including breakthrough therapy designation and fast track designation, or otherwise to seek to accelerate clinical development and regulatory timelines.

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals for our drug candidates, we will not be able to commercialize, or may be delayed in commercializing, such drug candidates, and our ability to generate revenue will be materially impaired.

Our drug candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution, import and export, are subject to comprehensive regulation by the FDA and other regulatory agencies in the U.S. and by comparable authorities in other countries. Before we can commercialize any of our drug candidates, we must obtain marketing approval.

We expect to rely on third-party contract research organizations (CROs) and/or regulatory consultants to assist us in filing and supporting the applications necessary to gain regulatory approvals. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the drug candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the drug manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Should the FDA determine that an inspection is necessary for approval of a marketing application and an inspection cannot be completed during the review cycle due to restrictions on travel, the FDA has stated that it generally intends to issue a complete response letter. Further, if there is inadequate information to make a determination on the acceptability of a facility, the FDA may defer action on the application until an inspection can be completed. Our drug candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining regulatory approvals, if approval is obtained at all, both in the U.S. and abroad is expensive, may take many years if additional clinical trials are required and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the drug candidates involved. Changes in marketing approval policies, interpretations or agency discretion during the development period, changes in or the enactment of additional

statutes or regulations, or changes in regulatory review for each submitted new drug application (NDA), for a drug candidate, may cause delays in the approval or rejection of an application. Moreover, the U.S. Supreme Court's July 2024 decision to overturn prior established case law giving deference to regulatory agencies' interpretations of ambiguous statutory language has introduced uncertainty regarding the extent to which the FDA's regulations, policies, and decisions may become subject to increasing legal challenges, delays, and/or changes. Additionally, the FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. We currently have multiple marketing applications for our drug candidates under review across the world.

Our drug candidates could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a drug candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our drug candidates may not be sufficient to support the submission of an NDA or other submission or to obtain regulatory approval in the U.S. or elsewhere;
- the FDA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our drugs, may grant approval contingent on the performance of costly post-marketing clinical trials or other post-marketing requirements, or may approve a drug candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that drug candidate. Additionally, the receipt of regulatory approval for one indication does not ensure the likelihood of success for regulatory approval of expanded indications for a marketed product. Any of the foregoing scenarios could materially harm the commercial prospects for our drug candidates.

If we experience delays in obtaining approval or if we fail to obtain approval of our drug candidates, the commercial prospects for our approved drugs or drug candidates may be harmed and our ability to generate revenues will be materially impaired.

Inadequate funding for the FDA, the SEC and other government agencies, including from government shutdowns, or other disruptions to these agencies' staffing and operations, could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

Currently, federal agencies in the U.S. are operating under a continuing resolution that is set to expire on September 30, 2025. Without appropriation of additional funding to federal agencies, our business operations related to our product development activities for the U.S. market could be impacted. The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, the ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other federal agencies, including substantial leadership departures, personnel cuts, and policy changes, may also increase the time necessary for new drugs to be reviewed and/or approved, which would harm our business. Changes and cuts in FDA staffing also could result in delays in the FDA's responsiveness or in its ability to review regulatory submissions or applications, issue regulations or guidance, or implement or enforce regulatory requirements in a timely fashion or at all.

If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

With the change in the U.S. presidential administration in 2025, there is substantial uncertainty as to whether and how the Trump administration will seek to modify or revise the requirements and policies of the FDA and other regulatory agencies with jurisdiction over our product candidates and any products for which we obtain approval. This uncertainty could present new challenges and/or opportunities as we navigate development and approval of our product candidates. Additionally, the new administration could issue or promulgate executive orders, regulations, policies or guidance that adversely affect us or create a more challenging or costly environment to pursue the development of new therapeutic candidates.

Results from earlier stage trials may not be predictive of the results of later stage trials and interim and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available or as additional analyses are conducted and as the data are subject to audit and verification procedures that could result in material changes in the final data.

The results of preclinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials. In addition, initial success in clinical trials may not be indicative of results obtained when such trials are completed. There is typically an extremely high rate of attrition from the failure of drug candidates proceeding through clinical trials. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or emergence of unacceptable safety issues, notwithstanding promising results in earlier trials. Most drug candidates that commence clinical trials are never approved as products and there can be no assurance that any of our future clinical trials will ultimately be successful or support further clinical development of any of our drug candidates. Drug candidates that appear promising in the early phases of development may fail to reach the market for several reasons, including:

- preclinical studies or clinical trials may show the drug candidates to be less effective than expected (e.g., a clinical trial could fail to meet its primary endpoint(s)) or to have unacceptable side effects or toxicities;

- failure to establish clinical endpoints that applicable regulatory authorities would consider clinically meaningful;
- failure to receive the necessary regulatory approvals;
- manufacturing issues, formulation issues, pricing or reimbursement issues or other factors that make a drug candidate uneconomical; and
- the proprietary rights of others and their competing products and technologies that may prevent one of our drug candidates from being commercialized.

In addition, differences in trial design between early-stage clinical trials and later-stage clinical trials make it difficult to extrapolate the results of earlier clinical trials to later clinical trials. Moreover, clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their drug candidates performed satisfactorily in clinical trials have nonetheless failed to obtain marketing approval of their products.

Additionally, from time to time, we may publish interim or preliminary data from our clinical studies. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Material adverse changes between preliminary or interim data and final data could significantly harm our business prospects.

Our drugs and drug candidates may cause undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, result in restrictive distribution or result in significant negative consequences following marketing approval, if any.

Undesirable side effects caused by any of our approved drugs or drug candidates could cause us to interrupt, delay or halt preclinical studies or could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities. As is the case with all investigational and approved drugs, it is likely that there may be side effects associated with the use of our drugs and drug candidates. Results of our trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our drugs or drug candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete clinical trials or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, our approved drugs and drug candidates could cause undesirable side effects in preclinical studies or clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our drugs or drug candidates have characteristics that are unexpected, such as off-target toxicity, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Many compounds that initially showed promise in early-stage testing have later been found to cause side effects that prevented further development of the compound.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our drugs or drug candidates may only be uncovered with a significantly larger number of patients exposed to the drugs or drug candidate. If we or others identify undesirable side effects caused by any of our approved drugs or drug candidates (or any other similar drugs) after marketing approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of such drug;
- regulatory authorities may require the addition of labeling statements, such as a “boxed” warning or a contraindication;

- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way such drug is distributed or administered, conduct additional clinical trials or change the labeling of such drug;
- regulatory authorities may require a Risk Evaluation and Mitigation Strategy (REMS), plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;
- we may be subject to regulatory investigations and government enforcement actions;
- we may decide to remove such drug from the marketplace;
- we could be sued and held liable for injury caused to individuals exposed to or taking our drugs and drug candidates; and
- our reputation may suffer.

We believe that any of these events could prevent us from achieving or maintaining market acceptance of the affected drugs or drug candidates and could substantially increase the costs of commercializing our approved drugs and drug candidates, if approved, and significantly impact our ability to successfully commercialize our approved drugs and drug candidates and generate revenues.

A fast track or breakthrough therapy designation by the FDA for our drug candidates may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our drug candidates will receive marketing approval.

We may seek fast track or breakthrough therapy designation for some of our current or future drug candidates. Fast track designation is designed for drug candidates intended for the treatment of a serious or life-threatening disease or condition, where nonclinical or clinical data demonstrate the potential to address an unmet medical need for this disease or condition. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as fast track or breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. The FDA granted breakthrough therapy designation to AYVAKIT for the treatment of certain patients with GIST, advanced SM, and moderate to severe indolent SM and RET-altered cancers. The FDA also granted fast track designation to BLU-782 for the treatment of FOP, which we have out licensed to Clementia.

Designation as a fast track or breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our drug candidates meets the criteria for designation as a fast track or breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a fast track or breakthrough therapy designation for a drug candidate may not result in a faster development process, review or approval compared to other drugs and does not assure ultimate approval by the FDA. In addition, even if one or more of our drug candidates qualify as fast track or breakthrough therapies, the FDA may later decide that the drugs no longer meet the conditions for qualification.

We may seek approval of our drug candidates, where applicable, under the FDA's accelerated approval pathway. A product may be eligible for accelerated approval if it is designed to treat a serious or life-threatening disease or condition and generally provides a meaningful advantage over available therapies. In addition, it demonstrates 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 (IMM), that is reasonably likely to predict an effect on IMM or

other clinical benefit. As a condition of accelerated approval, the FDA likely would require that we perform adequate and well-controlled post-marketing clinical trials, and under the Food and Drug Omnibus Reform Act of 2022 (FDORA) the FDA is now permitted to require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. FDORA also gives the FDA increased authority to withdraw approval of a drug or biologic granted accelerated approval on an expedited basis if the sponsor fails to conduct such studies in a timely manner, send the necessary updates to the FDA, or if such post-approval studies fail to verify the product's predicted clinical benefit. Under FDORA, the FDA is empowered to take action, such as issuing fines, against companies that fail to conduct with due diligence any post-approval confirmatory study or submit timely reports to the agency on their progress. These confirmatory trials must be completed with due diligence. In addition, the FDA currently requires, unless otherwise informed by the agency, pre-approval of promotional materials for products receiving accelerated approval, which could adversely impact the timing of the commercial launch of the product. Thus, even if we seek to utilize the accelerated approval pathway, we may not be able to obtain accelerated approval and, even if we do, we may not experience a faster development, regulatory review or approval process for that product. In addition, receiving accelerated approval does not assure that the product's accelerated approval will eventually be converted to a traditional approval. Additionally, if we are not able to obtain full approval of any accelerated approval product, including through the completion of post-marketing studies, we or our partners may decide to withdraw marketing of such products.

We may be unsuccessful in obtaining or may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity.

The FDA has granted orphan drug designation to avapritinib for the treatment of GIST and the treatment of mastocytosis, to pralsetinib for the treatment of RET-rearranged NSCLC, JAK1/2-positive NSCLC or TRKC-positive NSCLC and to fisogatinib for the treatment of HCC. In addition, the European Commission, or EC, has granted orphan medicinal product designation to avapritinib for the treatment of GIST and the treatment of mastocytosis. Both the FDA and EC have granted orphan drug designation to elenestinib for the treatment of mastocytosis. As part of our business strategy, we may seek orphan drug designation for some of our other drug candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the U.S. and the EU, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the U.S., or a patient population greater than 200,000 in the U.S. where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the U.S. In the U.S., orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user fee waivers.

Similarly, in the EU, the EC grants orphan medicinal product designation after receiving the opinion of the European Medicines Agency's (EMA), Committee for Orphan Medicinal Products on an orphan medicinal product designation application. Orphan medicinal product designation is intended to promote the development of medicinal products that are intended for the diagnosis, prevention or treatment of life threatening or chronically debilitating conditions affecting not more than five (5) in ten thousand (10,000) persons in the EU or for products intended for the diagnosis, prevention, or treatment of a life threatening, seriously debilitating or serious and chronic condition when, without incentives, it is unlikely that sales of the product in the EU would generate sufficient return to justify the necessary investment in developing the product. In each case, in order to obtain orphan designation, there must be no satisfactory method of diagnosis, prevention, or treatment authorized for marketing in the EU for the applicable orphan condition (or, if such a method exists, the product would be of significant benefit to those affected by the condition). In the EU, orphan medicinal product designation entitles a party to financial incentives such as reduction of fees or fee waivers.

Generally, if a drug with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EC or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the U.S. and ten years in the EU. The EU exclusivity period can be reduced to six years if, at the end of the fifth year, the drug no longer meets the criteria for orphan medicinal product designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for a drug, that exclusivity may not effectively protect the designated drug from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

On August 3, 2017, Congress passed the FDA Reauthorization Act of 2017 (FDARA). FDARA, among other things, codified the FDA's preexisting regulatory interpretation, to require that a drug Sponsor demonstrate the clinical superiority of an orphan drug that is otherwise the same as a previously approved drug for the same rare disease in order to receive orphan drug exclusivity. The law reverses prior precedent holding that the Orphan Drug Act unambiguously requires that the FDA recognize the orphan exclusivity period regardless of a showing of clinical superiority. Moreover, in the Consolidated Appropriations Act of 2021, Congress did not further change this interpretation when it clarified that the interpretation codified in FDARA would apply in cases where FDA issued an orphan designation before the enactment of FDARA but where product approval came after the enactment of FDARA. The FDA may further reevaluate the Orphan Drug Act and its regulations and policies. We do not know if, when, or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies, our business could be adversely impacted. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the U.S. may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. Orphan drug designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process. While we intend to continue seek orphan drug designation for our drug candidates, we may never receive such designations. Even if we receive orphan drug designation for any of our drug candidates, there is no guarantee that we will enjoy the benefits of those designations.

The FDA may further reevaluate the Orphan Drug Act and its regulations and policies. We do not know if, when, or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies, our business could be adversely impacted.

We may not be successful in our efforts to expand our pipeline of drug candidates.

A key element of our strategy is to use our novel target discovery engine to identify small molecule inhibitors and targeted protein degraders, and design highly potent and selective therapeutic candidates where there is an opportunity to impact large patient populations. Although our research and development efforts to date have resulted in a pipeline of drug candidates, we may not be able to continue to identify novel kinase drivers and develop drug candidates. We may also pursue opportunities to acquire or in-license additional businesses, technologies or drugs, form strategic alliances or create joint ventures with third parties to complement or augment our existing business. However, we may not be able to identify any drug candidates for our pipeline through such transactions.

Even if we are successful in continuing to build and expand our pipeline, the potential drug candidates that we identify may not be suitable for clinical development. For example, they may be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will be successful in clinical trials or receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize drug candidates, we will not be able to obtain drug revenues in future periods, which likely would result in significant harm to our financial position and adversely affect our stock price.

We may expend our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited human capital and financial resources, we focus on research programs and drug candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other drug candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our

spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate.

At any time and for any reason, we may determine that one or more of our discovery programs or preclinical or clinical drug candidates or programs does not have sufficient potential to warrant the allocation of resources toward such program or drug candidate. Accordingly, we may choose not to develop a potential drug candidate or elect to suspend, deprioritize or terminate one or more of our discovery programs or preclinical or clinical drug candidates or programs. If we suspend, deprioritize or terminate a program or drug candidate in which we have invested significant resources, we will have expended resources on a program that will not provide a full return on our investment and may have missed the opportunity to have allocated those resources to potentially more productive uses, including existing or future programs or drug candidates.

We intend to develop drug candidates in combination with other therapies, which exposes us to additional risks.

We intend to develop, launch and commercialize BLU-808, elenestinib and potentially other drug candidates in combination with one or more approved or unapproved therapies. Even if any drug candidate we develop were to receive marketing approval for use in combination with other approved therapies, the FDA, the EC or other regulatory authorities could still revoke approval of the therapy used in combination with our drug candidate. If the therapies used in combination with our drug candidates are replaced as the standard of care for the indications we choose for any of our drug candidates, the FDA, EMA or regulatory authorities may require us to conduct additional clinical trials which may experience complications surrounding trial execution, such as complexities surrounding trial design, establishing trial protocols and interpretability of results, clinical site access and initiation, patient recruitment and enrollment, quality and supply of clinical doses, safety issues or a lack of clinically relevant activity. The uncertainty resulting for the use of our drug candidates in combination with other approved or unapproved therapies may make it difficult to accurately predict side effects in the future clinical trials. The occurrence of any of these risks could result in our own drug candidates, if approved, being removed from the market if they are not also approved as monotherapies or being less successful commercially.

Further, we will not be able to market and sell any drug candidate we develop in combination with an unapproved therapy for a combination indication if that unapproved therapy does not ultimately obtain marketing approval either alone or in combination with our drug candidate. In addition, unapproved therapies face the same risks described with respect to our drug candidates currently in development and clinical trials, including the potential for serious adverse effects, delay in their clinical trials and lack of FDA approval.

If the FDA, EC or other regulatory authorities do not approve these other products or revoke their approval of, or if safety, efficacy, quality, manufacturing or supply issues arise with, the agents we choose to evaluate in combination with our drug candidates we may be unable to obtain approval of or market such combination therapy.

Risks Related to Government Legislations and Regulations

We are required to comply with comprehensive and ongoing regulatory requirements for any of our current or future approved drugs, including conducting confirmatory clinical trials for any drug that receives accelerated approval. In addition, our current or future approved drugs could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our drugs.

We have in the past and may in the future seek approval of current or future drug candidates, where applicable, under the FDA's accelerated approval pathway. Any current or future drug candidate for which we receive accelerated approval from the FDA or similar conditional approval from the EMA, including AYVAKYT, or comparable regulatory authorities in other jurisdictions may be required to undergo one or more confirmatory clinical trials, as a condition of accelerated approval, or be required to perform adequate and well-controlled post-marketing clinical trials to confirm the product's clinical benefit. These post-market confirmatory trials must be completed according to timelines agreed upon

with the FDA, and if they are not completed in accordance with these timelines than it could result in withdrawal of the indication. If such drug candidate fails to meet its safety and efficacy endpoints in such confirmatory clinical trials, the regulatory authority may withdraw its approval. There is no assurance that any such drug candidate will successfully advance through its confirmatory clinical trial(s). Therefore, even if a drug candidate receives accelerated approval from the FDA or similar conditional approval from the EC or comparable regulatory authorities, such approval may be withdrawn at a later date. In addition, under FDORA the FDA is now permitted to require, as appropriate, that post-marketing trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. FDORA also gives the FDA increased authority to withdraw approval of a drug or biologic granted accelerated approval on an expedited basis if the sponsor fails to conduct such studies in a timely manner, send the necessary updates to the FDA, or if such post-approval studies fail to verify the product's predicted clinical benefit. Under FDORA, the FDA is empowered to take action, such as issuing fines, against companies that fail to conduct with due diligence any post-approval confirmatory study or submit timely reports to the agency on their progress.

If the FDA or a comparable foreign regulatory authority approves any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the drug will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration requirements, as well as continued compliance with current Good Manufacturing Practices (cGMPs) and Good Clinical Practices (GCPs) for any clinical trials that we conduct post-approval. In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are subject to periodic unannounced inspections by the FDA and state agencies for compliance with cGMP requirements. For certain commercial prescription drug products, manufacturers and other parties involved in the supply chain must also meet chain of distribution requirements and build electronic, interoperable systems for product tracking and tracing and for notifying the FDA of counterfeit, diverted, stolen and intentionally adulterated products or other products that are otherwise unfit for distribution in the United States. Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the drug. Additionally, under FDORA, sponsors of approved drugs and biologics must provide 6 months' notice to the FDA of any changes in marketing status, such as the withdrawal of a drug, and failure to do so could result in the FDA placing the product on a list of discontinued products, which would revoke the product's ability to be marketed. The FDA closely regulates the post-approval marketing and promotion of pharmaceutical and biological products to ensure such products are marketed only for the approved indications and in accordance with the provisions of the approved labeling. Later discovery of previously unknown problems with a drug, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, "dear doctor" letters or drug recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of marketing approvals;
- drug seizure or detention, or refusal to permit the import or export of drugs; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

The Drug Supply Chain Security Act, or DSCSA, was enacted in 2013 with the aim of building an electronic system to identify and trace certain prescription drugs and biologics distributed in the United States. The DSCSA mandates phased-in and resource-intensive obligations for pharmaceutical manufacturers, wholesale distributors, and dispensers over a 10-year period that culminated in November 2023. The FDA established a one-year stabilization period until November 2024 for trading partners to continue to build and validate interoperable systems and processes to meet certain requirements of the DSCSA. In late 2024, the FDA announced it is allowing a further exemption period for eligible trading partners who have successfully completed or made documented efforts to complete data connections with their immediate trading partners, but still face challenges exchanging data. The exemption period for eligible manufacturers and repackagers now extends until May 27, 2025. The DSCSA requirements include the quarantine and prompt investigation of a suspect product, to determine if it is illegitimate, notifying trading partners and the FDA of any illegitimate product, and compliance with product tracking and tracing requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP requirements and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Regulatory agencies may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a product. The FDA and other agencies, including the Department of Justice (DOJ), closely regulate and monitor the post-approval marketing and promotion of products to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use, and if we, or any future collaborators, do not market any of our products for which we, or they, receive marketing approval for only their approved indications, we, or they, may be subject to warnings or enforcement action for off-label marketing, government investigations, or litigation. Violation of the Federal Food, Drug, and Cosmetic Act and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations or allegations of violations of federal and state healthcare fraud and abuse laws and state consumer protection laws and could expose our company to substantial civil or criminal penalties.

Even though we may have obtained approvals for certain of our products, such drug or drug candidate may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new drugs vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a drug candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the drug candidate, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the drug candidate in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval. See section entitled "*Business – Coverage and Reimbursement*" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Our ability to commercialize any drugs and drug candidates successfully also will depend in part on the extent to which coverage and reimbursement for these drugs and drug candidates and related treatments will be available from government authorities, private health insurers and other organizations.

In the U.S. and markets in other countries, patients generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. Our ability to successfully commercialize additional products will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish

reimbursement levels. In the U.S., the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services (CMS), an agency within the U.S. Department of Health and Human Services (HHS). CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. The availability of coverage and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford treatments. Sales of these or other products that we may identify will depend substantially, both domestically and abroad, on the extent to which the costs of our products will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If coverage and adequate reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our products. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular drugs. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. We cannot be sure that coverage will be available for any drug candidate that we commercialize and, if coverage is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any drug candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the U.S. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower-cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the U.S. Private third-party payors often rely upon Medicare coverage policy in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

The U.S. has enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our current drug candidates or any future drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product for which we obtain marketing approval. Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labeling; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business. In addition, both Congress and the Trump administration have indicated that they will continue to seek new legislative measures to control drug costs. See section entitled "*Business – Healthcare Reform*" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

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

We may face competition in the U.S. for our development candidates and investigational medicines, if approved, from therapies sourced from foreign countries that have placed price controls on pharmaceutical products. Proponents of drug reimportation may attempt to pass legislation that would directly allow reimportation under certain circumstances. For example, by Executive Order, the FDA works with states and Indian Tribes that propose to develop Section 804 Importation Programs in accordance with the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The FDA released implementing regulations on September 24, 2020, which went into effect on November 30, 2020, providing guidance for states to build and submit importation plans for drugs from Canada. On January 5, 2024, the FDA issued to Florida the first approval for a state importation plan. Several states now have pending applications with the FDA, including Colorado, Maine, New Hampshire and New Mexico. If successfully implemented, importation of drugs from Canada may materially and adversely affect the price we receive for any of our product candidates. In addition, a handful of states have passed legislation to establish state drug importation programs. Legislation or regulations allowing the reimportation of drugs, if enacted and successfully implemented, could decrease the price we receive for any products that we may develop and adversely affect our future revenues and prospects for profitability.

The Creating and Restoring Equal Access to Equivalent Samples Act (CREATES Act), was enacted in 2019 requiring sponsors of approved new drug applications and biologics license applications to provide sufficient quantities of product samples on commercially reasonable, market-based terms to entities developing generic drugs and biosimilar biological products. The law establishes a private right of action allowing developers to sue application holders that refuse to sell them product samples needed to support their applications. If we are required to provide product samples or allocate additional resources to respond to such requests or any legal challenges under this law, our business could be adversely impacted.

We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect:

- the demand for AYVAKIT/AYVAKYT and any current and future drug candidates for which we receive marketing approval;
- our ability to set a price that we believe is fair for our approved products;
- our ability to generate revenue and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

Other legislative measures have also been enacted that may impose additional pricing and product development pressures on our business, and we expect that additional foreign, federal and state healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in limited coverage and reimbursement and reduced demand for our drugs and drug candidates, if approved, or additional pricing pressures.

We are currently unable to predict what additional legislation or regulation, if any, relating to the health care industry may be enacted in the future or what effect recently enacted federal legislation or any such additional legislation or regulation would have on our business. The pendency or approval of such proposals or reforms could result in a decrease in our stock price or limit our ability to raise capital or to enter into collaboration agreements for the further development and commercialization of our approved drugs and drug candidates.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings.

Our arrangements with third-party payors and customers expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including but not limited to, the federal healthcare Anti-Kickback Statute, the False Claims Act, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), the Physician Payment Sunshine Act, the federal false statements statute, federal consumer protection and unfair competition laws and similar state and foreign laws and regulations that may regulate the business or financial arrangements and relationships through which we market, sell and distribute our drugs. The number and complexity of federal, state, and foreign laws continue to increase, and additional governmental resources are being used to enforce these laws and to prosecute companies and individuals who are believed to be violating them. See section entitled "*Business – Other Healthcare Laws*" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

In the U.S., to help patients who have no or inadequate insurance access our drug, we have a patient assistance program that we administer in conjunction with our patient support program vendor. In addition, we have a co-pay support program for commercially insured patients. Government enforcement agencies have shown increased interest in pharmaceutical companies' product and patient assistance programs, including reimbursement support services, and a number of investigations into these programs have resulted in significant civil and criminal settlements. In addition, at least one insurer has directed its network pharmacies to no longer accept co-pay coupons for certain specialty drugs the insurer identified. Our co-pay coupon programs could become the target of similar insurer actions. In addition, in November 2013, the CMS issued guidance to the issuers of qualified health plans sold through the ACA's marketplaces encouraging such plans to reject patient cost-sharing support from third parties and indicating that the CMS intends to monitor the provision of such support and may take regulatory action to limit it in the future. The CMS subsequently issued a rule requiring individual market qualified health plans to accept third-party premium and cost-sharing payments from certain government-related entities. In September 2014, the Office of the Inspector General (OIG) of the HHS issued a Special Advisory Bulletin warning manufacturers that they may be subject to sanctions under the federal anti-kickback statute and/or civil monetary penalty laws if they do not take appropriate steps to exclude Part D beneficiaries from using co-pay coupons. Accordingly, companies exclude these Part D beneficiaries from using co-pay coupons. It is possible that changes in insurer policies regarding co-pay coupons and/or the introduction and enactment of new legislation or regulatory action could restrict or otherwise negatively affect these patient support programs, which could result in fewer patients using affected products, and therefore could have a material adverse effect on our sales, business, and financial condition.

Third party patient assistance programs that receive financial support from companies have become the subject of enhanced government and regulatory scrutiny. The OIG has established guidelines that suggest that it is lawful for pharmaceutical manufacturers to make donations to charitable organizations who provide co-pay assistance to Medicare patients, provided that such organizations, among other things, are bona fide charities, are entirely independent of and not controlled by the manufacturer, provide aid to applicants on a first-come basis according to consistent financial criteria and do not link aid to use of a donor's product. However, donations to patient assistance programs have received some negative publicity and have been the subject of multiple government enforcement actions, related to allegations regarding their use to promote branded pharmaceutical products over other less costly alternatives. Specifically, in recent years, there have been multiple settlements resulting out of government claims challenging the legality of their patient assistance programs under a variety of federal and state laws. It is possible that we may make grants to independent charitable foundations that help financially needy patients with their premium, co-pay, and co-insurance obligations.

If we or our vendors are deemed to fail to comply with relevant laws, regulations or evolving government guidance in the operation of these programs, we could be subject to damages, fines, penalties or other criminal, civil or administrative sanctions or enforcement actions. We cannot ensure that our compliance controls, policies and procedures will be sufficient to protect against acts of our employees, business partners or vendors that may violate the laws or regulations of the jurisdictions in which we operate. Regardless of whether we have complied with the law, a government investigation could impact our business practices, harm our reputation, divert the attention of management, increase our expenses and reduce the availability of assistance to our patients.

Ensuring that our future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations, including anticipated activities to be conducted by our sales team, were to be found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate Program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We participate in the Medicaid Drug Rebate program, the 340B drug pricing program, and the Department of Veterans Affairs (VA)'s Federal Supply Schedule (FSS) pricing program. Under the Medicaid Drug Rebate program, we are required to pay a rebate to each state Medicaid program for our covered outpatient drugs that are dispensed to Medicaid beneficiaries and paid for by a state Medicaid program as a condition of having federal funds being made available to the states for our drugs under Medicaid and Medicare Part B. Those rebates are based on pricing data reported by us on a monthly and quarterly basis to CMS, the federal agency that administers the Medicaid Drug Rebate program. These data include the average manufacturer price and, in the case of innovator products, the best price for each drug which, in general, represents the lowest price available from the manufacturer to any entity in the U.S. in any pricing structure, calculated to include all sales and associated rebates, discounts and other price concessions. Our failure to comply with these price reporting and rebate payment obligations could negatively impact our financial results.

The ACA made significant changes to the Medicaid Drug Rebate program. CMS issued a final regulation, which became effective on April 1, 2016, to implement the changes to the Medicaid Drug Rebate program under the ACA. The issuance of the final regulation has increased and will continue to increase our costs and the complexity of compliance, has been and will continue to be time-consuming to implement, and could have a material adverse effect on our results of operations, particularly if CMS challenges the approach we take in our implementation of the final regulation.

Federal law requires that any company that participates in the Medicaid Drug Rebate program also participate in the Public Health Service's 340B drug pricing program in order for federal funds to be available for the manufacturer's drugs under Medicaid and Medicare Part B. The 340B program requires participating manufacturers to agree to charge statutorily defined covered entities no more than the 340B "ceiling price" for the manufacturer's covered outpatient drugs. These 340B covered entities include a variety of community health clinics and other entities that receive health services grants from the Public Health Service, as well as hospitals that serve a disproportionate share of low-income patients. The 340B ceiling price is calculated using a statutory formula based on the average manufacturer price and Medicaid rebate amount for the covered outpatient drug as calculated under the Medicaid Drug Rebate program, and in general, products subject to Medicaid price reporting and rebate liability are also subject to the 340B ceiling price calculation and discount requirement. Any additional future changes to the definition of average manufacturer price and the Medicaid rebate amount under the ACA, other legislation, or in regulation could affect our 340B ceiling price calculations and negatively impact our results of operations.

The Health Resources and Services Administration (HRSA), which administers the 340B program, issued a final regulation regarding the calculation of the 340B ceiling price and the imposition of civil monetary penalties on manufacturers that knowingly and intentionally overcharge covered entities, which became effective on January 1, 2019. We also are required to report our 340B ceiling prices to HRSA on a quarterly basis. Implementation of the civil monetary penalties regulation and the issuance of any other final regulations and guidance could affect our obligations under the 340B program in ways we cannot anticipate. In addition, legislation may be introduced that, if passed, would further expand the 340B program to additional covered entities or would require participating manufacturers to agree to provide 340B discounted pricing on drugs used in the inpatient setting.

Pricing and rebate calculations vary across products and programs, are complex, and are often subject to interpretation by us, governmental or regulatory agencies and the courts. In the case of our Medicaid pricing data, if we become aware that our reporting for a prior quarter was incorrect, or has changed as a result of recalculation of the pricing data, we are obligated to resubmit the corrected data for up to three years after those data originally were due. Such restatements and recalculations increase our costs for complying with the laws and regulations governing the Medicaid Drug Rebate program and could result in an overage or underage in our rebate liability for past quarters. Price recalculations also may affect the ceiling price at which we are required to offer our products under the 340B program or could require us to issue refunds to 340B covered entities.

Significant civil monetary penalties can be applied if we are found to have knowingly submitted any false pricing information to CMS, or if we fail to submit the required price data on a timely basis. Such conduct also could be grounds for CMS to terminate our Medicaid drug rebate agreement, in which case federal payments may not be available under Medicaid or Medicare Part B for our covered outpatient drugs. Significant civil monetary penalties also can be applied if we are found to have knowingly and intentionally charged 340B covered entities more than the statutorily mandated ceiling price. We cannot assure you that our submissions will not be found by CMS or HRSA to be incomplete or incorrect.

In order to be eligible to have our products paid for with federal funds under the Medicaid and Medicare Part B programs and purchased by certain federal agencies and grantees, as noted above, we participate in the VA's FSS pricing program. As part of this program, we are obligated to make our products available for procurement on an FSS contract under which we must comply with standard government terms and conditions and charge a price that is no higher than the statutory Federal Ceiling Price (FCP), to four federal agencies: the VA, U.S. Department of Defense (DOD), Public Health Service, and the U.S. Coast Guard. The FCP is based on the Non-Federal Average Manufacturer Price (Non-FAMP), which we calculate and report to the VA on a quarterly and annual basis. Pursuant to applicable law, knowing provision of false information in connection with a Non-FAMP filing can subject a manufacturer to significant penalties for each item of false information. These obligations also contain extensive disclosure and certification requirements.

We also participate in the Tricare Retail Pharmacy program, under which we pay quarterly rebates on utilization of innovator products that are dispensed through the Tricare Retail Pharmacy network to Tricare beneficiaries. The rebates are calculated as the difference between the annual Non-FAMP and FCP. We are required to list our covered products on a Tricare Agreement in order for these products to be eligible for DOD formulary inclusion. If we overcharge the government in connection with our FSS contract or Tricare Agreement, whether due to a misstated FCP or otherwise, we are required to refund the difference to the government. Failure to make necessary disclosures and/or to identify contract overcharges can result in allegations against us under the FCA and other laws and regulations. Unexpected refunds to the government, and responding to a government investigation or enforcement action, would be expensive and time-consuming, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability may depend, in part, on our ability to commercialize current or future drug candidates in foreign markets for which we may rely on collaboration with third parties. We are not permitted to market or promote any of our drug candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market. To obtain separate regulatory approval in many other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials, manufacturing, commercial sales, pricing and distribution of our drug candidates, and we cannot predict success in these jurisdictions. If we seek to develop our drug candidates or obtain approval of our drug candidates and ultimately commercialize our drug candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- our customers' ability to obtain reimbursement for our drug candidates in foreign markets;
- our inability to directly control commercial activities because we are relying on third parties;

- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements, including, for example, the European General Data Protection Regulation 2016/679, commonly referred to as GDPR;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- the existence of additional potentially relevant third-party intellectual property rights;
- foreign currency exchange rate fluctuations; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our drug candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

Governments outside the U.S. tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly countries in the EU, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our drug candidate to other available therapies. If reimbursement of our drugs is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

Risks Related to Our Financial Position and Need for Additional Capital

We are a precision therapy company in the process of growing our operations. We have incurred significant operating losses since our inception and may never become and remain profitable.

We commenced operations in April 2011 and we have focused substantially all of our efforts and financial resources to date on organizing and staffing our company, business planning, raising capital, establishing our intellectual property building our discovery platform, including our proprietary compound library and new target discovery engine, identifying kinase drug targets and potential drug candidates, conducting preclinical studies and clinical development for our drug candidates, commencing pre-commercial activities and the commercial launches for AYVAKIT/AYVAKYT and GAVRETO, and producing the active pharmaceutical ingredient, or API, drug substance and drug product material for use in preclinical studies and clinical trials for our drug candidates and commercial sale of our approved drugs.

To date, we have financed our operations primarily through public offerings of our common stock, private placements of our convertible preferred and common stock, collaboration, license and other agreements, future royalty and revenue monetization, and a term loan. Through March 31, 2025, we have received an aggregate of $4.0 billion from such transactions, including $1.9 billion in aggregate gross proceeds from the sale of common stock in our initial public offering, follow on public offerings, through our "at the market" stock offering program and the equity investment by Roche, $115.1 million in gross proceeds from the issuance of convertible preferred stock, $175.0 million in gross proceeds from our Royalty Purchase Agreement with Royalty Pharma, $250.0 million in gross proceeds from our Future Revenue Purchase Agreement with Sixth Street Partners, $1.1 billion in upfront payments and milestone payments under our collaborations with CStone and Zai Lab, our now terminated collaborations with Roche, our license agreement with Clementia, our agreement with Rigel, and our former collaboration with Alexion Pharma Holding, or Alexion, $400.0 million in gross proceeds from a term loan from Sixth Street Partners and $78.7 million in net proceeds received related to the sale of our equity investment in IDRx. In addition, since January 2020, we also have generated meaningful revenue through sales of our drug products.

Since inception, we have incurred significant operating losses. Our net income was $0.5 million for the three months ended March 31, 2025 primarily due to the $50.0 million equity investment gain recognized upon sale of the Company's investment in IDRx. Our net losses were $67.1 million and $507.0 million for the years ended December 31, 2024 and 2023, respectively. As of March 31, 2025, we had an accumulated deficit of $2,406.5 million.

Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs and from selling, general and administrative costs associated with our operations. We expect to continue to incur significant expenses over the next few years. We anticipate that our expenses may continue to increase in connection with our ongoing activities. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' equity and working capital. We expect our research and development expenses to increase in connection with continuing our existing clinical trials and beginning additional clinical trials. In addition, we will incur significant sales, marketing and outsourced-manufacturing expenses in connection with the commercialization of any of our drugs or any drug candidates for which we may receive marketing approval. In addition, we have incurred and will continue to incur substantial costs associated with operating as a public company. Because of the numerous risks and uncertainties associated with developing pharmaceuticals, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis. Our ability to become profitable depends upon our ability to generate substantial revenue.

Our ability to generate substantial revenue depends on a number of factors, including, but not limited to, our ability to:

- initiate and successfully complete clinical trials that meet their clinical endpoints;
- initiate and successfully complete all safety studies required to obtain U.S. and foreign marketing approval for our drug candidates, including for avapritinib in additional geographies;
- continue to maintain and expand commercial manufacturing capabilities or make arrangements with third-party manufacturers to ensure clinical supply and commercial manufacturing;

- maintain and, if necessary, expand a sales, marketing and distribution infrastructure to commercialize AYVAKIT/AYVAKYT and any current or future drug candidates for which we obtain marketing approval;

- achieve market acceptance in the medical community and with third-party payors for AYVAKIT/AYVAKYT and any current or future drug candidates for which we receive marketing approval; and

- compete with companies that may have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs.

We expect to incur significant sales and marketing costs as we commercialize AYVAKIT/AYVAKYT and commercialize any current or future drug candidates for which we receive marketing approval. Even if we initiate and successfully complete pivotal clinical trials of our drug candidates, and our drug candidates are approved for commercial sale, and despite expending these costs, our drug candidates may not be commercially successful. We may not achieve profitability soon after generating drug sales, if ever. If we are unable to generate material net cash inflows from our operations, we will not become profitable and may be unable to continue operations without continued funding.

We may seek to raise additional funding from time to time. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate some of our drug development programs or commercialization efforts.

The development and commercialization of pharmaceuticals is capital intensive. We are currently advancing multiple drug candidates and development programs through clinical and preclinical development. Our expenses may increase in connection with our ongoing activities, particularly as we continue the research and development of, initiate or continue clinical trials of, and seek marketing approval for our drug candidates, including marketing approval for avapritinib in additional geographies. In addition, we expect to incur additional significant commercialization expenses for AYVAKIT/AYVAKYT and other drug candidates, if approved, related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of potential collaborators or licensors. We may also need to raise additional funds if we choose to pursue additional indications or geographies for any of our approved drugs or drug candidates or otherwise expand more rapidly than we presently anticipate.

Our future capital requirements will depend on and may increase as a result of many factors, including:

- the success of our commercialization efforts and market acceptance for AYVAKIT/AYVAKYT or any of our current or future drug candidates for which we receive marketing approval;

- the costs of maintaining, expanding or contracting for sales, marketing and distribution capabilities in connection with commercialization of AYVAKIT/AYVAKYT and any of our current or future drug candidates for which we receive marketing approval;

- the costs of securing manufacturing, packaging and labeling arrangements for development activities and commercial production, including API, drug substance and drug product material for use in preclinical studies, clinical trials, our compassionate use program and for use as commercial supply, as applicable;

- the cost of purchasing quantities of agents for use in our clinical trials in connection with our efforts to develop our drugs and drug candidates, including for development as combination therapies;

- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our approved drugs and drug candidates;

- the costs, timing and outcome of regulatory review of marketing applications for our drug candidates, including seeking marketing approval for avapritinib in additional geographies;

- the success of our collaborations with CStone, our license agreements with Clementia and IDRx (which has been acquired by GSK plc), and our agreement with Rigel, as well as our ability to establish and maintain additional collaborations, partnerships or licenses on favorable terms, if at all;

- the achievement of milestones or occurrence of other developments that trigger payments under our existing collaboration or license agreements, our financing agreements, or any collaboration, partnership, financing or license agreements that we may enter into in the future;

- the extent to which we are obligated to reimburse, or entitled to reimbursement of, research and development, clinical or other costs under future collaboration agreements, if any;

- the extent to which we acquire or in-license other approved drugs, drug candidates or technologies and the terms of any such arrangements;

- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and

- the costs of continuing to expand our operations.

Accordingly, we may seek additional funding in connection with our continuing operations or business objectives. Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize any of our approved drugs or drug candidates. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. We could also be required to seek funds through collaborations, partnerships, licensing arrangements or otherwise at an earlier stage than would be desirable and we may be required to relinquish rights to some of our technologies, drugs or drug candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding if needed on a timely basis or on attractive terms, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any of our approved drugs or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

Until such time, as we can generate material net cash inflows from our operations, we expect to finance our cash needs primarily through a combination of public and private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and future revenue monetizations. We do not have any committed external source of funds, other than our collaboration with CStone and the license agreements with Clementia and IDRx (which has been acquired by GSK plc), the Financing Agreement with Sixth Street Partners, and the Rigel Agreement, which are limited in scope and duration and subject to the achievement of milestones or royalties on sales of licensed products, if any. In addition, we may sell additional shares of our common stock pursuant to our at-the-market (ATM) Facility with Cowen. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that materially adversely affect the rights of our common stockholders. Additional debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our drug development or future commercialization efforts or grant rights to develop and market drugs and drug candidates that we would otherwise prefer to develop and market ourselves.

If we raise funds through additional collaborations, strategic alliances, licensing arrangements or future revenue monetizations with third parties, we may have to relinquish valuable rights to our intellectual property, future revenue streams, research programs, drugs or drug candidates or to grant licenses on terms that may not be favorable to us. Further, due to the uncertainty of pharmaceutical development, the high historical failure rates generally associated with drug development and uncertainty of successful commercialization, we may not receive any regulatory, development, sales-based milestones or royalty payments under any such collaborations, strategic alliances, licensing arrangements or future revenue monetizations.

Our level of indebtedness and the terms of the Financing Agreement with Sixth Street Partners could adversely affect our operations and limit our ability to plan for or respond to changes in our business. If we are unable to comply with restrictions in the Financing Agreement, the repayment of our existing indebtedness could be accelerated.

Under the Financing Agreement with Sixth Street Partners we have incurred a substantial amount of debt, which could adversely affect our business. In July 2022, we drew down the senior secured term loan of $150.0 million. The facility also includes a senior secured delayed draw term loan of up to $250.0 million to be funded in two tranches: (i) a tranche A delayed draw loan in an aggregate principal amount of $100.0 million and (ii) a tranche B delayed draw term loan in an aggregate principal amount of up to $150.0 million. In August 2023, we received tranche A of the senior secured delayed draw term loan facility in the amount of $100.0 million in gross proceeds. In May 2024, we received tranche B of the senior secured delayed draw term loan facility in the amount of $150.0 million in gross proceeds. We may also at any time request an incremental term loan in an amount not to exceed $260.0 million on terms to be agreed and subject to the consent of the lenders providing such incremental term loan. As borrowings under the facility bear interest at a variable rate, we are exposed to market risk for changes in interest rates.

Our level of indebtedness could affect our business in the following ways, among other things: make it more difficult for us to satisfy our contractual and commercial commitments; require us to use a substantial portion of our cash flow from operations to pay interest and principal, which would reduce funds available for working capital, capital expenditures and other general corporate purposes; limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other investments or general corporate purposes; heighten our vulnerability to downturns in our business, our industry or in the general economy; place us at a disadvantage compared to those of our competitors that may have proportionately less debt; limit management's discretion in operating our business; and limit our flexibility in planning for, or reacting to, changes in our business, the industry in which we operate or the general economy.

The Financing Agreement requires us to make certain payments of principal and interest over time and contains several other restrictive covenants. Among other requirements of the Financing Agreement, we and our subsidiaries party to the Financing Agreement must maintain a minimum consolidated liquidity of $80.0 million. These and other terms in the Financing Agreement could restrict our ability to grow our business or enter into transactions that we believe would be beneficial to our business.

Our business may not generate cash flows from operations in the future that are sufficient to service our debt and support our growth strategies. If we are unable to generate such cash flows, we may be required to adopt one or more alternatives, such as obtaining additional equity capital on terms that may be onerous or highly dilutive, selling assets, or restructuring debt. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Risks Related to Our Dependence on Third Parties

We have entered into collaborations, licenses and other agreements with third parties for the development and commercialization of several of our drugs and drug candidates. If such collaborations or arrangements are not successful, we may not be able to capitalize on the market potential of these drugs and drug candidates.

We have entered into collaborations, licenses and other agreements with CStone, VantAI, Clementia, IDRx and Rigel for the development and commercialization of several of our drugs and drug candidates, and may enter into additional collaborations, licenses and other arrangements with other third parties in the future. The success of these

arrangements will depend heavily on the efforts and activities of our collaborators, licensing partners and other contracting parties. Collaborators and other contracting parties generally have significant discretion in determining the efforts and resources that they will apply to these arrangements. In some situations, we may not be able to influence our collaboration partners' decisions regarding the development and collaboration of our partnered drugs and drug candidates, and as a result, our collaboration partners may not pursue or prioritize the development and commercialization of those partnered drugs and drug candidates in a manner that is in our best interest. Disagreements between parties to a collaboration or other arrangement regarding clinical development and commercialization matters can lead to delays in the development process or commercializing the applicable drug or drug candidate and, in some cases, termination of the collaboration or other arrangement or result in litigation or arbitration, which would be time-consuming and expensive. Licensors generally have sole discretion in determining the efforts and resources that they will apply to the licensed products.

Collaborations and licenses with pharmaceutical or biotechnology companies and other third parties often are terminated or allowed to expire by the other party. Any termination or expiration of our collaboration or license agreements with CStone, Zai Lab, VantAI, Clementia or IDRx (which has been acquired by GSK plc), or of any future collaboration or license agreement, could adversely affect us financially or harm our business reputation. For example, in February 2023, Roche provided written notice of its election to terminate for convenience our collaboration agreement for the development and commercialization of GAVRETO worldwide, excluding the CStone Territory. The termination became effective on February 22, 2024.

We rely on third parties to conduct our clinical trials. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.

We do not have the ability to independently conduct clinical trials. We rely on medical institutions, clinical investigators, CROs, contract laboratories and other third parties to conduct or otherwise support clinical trials for our approved drugs and drug candidates. We rely heavily on these parties for execution of clinical trials for our drugs and drug candidates and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our clinical trials, we could be subject to warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs are required to comply with regulations, including GCPs, for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GCP regulations through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that our current or future clinical trials comply with GCPs. In addition, our clinical trials must be conducted with drug candidates produced under cGMPs regulations. Our failure or the failure of our CROs to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process and could also subject us to enforcement action. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design and sponsor the clinical trials for our approved drugs and drug candidates, CROs will conduct all of our clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct current or future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

Some of these factors may be beyond our control. These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control. If the CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, regulatory approval and commercialization of our approved drugs for additional indications and our drug candidates may be delayed, we may not be able to obtain regulatory approval and commercialize our drug candidates, or our development program materially and irreversibly harmed. If we are unable to rely on clinical data collected by our CROs, we could be required to repeat, extend the duration of, or increase the size of any clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our drug for additional indications or our drug candidates. As a result, we believe that our financial results and the commercial prospects for our drugs or our drug candidates in the subject indication would be harmed, our costs could increase and our ability to generate substantial revenue could be delayed.

We contract with third parties for the manufacture of our approved drugs and drug candidates, including for preclinical, clinical and commercial supply. This reliance on third parties increases the risk that we will not have sufficient quantities of our approved drugs or drug candidates or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not currently own or operate, nor do we have any plans to establish in the future, any manufacturing facilities or personnel. We rely, and expect to continue to rely, primarily on third parties for the manufacture of our drug candidates for preclinical development and clinical testing, as well as for the commercial manufacture of our current and future drugs. This reliance on third parties increases the risk that we will not have sufficient quantities of our drugs or drug candidates or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

The facilities used by our contract manufacturing organizations (CMOs) to manufacture our drugs and drug candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit our marketing applications to the FDA. We do not control the manufacturing process of, and will be completely dependent on, our CMOs for compliance with cGMPs in connection with the manufacture of our drugs and drug candidates. Manufacturers and manufacturers' facilities are required to comply with extensive FDA, and comparable foreign regulatory authority requirements, including ensuring that quality control and manufacturing procedures conform to cGMP regulations and applicable product tracking and tracing requirements. If our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our CMOs to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our drugs and drug candidates, or if the FDA or a comparable regulatory authority withdraws any such approval in the future, we may be delayed in obtaining approval of these facilities for the manufacture of our drugs and drug candidates or need to find alternative

manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our drug candidates, if approved, and could require comparability studies for the setup of manufacturing operations at alternative facilities. If any CMO with whom we contract fails to perform its obligations, we may be forced to manufacture the materials ourselves, for which we may not have the capabilities or resources, or enter into an agreement with a different CMO, which we may not be able to do on reasonable terms, if at all. In either scenario, our clinical trials supply or commercial distribution could be delayed significantly as we establish alternative supply sources. In some cases, the technical skills required to manufacture our products or drug candidates may be unique or proprietary to the original CMO and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all. In addition, if we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our drug candidate according to the specifications previously submitted to or approved by the FDA or another regulatory authority. The delays associated with the verification of a new CMO could negatively affect our ability to develop drug candidates or commercialize our products in a timely manner or within budget. Furthermore, a CMO may possess technology related to the manufacture of our drug candidate that such CMO owns independently. This would increase our reliance on such CMO or require us to obtain a license from such CMO in order to have another CMO manufacture our drug products or drug candidates. In addition, in the case of the CMOs that supply our drug candidates, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials. Further, our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or drugs, if approved, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business and supplies of our drugs and drug candidates.

We do not have long-term supply agreements with all of our CMOs, and may purchase our required drug supply, including the API, drug product and drug substance used in our drugs and drug candidates, on a purchase order basis with certain CMOs. In addition, we may be unable to establish or maintain any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish and maintain agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Any of our drugs and drug candidates that we may develop may compete with other approved drugs and drug candidates for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. In March 2020, the U.S. enacted the CARES Act in response to the U.S. COVID-19 pandemic. Throughout the COVID-19 pandemic, there was public concern over the availability and accessibility of critical medical products, and the CARES Act enhanced FDA's existing authority with respect to drug shortage measures. Under the CARES Act, we must have in place a risk management plan in place that identifies and evaluates the risks to the supply of approved drugs for certain serious diseases or conditions for each establishment where the drug or API is manufactured. The risk management plan will be subject to FDA review during an inspection. If we experience shortages in the supply of our marketed products, our results could be materially impacted.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply for all of our bulk drug substances. If our current CMOs cannot perform as agreed, we may experience shortages that require reporting to the FDA or foreign regulatory authorities and may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our approved drugs and drug candidates, we may incur added costs and delays in identifying and qualifying any such replacement.

Our current and anticipated future dependence upon others for the manufacture of our drugs or drug candidates could result in significant delays or gaps in availability of such drugs or drug candidates and may adversely affect our future profit margins and our ability to commercialize any drugs that receive marketing approval on a timely and competitive basis.

The third parties upon whom we rely for the supply of the API, drug substance and drug product used in avapritinib are our sole source of supply, and the loss of any of these suppliers could significantly harm our business.

The API, drug substance and drug product used in our drug and drug candidates are supplied to us primarily from single-source suppliers. We do not currently own or operate manufacturing facilities for the production of our drugs or any drug candidates that may be approved in the future. As a result, we primarily rely on single-source third-party suppliers to manufacture and supply our drugs, which may not be able to produce sufficient inventory to meet commercial demand in a timely manner, or at all. Our ability to successfully develop our drug candidates, supply our drug candidates for clinical trials and to ultimately supply our commercial drugs in quantities sufficient to meet the market demand, depends in part on our ability to obtain the API, drug substance and drug product for these drugs in accordance with regulatory requirements and in sufficient quantities for clinical testing and commercialization. Although we have entered into arrangements to establish redundant or second-source supply of some of the API, drug product or drug substance for avapritinib, if any of our suppliers ceases its operations for any reason or is unable or unwilling to supply API, drug product or drug substance in sufficient quantities or on the timelines necessary to meet our needs, it could significantly and adversely affect our business, the supply of our drug candidates or approved drugs and our financial condition. Therefore, there can be no assurances that we will be able to obtain sufficient quantities of our drugs or any other drug candidates that may be approved in the future, which could have a material adverse effect on our business as a whole.

For all of our drug candidates, we may from time to time explore opportunities to identify and qualify additional manufacturers to provide such API, drug substance and drug product prior to submission of an NDA to the FDA and/or a marketing authorization application to the EMA. We are not certain that our single-source suppliers will be able to meet our demand for their products, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers. In addition, we currently have sufficient supply or plans for supply to meet our anticipated global commercial and clinical development needs for our approved drugs and clinical-stage drug candidates through 2025.

Establishing additional or replacement suppliers for the API, drug substance and drug product used in our drug candidates or approved drugs, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified and may require additional regulatory approval, which could result in further delay. While we seek to maintain adequate inventory of the API, drug substance and drug product used in our drug candidates and approved drugs, any interruption or delay in the supply of components or materials, or our inability to obtain such API, drug substance and drug product from alternate sources at acceptable prices in a timely manner could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

Certain of our research and development, clinical trials and manufacturing and supply for certain raw materials used in our drugs and our drug candidates takes place in China through third-party CROs, collaborators or manufacturers. A significant disruption in the operation of those CROs, collaborators or manufacturers, could materially adversely affect our business, financial condition and results of operations.

We have relied on certain third parties located in China to manufacture and supply certain raw materials used in our drugs and our drug candidates, and we expect to continue to use such third-party manufacturers for such purposes. In addition, certain of our drug candidates are being evaluated at clinical trial sites in China under our collaboration with CStone and through CROs located in China. A natural disaster, epidemic or pandemic disease outbreaks, trade war, political unrest or other events in China could disrupt the business or operations of CROs, collaborators, manufacturers or other third parties with whom we conduct business now or in the future. Any disruption in China or future legislative proposals in the U.S., such as the previously considered BIOSECURE bill, that, if enacted, could significantly impact our ability to work with such third parties, including services provided by CROs for our research and development programs, clinical trial operations conducted by CROs or our collaborators, or our manufacturers' ability to produce raw materials in adequate quantities to meet our needs could impair our ability to operate our business on a day-to-day basis and impede, delay, limit or prevent the research, development or commercialization of our current and future approved drugs or drug candidates. In addition, for any activities conducted in China, we are exposed to the possibility of product supply disruption and increased costs in the event of changes in the policies of the U.S. or Chinese governments, political unrest or unstable economic conditions in China, and we may be exposed to fluctuations in the value of the local currency in China for goods and services. Our costs for any of these services or activities could also increase as a result of future appreciation of the local currency in China or increased labor costs if the demand for skilled laborers increases in China and the availability of skilled labor declines in China.

Risks Related to Intellectual Property

If we are unable to adequately protect our discovery platform technology or obtain and maintain patent protection for our technology, drugs and drug candidates or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology, drugs and drug candidates similar or identical to ours, and our ability to successfully commercialize our technology drugs and drug candidates may be impaired.

Our commercial success depends in part on our ability to obtain and maintain proprietary or intellectual property protection in the U.S. and other countries for our drugs and drug candidates and our core technologies, including our novel target discovery engine, our proprietary compound library, targeted protein degrader platform and other know-how. We seek to protect our proprietary and intellectual property position by, among other methods, filing patent applications in the U.S. and abroad related to our proprietary compounds, as well as the use of these compounds in the treatment of diseases, formulations, solid forms, and manufacturing processes and other technologies, inventions and improvements that are important to the development and implementation of our business. We also rely on trademark, copyright, trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation.

The degree of patent protection we require to successfully commercialize any of our approved drugs and drug candidates may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our patents have, or that any of our pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect our drugs and drug candidates. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the U.S. Furthermore, patents have a limited lifespan. In the U.S., the natural expiration of a patent is generally twenty years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing drugs similar or identical to our drugs and drug candidates, including generic versions of such drugs or drug candidates.

Other parties have developed technologies that may be related or competitive to our own, and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions that may overlap or conflict with those claimed in our own patent applications or issued patents, with respect to either the same methods, processes or formulations or the same subject matter, in either case, that we may rely upon to dominate our patent position in the market. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first-to-file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights cannot be predicted with any certainty. While we may decide to initiate proceedings to challenge the validity of these patents in the future, we may be unsuccessful, and courts or patent offices in the U.S. and abroad could uphold the validity of any such patents. If we were to challenge the validity of any issued U.S. patent in court, we would need to overcome a statutory presumption of validity that attaches to every U.S. patent. This means that in order to prevail, we would have to present clear and convincing evidence as to the invalidity of the patent's claims.

In addition, the patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the U.S. Patent and Trademark Office (USPTO), have been significantly narrowed by the time they issue, if at all. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, there may be circumstances, when we do not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology, drug or drug candidates that we license from third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Even if we acquire patent protection that we expect should enable us to maintain such competitive advantage, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the U.S. and abroad. For example, we may be subject to a third-party submission of prior art to the USPTO challenging the priority of an invention claimed within one of our patents, which submissions may also be made prior to a patent's issuance, precluding the granting of any of our pending patent applications. We may become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others from whom we have obtained licenses to such rights. Competitors may claim that they invented the inventions claimed in our issued patents or patent applications prior to us or may file patent applications before we do. Competitors may also claim that we are infringing on their patents and that we therefore cannot practice our technology, drugs or drug candidates as claimed under our patents, if issued. Competitors may also contest our patents, if issued, by showing the patent examiner that the invention was not original, was not novel or was obvious. In litigation, a competitor could claim that our patents, if issued, are not valid for a number of reasons. If a court agrees, we would lose our rights to those challenged patents, and if our patents are successfully challenged, we may face generic competition prior to the expiration dates of our U.S. Orange Book listed patents.

In addition, we may in the future be subject to claims by our former employees, consultants, advisors, and other third parties who have access to our proprietary know-how asserting an ownership right in our patents or patent applications, as a result of the work they performed on our behalf. Although we generally require all of our employees, consultants and advisors and any other third parties who have access to our proprietary know-how, information or technology to assign or grant similar rights to their inventions to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property, nor can we be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy.

An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and drugs, without payment to us, or could limit the duration of the patent protection covering our technology, drugs and drug candidates. Such challenges may also result in our inability to manufacture or commercialize our drugs or drug candidates, if approved, without

infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drugs and drug candidates.

Even if they are unchallenged, our issued patents and our pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies or drugs in a non-infringing manner. For example, a third party may develop a competitive drug that provides benefits similar to one or more of our drugs and drug candidates but that has a different composition that falls outside the scope of our patent protection. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our drugs and drug candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our drugs or drug candidates, if approved, could be negatively affected, which would harm our business.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability and the ability of our collaborators to develop, manufacture, market and sell our current and future drugs and use our proprietary technologies without infringing the proprietary rights and intellectual property of third parties. The biotechnology and pharmaceutical industries are characterized by extensive and frequent litigation regarding patents and other intellectual property rights. We may in the future become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our drugs, drug candidates and technology, including interference proceedings before the USPTO. Our competitors or other third parties may assert infringement claims against us, alleging that our drugs are covered by their patents. Given the vast number of patents in our field of technology, we cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future. Many companies have filed, and continue to file, patent applications related to small molecule therapeutics. Some of these patent applications have already been allowed or issued, and others may issue in the future. While we may decide to initiate proceedings to challenge the validity of these patents in the future, we may be unsuccessful, and courts or patent offices in the U.S. and abroad could uphold the validity of any such patents. If we were to challenge the validity of any issued U.S. patent in court, we would need to overcome a statutory presumption of validity that attaches to every U.S. patent. This means that in order to prevail, we would have to present clear and convincing evidence as to the invalidity of the patent's claims.

Since this area is competitive and of strong interest to pharmaceutical and biotechnology companies, there will likely be additional patent applications filed and additional patents granted in the future, as well as additional research and development programs expected in the future. Furthermore, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, and because pending patent claims can be revised before issuance, there may be applications now pending which may later result in issued patents that may be infringed by the manufacture, use or sale of our drugs and drug candidates. If a patent holder believes any of our approved drugs or drug candidates infringe on its patent, the patent holder may sue us even if we have received patent protection for our drugs, drug candidates and technology. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant drug revenue and against whom our own patent portfolio may thus have no deterrent effect.

If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our approved drug, drug candidates and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby providing our competitors and other third parties access to the same technologies licensed to us. Without such a license, we could be forced, including by court order, to cease developing and commercializing the infringing technology, drugs or drug candidates. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed such third-party patent rights. A finding of infringement could prevent us from commercializing our current and future drugs or force us to cease some of our business operations, which could materially harm our business.

We may become involved in lawsuits to protect or enforce our patents and other intellectual property rights, which could be expensive, time-consuming and unsuccessful.

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents and other intellectual property rights. To counter infringement or unauthorized use, including against abbreviated new drug application (ANDA) filers, we may be required to resort to litigation, that includes infringement claims. A court may disagree with our allegations, however, and may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the third-party technology in question. Further, such third parties could counterclaim that we infringe their intellectual property or that a patent we have asserted against them is invalid or unenforceable. In patent litigation in the U.S., defendant counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. In addition, third parties may initiate legal proceedings against us to assert such challenges to our intellectual property rights. The outcome of any such proceeding is generally unpredictable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Patents may be unenforceable if someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. It is possible that prior art of which we and the patent examiner were unaware during prosecution exists, which could render our patents invalid. Moreover, it is also possible that prior art may exist that we are aware of but do not believe is relevant to our current or future patents, but that could nevertheless be determined to render our patents invalid.

An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. If a defendant were to prevail on a legal assertion of invalidity or unenforceability of our patents covering any of our approved drugs or drug candidates, we would lose at least part, and perhaps all, of the patent protection covering such drug or drug candidate. Competing drugs may also be sold in other countries in which our patent coverage might not exist or be as strong. If we lose a foreign patent lawsuit, alleging our infringement of a competitor's patents, we could be prevented from marketing our drugs in one or more foreign countries. Any of these outcomes would have a materially adverse effect on our business.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time-consuming and is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating or from successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

If we are not able to obtain, or in applicable cases maintain, patent term extension or non-patent exclusivity in the U.S. under the Hatch-Waxman Act and in foreign countries under similar legislation, thereby potentially extending the marketing exclusivity term of our products or product candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of our products or product candidates, one of the U.S. patents covering each of such products or product candidates or the use thereof may be eligible for up to five years of patent term extension under the Hatch-Waxman Act. The Hatch-Waxman Act allows a maximum of one patent to be extended per FDA approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of

14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension also may be available in certain foreign countries upon regulatory approval of our product candidates. Nevertheless, we may not be granted patent term extension either in the U.S. or in any foreign country because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the term of extension, as well as the scope of patent protection during any such extension, afforded by the governmental authority could be less than we request.

If we are unable to obtain patent term extension, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product may be shortened and our competitors may obtain approval of competing products following our patent expiration sooner, and our revenue could be reduced, possibly materially.

It is possible that we will not obtain patent term extension under the Hatch-Waxman Act for a U.S. patent covering a product candidate even where that patent is eligible for patent term extension, or if we obtain such an extension, it may be for a shorter period than we had sought. Further, for certain of our licensed patents, we do not have the right to control prosecution, including filing with the USPTO, an application for patent term extension under the Hatch-Waxman Act. Thus, if one of our licensed patents is eligible for patent term extension under the Hatch-Waxman Act, we may not be able to control whether an application to obtain a patent term extension is filed, or an extension obtained, from the USPTO.

Also, there are detailed rules and requirements regarding the patents that may be submitted to the FDA for listing in the Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book). We may be unable to obtain patents covering our approved products or product candidates that contain one or more claims that satisfy the requirements for listing in the Orange Book. Even if we submit a patent for listing in the Orange Book, the FDA may decline to list the patent, or a manufacturer of generic drugs may challenge the listing. If a patent covering one of our approved products is not listed in the Orange Book, a manufacturer of generic drugs would not have to provide advance notice to us of any ANDA filed with the FDA to obtain permission to sell a generic version of such product.

Depending upon the timing and specifics of marketing approval of our products, the FDA and other applicable regulatory authorities may grant certain non-patent exclusivities. However, we may be unable to secure or maintain additional non-patent exclusivity for our products or maintain any non-patent exclusivity. Similarly, although we intend to seek new chemical entity exclusivity, and potentially other exclusivities, for product candidates we are developing, we may not be successful in doing so. Moreover, these non-patent exclusivities, if granted, are limited and other companies may be able to submit marketing applications and receive approval earlier than we anticipate.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In addition, periodic maintenance fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our drugs, drug candidates or procedures, we may not be able to stop a competitor from marketing drugs that are the same as or similar to our drugs or drug candidates, which would have a material adverse effect on our business.

We may not be able to effectively enforce our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our drugs and drug candidates in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly in developing countries. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. In addition, the patent laws of some foreign countries do not afford intellectual property protection to the same extent as the laws of the U.S. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property rights. This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the U.S. Competitors may use our drugs, drug candidates and technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and, further, may export otherwise infringing drugs to territories where we have patent protection, if our ability to enforce our patents to stop infringing activities is inadequate. These drugs may compete with our drugs and drug candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and resources from other aspects of our business. Furthermore, while we intend to protect our intellectual property rights in the major markets for our drugs and drug candidates, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our drug candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

We depend on intellectual property licensed from third parties and termination of any of these licenses could result in the loss of significant rights, which would harm our business.

Under our current license agreements, we may not have the final or sole decision on whether we are able to opt out certain of our in-licensed European patents and patent applications from the recently created Unified Patent Court (UPC) for the European Union, that was ratified on June 1, 2023. Our licensors may decide to not opt out the of the UPC, which would subject our in-licensed European patents and patent applications to the jurisdiction of the UPC. Furthermore, even if our licensors decide to opt out of the UPC, we cannot guarantee that our licensors will comply with the legal formalities and requirements for properly opting out of the UPC. Thus, we cannot be certain that our in-licensed European patents and patent applications will not fall under the jurisdiction of the UPC. Under the UPC, a single European patent would be valid and enforceable in numerous European countries. A challenge to the validity of a European patent under the UPC, if successful, could result in a loss of patent protection in numerous European countries which could have a material adverse impact on our business and our ability to commercialize or license our technology and product candidates.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court or the USPTO.

Our European patents and patent applications could be challenged in the recently created UPC for the European Union, that was ratified on June 1, 2023. We may decide to opt out our European patents and patent applications from the UPC. However, if certain formalities and requirements are not met, our European patents and patent applications could be challenged for non-compliance and brought under the jurisdiction of the UPC. We cannot be certain that our European patents and patent applications will avoid falling under the jurisdiction of the UPC, if we decide to opt out of the UPC. Under the UPC, a granted European patent would be valid and enforceable in numerous European countries. Although such patent rights would apply to numerous European countries, a successful challenge to a European patent under the UPC could result in loss of patent protection in numerous European countries. Accordingly, a single proceeding under the UPC addressing the validity and infringement of the European patent could result in loss of patent protection in numerous European countries rather than in each validated country separately as such patents always have been adjudicated. Such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize or license our technology and product candidates.

Changes to the patent law in the U.S. and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drugs and drug candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on the intellectual property we maintain, particularly patents. Obtaining and enforcing patents in the biotechnology and pharmaceutical industry involve both technological and legal complexity and is therefore costly, time-consuming and inherently uncertain. Recent patent reform legislation in the U.S. and other countries, including the Leahy-Smith America Invents Act (or the Leahy-Smith Act), signed into law on September 16, 2011, could increase those uncertainties and costs. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a "first-to-file" system. The first-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not yet clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could make it more difficult to obtain patent protection for our inventions and 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 harm our business, results of operations and financial condition.

The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition, there have been recent proposals for additional changes to the patent laws of the U.S. and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position may be harmed.

In addition to the protection afforded by patents, we rely upon unpatented trade secret protection, unpatented know-how and continuing technological innovation to develop and maintain our competitive position. With respect to the building of our proprietary compound library and targeted degrader platform, we consider trade secrets and know-how to be our primary intellectual property. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our collaborators, scientific advisors, employees and consultants, and invention assignment agreements with our consultants and employees. We may not be able to prevent the unauthorized disclosure or use of our technical know-how or other trade secrets by the parties to these agreements, however, despite the existence generally of confidentiality agreements and other contractual restrictions. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. If any of the collaborators, scientific advisors, employees and consultants who are parties to these agreements breaches or violates the terms of any of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. Enforcing a claim that a third party illegally obtained and is using our trade secrets, like patent litigation, is expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the U.S. are sometimes less willing to protect trade secrets.

Our trade secrets could otherwise become known or be independently discovered by our competitors. Competitors could purchase our drugs and drug candidates and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies, drugs, and drug candidates that fall outside of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If our trade secrets are not adequately protected so as to protect our market against competitors' drugs, our competitive position could be adversely affected, as could our business.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

We could in the future be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other proprietary information of former employers or competitors. Although we try to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a former employer or competitor. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our drugs or drug candidates if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate such technologies or features would have a material adverse effect on our business and may prevent us from successfully commercializing our drugs and drug candidates, if approved. In addition, we may lose valuable intellectual property rights or personnel as a result of such claims. Moreover, any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our drugs and drug candidates, if approved, which would have an adverse effect on our business, results of operations and financial condition.

Risks Related to Our Business, including Employee Matters, Managing Growth and Others

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the research and development, clinical, commercial, business development, financial and legal expertise of our executive officers, as well as the other principal members of our management, scientific and clinical team. Although we have entered into employment agreements with our executive officers, each of our executive officers may terminate their employment with us at any time. In addition, insurance coverage is increasingly expensive, including with respect to directors and officers liability insurance (D&O insurance). We may not be able to maintain D&O insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise. An inability to secure and maintain D&O insurance may make it difficult for us to retain and attract talented and skilled directors and officers to serve our company, which could adversely affect our business. We do not maintain “key person” insurance for any of our executives or other employees.

In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We expect to continue hiring qualified development personnel. Recruiting and retaining qualified scientific, clinical, regulatory, manufacturing and sales and marketing personnel is critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing key employees and executive officers may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel.

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

As of April 15, 2025, we had 682 full-time and 5 part-time employees, and we expect to continue to increase our number of employees and expand the scope of our operations. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Physical expansion of our operations in the future may lead to significant costs, including capital expenditures, and may divert financial resources from other projects, such as the development of our drug candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our drug candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

Unfavorable global economic or political conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. Geopolitical developments, such as the Israeli-Palestinian conflict, Russian invasion of Ukraine or deterioration in the bilateral relationship between the U.S. and China could contribute to disruption, instability and volatility in the global markets, as well as increased inflation, increased U.S. trade tariffs and trade disputes with other countries, which in turn could adversely impact our operations and those of third parties upon which we rely. For example, the Trump administration has initiated or is considering imposing tariffs on certain foreign goods. In response to this action, certain foreign governments, including China's, have instituted or are considering imposing tariffs on certain U.S. goods, which could impact inflation rate, increase the costs of goods, and adversely affect our business. It remains unclear what the Trump administration or foreign governments will or will not do with respect to tariffs or other international trade agreements and policies. Geopolitical conflicts could also have an adverse impact on third parties located in the involved jurisdictions, which could in turn have an adverse impact on our business. For example, certain of our distributors are located in Israel, and may be adversely impacted by the Israeli-Palestinian conflict. Related sanctions, export controls or other actions that may be initiated by nations including the U.S., the EU, Israel or Russia (e.g., potential cyberattacks, disruption of energy flows) could adversely affect our business, our supply chain, CROs, CMOs, clinical trial sites, collaborative partners, distributors or other third parties with which we conduct business. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our drug candidates and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services.

Political developments can also lead to uncertainty around regulations and rules that may materially affect our business. For example, as the UK regulatory system is now independent from the EU, a long-term effect of Brexit could be that the UK significantly alters its regulations affecting the clearance or approval of our drug or drug candidates that are developed in the UK. Any new regulations could add time and expense to the conduct of our business, as well as the process by which our drug candidates receive regulatory approval in the UK, as compared to the EU and elsewhere. Additionally, the impacts of the change in the U.S. presidential administration also remains unknown.

Rising inflation rates could negatively impact our revenues and profitability if increases in the prices of our products or a decrease in spending on products in the biopharmaceutical industry in general results in lower sales by us or those who we collaborate with. In addition, if our costs increase and we are not able to correspondingly adjust our commercial relationships to account for this increase, our net income would be adversely affected, and the adverse impact may be material.

Inflation rates, particularly in the U.S., have increased recently to levels not seen in years. Increased inflation may result in decreased demand for our products, increased operating costs (including our labor costs), reduced liquidity, and limitations on our ability to access credit or otherwise raise debt and equity capital. In addition, the U.S. Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. In an inflationary environment, we may be unable to raise the sales prices of our products at or above the rate at which our costs increase, which could reduce our profit margins and have a material adverse effect on our financial results and net income. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in spending on products in the biopharmaceutical industry in general or a negative reaction to our pricing or the pricing of those we do, or will collaborate with. A reduction in our revenue would be detrimental to our profitability and financial condition and could also have an adverse impact on our future growth.

Foreign currency exchange rates fluctuations could have an adverse impact on our operating results.

From time to time, we contract with vendors that are located in Asia and Europe, which are denominated in foreign currencies. We are subject to fluctuations in foreign currency rates in connection with these agreements. If the U.S. dollar weakens against a specific foreign currency, our revenues will increase, having a positive impact on net income, but our overall expenses will increase, having a negative impact. Conversely, if the U.S. dollar strengthens against a specific foreign currency, our revenues will decrease, having a negative impact on net income, but our overall expenses will decrease, having a positive impact. Continued fluctuations in foreign exchange rates can impact our operating results and financial condition.

We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Earthquakes or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as clinical trial sites or the manufacturing facilities of our third-party CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business.

Our internal computer systems, or those of our third-party collaborators, service providers, contractors or consultants, may fail or suffer cybersecurity incidents or data breaches, which could result in a material disruption of our drugs' and drug candidates' development programs and have a material adverse effect on our reputation, business, financial condition or results of operations.

Our internal computer systems and those of our current or future third-party collaborators, service providers, contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Attacks on information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and they are being conducted by increasingly sophisticated and organized groups and individuals with a wide range of motives and expertise. In addition to extracting sensitive information, such attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering (including phishing attacks) and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Cyber-attacks also could include wrongful conduct by employees or vendors, phishing attempts or e-mail fraud to cause payments or information to be transmitted to an

unintended recipient and could include the use of artificial intelligence (AI), and machine learning to launch more automated, targeted and coordinated attacks on targets. The prevalent use of mobile devices also increases the risk of data security incidents. Although our business strategy, results of operations, and financial condition have not, to date, been materially affected by risks from cybersecurity threats, we and third parties upon whom we rely, like other companies in our industry, have, experienced threats and security incidents, including phishing attacks. Such events could cause interruptions in our operations or the operations of third-party collaborators, service providers, contractors and consultants, it could result in a material disruption of our drugs' and drug candidates' development programs and significant reputational, financial, legal, regulatory, business or operational harm. For example, the loss of clinical trial data for our drugs or drug candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or cybersecurity incident or data breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or drug candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our drug candidates could be delayed. In addition, our liability insurance may not be sufficient in type or amount to cover us against claims related to cybersecurity incidents, data breaches, cyberattacks and other related security events.

Any failure or perceived failure by us or any third-party collaborators, service providers, contractors or consultants to comply with our privacy, confidentiality, data security or similar obligations to third parties, or any data security incidents or cybersecurity incidents that result in the unauthorized access, release or transfer of sensitive information, including physician data, patient data, or any personally identifiable information, may require that we notify affected stakeholders and may result in governmental investigations, enforcement actions, regulatory fines, litigation or public statements against us, could cause third parties to lose trust in us or could result in claims by third parties asserting that we have breached our privacy, confidentiality, data security or similar obligations, any of which could have a material adverse effect on our reputation, business, financial condition or results of operations. Further, our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy and data security obligations. Although we maintain cyber liability insurance, this insurance may not provide adequate coverage against potential liabilities related to any experienced cybersecurity incident or breach.

Cybersecurity incidents can be difficult to detect, and any delay in identifying them may lead to increased harm. While we have implemented data security measures intended to protect our information technology systems and infrastructure, there can be no assurance that such measures will successfully prevent service interruptions or data security incidents.

The use of new and evolving technologies, such as artificial intelligence, in our business may result in spending material resources and presents risks and uncertainties that can impact our business including by posing security and other risks to our confidential and/or proprietary information, including personal information, and as a result we may be exposed to reputational harm and liability.

The increasing use of AI, and machine learning technology in the biopharmaceutical industry presents new risks and challenges. If we enable or offer solutions that draw controversy due to perceived or actual negative societal impact, we may experience brand or reputational harm, competitive harm or legal liability. The use of AI- based software may lead to intellectual property risks, including intellectual property infringement and the inadvertent release of confidential or proprietary information, which may adversely impact our ability to realize the benefit of our intellectual property, cause us to incur liabilities as the result of any breaches of confidentiality or impact our ability to comply with data security and privacy laws.

Further, as the regulatory framework for these technologies evolves, it is possible that new laws and regulations will be adopted, or that existing laws and regulations may be interpreted in ways that would affect our business, including as a result of the cost to comply with such laws or regulations. We expect to see increasing government and supranational regulation related to artificial intelligence use and ethics, which may also significantly increase the burden and cost of research, development and compliance in this area. For example, in Europe, the EU's Artificial Intelligence Act (AI Act) — which entered into force on August 1, 2024 and, with some exceptions, will begin to apply as of August 2, 2026 — imposes significant obligations on providers and deployers of high-risk artificial intelligence systems, and encourages providers and deployers of artificial intelligence systems to account for EU ethical principles in their development and use of these systems. Furthermore, in the U.S., a number of states have proposed and passed laws

regulating various uses of AI, and federal regulators have issued guidance affecting the use of AI in regulated sectors. If we develop or use AI systems that are governed by these AI laws, it may necessitate ensuring higher standards of data quality, transparency, and human oversight, as well as adhering to specific and potentially burdensome and costly ethical, accountability, and administrative requirements.

The rapid evolution of artificial intelligence will require the application of significant resources to design, develop, test and maintain our products and services to help ensure that artificial intelligence is implemented in accordance with applicable law and regulation and in a socially responsible manner and to minimize any real or perceived unintended harmful impacts. The widespread use of generative AI and natural language processing tools have significant risk when used in the healthcare space. We will need to invest resources to ensure appropriate development and use of any generative AI, or like-technology, and to develop internal compliance policies and procedures addressing this use.

Our vendors may in turn incorporate artificial intelligence tools into their offerings, and the providers of these artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards, including with respect to privacy and data security. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information and intellectual property. Any of these effects could damage our reputation, result in the loss of valuable property and information, cause us to breach applicable laws and regulations, and adversely impact our business.

Interruptions in the availability of server systems or communications with Internet or cloud-based services, or failure to maintain the security, confidentiality, accessibility or integrity of data stored on such systems, could harm our business.

We rely upon a variety of Internet service providers, third-party hosting facilities and cloud computing platform providers to support our business. Failure to maintain the security, confidentiality, accessibility or integrity of data stored on such systems could damage our reputation in the market, cause us to lose revenue or market share, increase our service costs, cause us to incur substantial costs, subject us to liability for damages and/or fines and divert our resources from other tasks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects. Any damage to, or failure of, such systems, or communications to and between such systems, could result in interruptions in our operations. If our security measures or those of our third-party data center hosting facilities, cloud computing platform providers, or third-party service partners, are victims of a cyber-security incident or are breached, and unauthorized access is obtained to our data or our information technology systems, we may incur significant legal and financial exposure and liabilities.

We do not have control over the operations of the facilities of our cloud service providers and our third-party providers may be vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. In addition, any changes in our cloud service providers' service levels may adversely affect our ability to meet our requirements and operate our business.

Compliance with global privacy and data security requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data globally, and the failure to comply with such requirements could have a material adverse effect on our business, financial condition or results of operations.

Privacy and data security remain as significant issues in the U.S., Europe and in many other jurisdictions where we conduct or may in the future conduct our operations. The regulatory framework for the collection, use, safeguarding, sharing and transfer of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Additional regulations and guidance requiring data localization and restrictions on data transfer increase complexity for global corporations. Globally, virtually every jurisdiction in which we operate has established its own data security and privacy frameworks with which we must comply. Notably, for example, in Europe, the European General Data Protection Regulation 2016/679, which is commonly referred to as GDPR applies to any company established in the European Economic Area (EEA), as well as any company outside the EEA that collects or otherwise processes personal data in connection with the offering goods or services to individuals in the EEA or the monitoring of their behavior. The GDPR imposes data protection obligations on processors and controllers of personal data, including, for example, disclosures about how personal information is to be used, stricter requirements for processing special

category data (such as health data), having a valid legal basis or condition to process personal data, maintaining records of our processing activities and documenting data protection impact assessments where there is high risk processing, limitations on retention of information, mandatory data breach notification requirements, ensuring appropriate technical and organizational measures are put in place to safeguard personal data and onerous obligations on services providers. Penalties under the GDPR include fines of up to €20 million or 4% of total worldwide annual turnover, whichever is higher. EEA Member States have adopted national laws to implement the GDPR which may partially deviate from the GDPR. Further, competent authorities in the EEA Member States may interpret GDPR obligations slightly differently from country to country. For these reasons, we do not expect to operate in a uniform legal landscape in the EEA.

Further to the UK's exit from the European Union on January 31, 2020, the UK incorporated the GDPR (as it existed on December 31, 2020 but subject to certain UK specific amendments) into UK law (referred to as the UK GDPR). The UK GDPR and the UK Data Protection Act 2018 set out the UK's data protection regime, which is independent from but currently still aligned to the EU's data protection regime. Non-compliance with the UK GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher. Although the UK is regarded as a third country under the EU's GDPR, the EC has issued a decision recognizing the UK as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the EEA to the UK remain unrestricted. Likewise, the UK government has confirmed that personal data transfers from the UK to the EEA remain free flowing. The UK Government has introduced a Data Protection and Digital Information Bill which failed in the UK legislative process. A new data (Use and Access) Bill (UK Bill) has been introduced into parliament. The aim of the UK Bill is to reform the UK's data protection regime following Brexit. If passed, the final version of the UK Bill may have the effect of further altering the similarities between the UK and EEA data protection regime and threaten the UK Adequacy Decision from the EC. This may lead to additional compliance costs and could increase our overall risk. The respective provisions and enforcement of the EU GDPR and UK GDPR may further diverge in the future and create additional regulatory challenges and uncertainties.

Given the breadth and depth of changes in data protection obligations, and complying with the GDPR requirements has required and will continue to require significant time, resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data collected in the UK or EEA.

Further, European data protection laws also regulates the transfer of personal data from the EEA, the UK and Switzerland to third countries that are not considered to provide adequate protections to personal data. On June 4, 2021, the EC issued Standard Contractual Clauses (SCCs) for data transfers from controllers or processors in the EEA (or otherwise subject to the EU GDPR) to controllers or processors established outside the EEA (and not subject to the EU GDPR). The UK is not subject to the EC's SCCs but has published its own standard clauses, the International Data Transfer Agreement, which enables transfers from the UK. We will be required to implement these new safeguards when conducting restricted data transfers under the EU GDPR and UK GDPR and doing so will require significant effort and cost. Where relying on the SCCs or UK IDTA for data transfers, we may also be required to carry out transfer impact assessments to assess whether the recipient is subject to local laws which allow public authority access to personal data.

On July 10, 2023, the EU adopted an adequacy decision for a new "Data Privacy Framework," which replaces the Privacy Shield, which the European Court of Justice invalidated in 2020 for personal data transferred from the EU to the U.S. On July 17, 2023 the U.S. Department of Commerce released registration means and requirements for U.S. companies to register. The Framework provides additional certification mechanisms to provide for UK and Swiss data transfers. We have registered and have active membership under the Framework, allowing for transfer of HR and non-HR data from Switzerland, UK and EEA member states. We will be required to maintain these new safeguards when conducting restricted cross-border data transfers and doing so will require significant effort and cost. These and other future developments regarding the flow of data across borders could increase the cost and complexity of delivering our services in some markets and may lead to governmental enforcement actions, litigation, fines, and penalties or adverse publicity, which could adversely affect our business and financial position.

While we have taken steps to mitigate the impact on us with respect to transfers of data, such as registering with the U.S. governing bodies managing the Data Privacy Framework, and implementing the SCCs where necessary in new contracts with our service providers, customers, subsidiaries, the validity of these transfer mechanisms remains uncertain. The previous data transfer mechanisms providing adequacy to enable cross-border transfers between the US and the EEA have been invalidated, and the Data Privacy Framework has already been challenged in several

jurisdictions. Complying with this guidance as it exists today and evolves will be expensive and time consuming and may ultimately prevent us from transferring personal data outside Europe which would cause significant business disruption for ourselves and our customers and potentially require the changes in the way our products are configured, hosted and supported.

In addition, we are subject to Swiss data protection laws, including the Federal Act on Data Protection (FADP). While the FADP provides broad protections to personal data, the Swiss federal Parliament enacted a revised version of the FADP, which came into effect in September 2023. The new version of the FADP aligns Swiss data protection law with the GDPR. We have updated our agreements to reflect the new requirements per the FADP, but further modifications or changes may require revisiting these agreements.

Preparing for and complying with the evolving application of the GDPR, national laws in Switzerland and the UK and the EU AI Act has required and will continue to require us to incur substantial operational costs and may require us to change our business practices. Despite our efforts to bring practices into compliance with the GDPR, appliable national data protection laws, we may not be successful either due to internal or external factors such as resource allocation limitations. Non-compliance could result in proceedings, fines or penalties against us by governmental entities, customers, data subjects, consumer associations or others.

In addition to European data protection requirements, we are subject to US federal and state laws relating to privacy and data security. At the federal level, failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act (the FTCA), 15 U.S.C § 45(a). The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business and the cost of available tools to improve security and reduce vulnerabilities. Through executive and legislative action, the federal government has also taken steps to restrict data transactions involving certain sensitive data categories – including health data, genetic data, and biospecimens – with persons affiliated with China, Russia, and other countries of concern.

In addition, certain state laws govern the privacy and security of personal information. For example, the California Consumer Privacy Act (CCPA), which took effect on January 1, 2020 and imposed sweeping privacy and security obligations on many companies doing business in California that meet one of three thresholds and provides for substantial fines for non-compliance and, in some cases, a private right of action to consumers who are victims of data breaches involving their unredacted or unencrypted personal information. While there is currently an exception for protected health information that is subject to HIPAA and clinical trial regulations, as currently written, the CCPA may impact our business activities. The CCPA was amended by the California Privacy Rights Act (CPRA) which became effective on January 1, 2023. The CPRA imposed additional obligations on companies covered by the legislation and significantly modified the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also created a new state agency that is vested with authority to implement and enforce the CCPA. The effects of the CCPA are significant and requires us to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

In addition to the CCPA, similar laws have been passed in numerous other states, reflecting a trend toward more stringent privacy legislation in the U.S., which may accelerate. Further, other states have proposed new privacy laws which, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies. The existence of comprehensive privacy laws in different states in the country would make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance.

Furthermore, a smaller number of states have passed or are considering laws that are specifically focused upon health privacy, such as Washington's My Health My Data Act which took effect on March 31, 2024 and regulates the collection and sharing of health information. This law also has a private right of action, which further increases the relevant compliance risk. Connecticut and Nevada have also passed similar laws regulating consumer health data. In

addition, other states have proposed and/or passed legislation that regulates the privacy and/or security of certain specific types of information. For example, a small number of states have passed laws that regulate biometric data specifically.

These various privacy and security laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products. The effects of the CCPA and other state and federal privacy laws are significant and may require us to modify our data processing practices and policies and to incur substantial costs and potential liability in an effort to comply with such legislation. State laws are changing rapidly and there have been discussions in the U.S. Congress of new comprehensive federal data privacy laws to which we may become subject, if enacted.

The Department of Justice, or DOJ, issued the final rule carrying out Executive Order 14117, Preventing Access to Americans' Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern. This rule, which went into effect April 8, 2025, imposes restrictions on data considered sensitive to certain countries. As a result, we are exposed to risks associated with required data sharing between ourselves and a vendor in a country of concern, and we will need to invest resources to ensure appropriate safeguards are in place prior to any sharing of sensitive data.

Cybersecurity presents an ongoing risk vector for our company. A cybersecurity incident or data breach impacting our internal systems or network could compromise sensitive information of patients and employees, requiring additional resources to enable us to ensure remediation and proper notification. Additionally, we rely on vendors to provide many services where they collect, use or process sensitive data on our behalf or jointly. An incident compromising the databases of our internal network or our vendor's information may materially impact our ability to continue development of our products or have appropriate data to complete FDA submissions. If data related to drug development is compromised, the integrity of that data might be impacted in such a way to render it unusable or potentially modified to a degree it will not be reliable. This type of attack may have material financial impacts resulting from a cybersecurity incident or data breach disclosing or making unavailable IP related to our drug development through a ransomware attack or similar method. The continued development and management of our Information Security function may require additional investment of resources to mature our ability to prevent and respond to cybersecurity incidents or data breaches.

The increasing number and complexity of regional, country and U.S. state data protection laws, and other changes in laws or regulations across the globe, especially those associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal information from our clinical trials, could lead to government enforcement actions and significant penalties against us and could have a material adverse effect on our business, financial condition or results of operations.

Our employees, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk that our employees, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and other regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the U.S. and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials or creating fraudulent data in our preclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. In addition, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our

rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We may acquire or in-license businesses, technologies or platforms, approved drugs, drug candidates or discovery-stage programs, or form strategic alliances, collaborations or partnerships, in the future, and we may not realize the benefits of such acquisitions, in-licenses, alliances, collaborations or partnerships.

We may acquire or in-license additional businesses, technologies or platforms, approved drugs, drug candidates or discovery-stage programs, or form strategic alliances, collaborations or partnerships that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new drugs or drug candidates resulting from a strategic alliance, collaboration, partnership or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. In addition, we cannot assure you that, following any such transaction, we will achieve the expected synergies to justify the transaction.

We may be subject to adverse legislative or regulatory tax changes that could negatively impact our financial condition.

The rules dealing with U.S. federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect our stockholders or us. We assess the impact of various tax reform proposals and modifications to existing tax treaties in all jurisdictions where we have operations to determine the potential effect on our business and any assumptions we have made about our future taxable income. We cannot predict whether any specific proposals will be enacted, the terms of any such proposals or what effect, if any, such proposals would have on our business if they were to be enacted. For tax years beginning after December 31, 2021, the Tax Cuts and Jobs Act of 2017 eliminates the once available option to deduct research and development expenditures currently and requires taxpayers to amortize specified research expenditures attributable to domestic research over a period of five years and fifteen years for research activities attributable to foreign research. The inability to deduct research and development expenditures in their entirety will continue to have a material impact on the carryover of taxable losses used to offset future taxable income, and in turn will impact our cash flows in future years.

Additionally, the Organization for Economic Co-operation and Development, or the OECD, the EC, and individual taxing jurisdictions where we and our affiliates do business have recently focused on issues related to the taxation of multinational corporations. In December 2021, the OECD released its comprehensive plan to create an agreed set of international rules for fighting base erosion and profit shifting, including the implementation of minimum taxes. As a result, tax laws in the U.S. and other countries in which we operate could change and any such changes could materially affect our business, prospects, operating results and financial condition. As of March 31, 2025, the Company does not anticipate meeting the revenue threshold requirements set forth by the OECD and as such has not included any tax impact.

Risks Related to Our Common Stock

The price of our common stock has been and may in the future be volatile and fluctuate substantially.

Our stock price has been and may in the future be subject to substantial volatility. For example, our stock traded within a range of a high price of $125.61 and a low price of $13.04 per share for the period beginning on April 30, 2015, our first day of trading on The Nasdaq Global Select Market, through April 29, 2025. As a result of this volatility, our stockholders could incur substantial losses.

The stock market in general has recently experienced relatively large price and volume fluctuations. In particular, the market prices of securities of Nasdaq listed and biopharmaceutical companies have experienced extreme fluctuations that often have been unrelated or disproportionate to the operating results of these companies. Continued

market fluctuations could result in extreme volatility in the price of our common stock, which could include a decline in the value of our common stock. In addition, the market price for our common stock may be influenced by many factors, including:

- the success of commercialization of our drugs and drug candidates, if approved;
- the success of competitive drugs or technologies;
- results of clinical trials of our drug candidates or those of our competitors;
- regulatory or legal developments in the U.S. and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our drug candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license additional drug candidates or drugs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- natural disasters, epidemic or pandemic disease outbreaks, trade wars, political unrest or other similar events;
- general economic, industry and market conditions;
- the announcement of, or developments in, any litigation matters; and
- the other factors described in this "Risk Factors" section.

Future sales or issuances of common stock or other equity related securities may also adversely affect the market price of our common stock. In February 2022, we entered into the Sales Agreement with Cowen through which we may, from time to time, issue and sell shares of our common stock having an aggregate offering price of up to $300.0 million, subject to the terms and conditions of the Sales Agreement. Through March 31, 2025, we sold 544,719 shares of common stock pursuant to the Sales Agreement, at an average price of $91.88 per share, with aggregate net proceeds of $48.9 million. If we sell additional shares of common stock under the Sales Agreement, enter into new "at the market" stock offering programs, or conduct a public offering or private offering through other means, it could lead to additional dilution for our stockholders and may impact our stock price adversely.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. In addition, we are, and may from time-to-time become, involved in lawsuits and other disputes that could have a material impact on us. See the section titled "*Legal Proceedings*" in Note 17, *Commitments and Contingencies* to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information regarding currently pending litigation. It is possible that we may not prevail in any

such lawsuits and disputes even after expending significant amounts of money and company resources in defending our positions in such lawsuits and disputes. The outcome of such lawsuits and disputes is inherently uncertain and may have a negative impact on our business, financial condition and results of operations.

We have in the past relied in part on sales of our common shares through our at-the-market (ATM) offering program to raise capital. Increased volatility and decreases in market prices of equity securities generally and of our common shares in particular may have an adverse impact on our willingness and/or ability to continue to sell our common shares through our ATM program with Cowen. Decreases in these sales could affect the cost or availability of equity capital, which could in turn have an adverse effect on our business, including current operations, future growth, revenues, net income and the market prices of our common shares.

In February 2022, we commenced a new ATM program, the ATM Facility with Cowen to raise additional capital. Under our ATM Facility, we entered into the Sales Agreement, pursuant to which we can sell common shares, up to a maximum aggregate market value of $300.0 million, through one or more at-the-market offerings. Through March 31, 2025, we sold 544,719 shares of common stock pursuant to the Sales Agreement, at an average price of $91.88 per share, with aggregate net proceeds of $48.9 million. Given volatility in the capital markets, we may not be willing or able to continue to raise equity capital through our ATM program. We may, therefore, need to turn to other sources of funding that may have terms that are not favorable to us, or reduce our business operations, if we need additional capital.

Alternative financing arrangements, if we pursue any, could involve issuances of one or more types of securities, including common stock, preferred stock, convertible debt, warrants to acquire common stock or other securities. These securities could be issued at or below the then prevailing market price for our common shares. In addition, if we issue debt securities, the holders of the debt would have a claim to our assets that would be superior to the rights of stockholders until the principal, accrued and unpaid interest and any premium or make-whole has been paid. In addition, if we borrow funds and/or issue debt securities through a subsidiary, the lenders and/or holders of those debt securities would have a right to payment that would be effectively senior to the Company's equity ownership in the subsidiary, which would adversely affect the rights of holders of both the Company's equity securities and its debt and debt securities.

Interest on any newly-issued debt securities and/or newly-incurred borrowings would increase our operating costs and increase our net loss, and these impacts may be material. If the issuance of new securities results in diminished rights to holders of our common stock, the market price of our common shares could be materially and adversely affected. Should any financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, the consequences could result in a material adverse effect on our business, operating results, financial condition and prospects.

If equity research analysts publish negative evaluations of or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock relies in part on the research and reports that equity research analysts publish about us or our business. We do not control these analysts. If one or more of the analysts covering our business downgrade their evaluations of our common stock, the price of our common stock could decline. If one or more of these analysts cease to cover our common stock, we could lose visibility in the market for our common stock, which in turn could cause our common stock price to decline.

Our executive officers, directors, principal stockholders and their affiliates maintain the ability to exercise significant influence over our company and all matters submitted to stockholders for approval.

Our executive officers, directors and stockholders who own more than 5% of our outstanding common stock, together with their affiliates and related persons, beneficially own shares of common stock representing a significant percentage of our capital stock. As a result, if these stockholders were to choose to act together, they would be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders

may desire. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of us.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders, enhanced procedural mechanics and disclosure requirements in connection with stockholder nominations and submissions of stockholder proposals, and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirors to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Our bylaws contain exclusive forum provisions, which may limit a stockholder's ability to bring a claim in a judicial forum it finds favorable and may discourage lawsuits with respect to such claims.

Our bylaws provide that unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for state law claims for (1) any derivative action, (2) any claim of breach of fiduciary duty, (3) any claim against a current or former director, officer, employee or stockholder, and (4) any action against our company governed by the internal affairs doctrine, which we refer to collectively as the Delaware forum provision. The Delaware forum provision does not apply to any claims arising under the Exchange Act or the Securities Act of 1933, as amended (Securities Act). Our bylaws further provide that, unless we consent in writing to an alternative forum, the federal district courts of the U.S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, which we refer to as the federal forum provision. We have chosen the federal district courts of the U.S. as the exclusive forum for such Securities Act causes of action. In addition, our bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the Delaware forum provision and the federal forum provision.

In addition, our bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the Delaware forum provision and the federal forum provision.

The Delaware forum provision and the federal forum provision may impose additional litigation costs on stockholders who assert the provision is not enforceable and may impose more general additional litigation costs in pursuing any such claims, particularly if the stockholders bringing a claim that is covered by the Delaware forum provision do not reside in or near the State of Delaware. In addition, these forum selection clauses in our bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. The federal forum provision may also impose additional litigation costs on stockholders who assert the provision is not enforceable or invalid. Alternatively, if the federal forum provision is found inapplicable to, or unenforceable in respect of, one or more of the specified types of

actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could have an adverse effect on our business, financial condition or results of operations. The Court of Chancery of the State of Delaware and the federal district courts of the U.S. may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Future sales of our common stock, including by us or our directors and executive officers or shares issued upon the exercise of currently outstanding options, could cause our stock price to decline.

A substantial portion of our outstanding common stock can be traded without restriction at any time. In addition, a portion of our outstanding common stock is currently restricted as a result of federal securities laws, but can be sold at any time subject to applicable volume limitations. As such, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, by us or others, could reduce the market price of our common stock or impair our ability to raise adequate capital through the sale of additional equity securities. In addition, we have a significant number of shares that are subject to outstanding options. The exercise of these options and the subsequent sale of the underlying common stock could cause a further decline in our stock price. These sales also might make it difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. We cannot predict the number, timing or size of future issuances or the effect, if any, that any future issuances may have on the market price for our common stock.

We have incurred and will continue to incur substantial costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we have incurred and expect to continue to incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and rules subsequently implemented by the Securities and Exchange Commission (SEC) and Nasdaq have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and make some activities more time-consuming and costlier.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (Section 404) we are required to furnish an annual report by our management on our internal control over financial reporting. To achieve compliance with Section 404 within the prescribed period, we have been and will continue to be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting.

Despite our efforts, there is a risk that in the future neither we nor our independent registered public accounting firm will be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404 or that we will not be able to comply with the requirements of Section 404 in a timely manner. If this were to occur, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources. Furthermore, investor perceptions of our company may suffer if deficiencies are found, and this could cause a decline in the market price of our stock. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on our internal control over financial reporting from our independent registered public accounting firm.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be the sole source of gain for our stockholders.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of the Financing Agreement preclude us, and the terms of any future debt agreements may preclude us, from paying cash dividends. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for our stockholders for the foreseeable future.

Repurchases of our capital stock may be subject to additional tax.

As part of the Inflation Reduction Act of 2022, for tax years beginning on or after December 31, 2022, U.S. Congress enacted a 1% excise tax on certain stock repurchases or similar transactions effected by publicly traded domestic corporations such as ours. This tax could make stock repurchases less desirable, and therefore less likely, as compared with other possible uses of our funds, and could reduce the amount of cash available if we do determine to pursue a stock repurchase.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage point change (by value) in the ownership of its equity over a three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset its post-change income may be limited. We may have experienced such ownership changes in the past, and we may experience ownership changes in the future as a result of shifts in our stock ownership, some of which are outside our control. As of December 31, 2024, we had federal net operating loss carryforwards of approximately $859.2 million, and our ability to utilize those net operating loss carryforwards could be limited by an "ownership change" as described above, which could result in increased tax liability to us. In addition, pursuant to the Tax Cuts and Jobs Act, or TCJA, we may not use net operating loss carry-forwards generated in taxable years beginning after December 31, 2017 to reduce our taxable income in any year beginning after December 31, 2020 by more than 80%, and we may not carry back any net operating losses to prior years. These rules apply regardless of the occurrence of an ownership change.

In March 2025, we completed an update to our prior Section 382 study dated December 31, 2022. Because the Section 382 owner shifts are tested on a cumulative basis, the most recent update incorporates the period from February 7, 2017, the day of the last identified ownership change, through December 31, 2024. The analysis concluded that it is more likely than not that an additional ownership change did not occur during the update analysis period. This assumes that no further significant shifts in stock ownership have occurred by virtue of equity events that have not yet been reported in publicly available SEC filings. We engaged an external tax advisor to determine if we had equity activity through March 31, 2025 that would give rise to a greater than 50 percentage point ownership change. The analysis was updated for reported transactions among our 5% and greater stockholders. The analysis concluded that there was no additional equity activity through March 31, 2025 that would rise to the level of a greater than 50 percentage point ownership change. This also assumes that no further significant shifts in stock ownership have occurred by virtue of equity events that have not yet been reported in publicly available SEC filings. It is possible that there have been significant shifts in stock ownership that have not been reported yet in publicly available SEC filings.

Item 5. Other Information

During the three months ended March 31, 2025, one of the Company's executive officers adopted a "Rule 10b5-1 trading arrangement," as the term is defined in Item 408(a) of Regulation S-K. We describe the material terms of the Rule 10b5-1 trading arrangement below.

Name and Title	Action Taken	Type of Trading Arrangement	Nature of Trading Arrangement	Duration of Trading Arrangement	Aggregate Number of Securities
Fouad Namouni *(President, Research and Development)*	Adoption March 11, 2025	Trading plan intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c)	Sale of the Company's common stock pursuant to the terms of the trading plan	March 11, 2025 – March 2, 2026	13,944

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1	Fifth Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q, filed by the Registrant on November 9, 2015).
3.2	Amended and Restated Bylaws, as amended on November 30, 2022, of the Registrant (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed by the Registrant on December 6, 2022).
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith.

\+ The certifications furnished in Exhibit 32.1 hereto are deemed to be furnished with this Quarterly Report on Form 10-Q and will not be deemed to be "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLUEPRINT MEDICINES CORPORATION

Date: May 1, 2025

By: /s/ Kathryn Haviland
Kathryn Haviland
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 1, 2025

By: /s/ Michael Landsittel
Michael Landsittel
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATIONS

I, Kathryn Haviland, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Blueprint Medicines Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025

By:/s/ Kathryn Haviland
Kathryn Haviland
President, Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Michael Landsittel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Blueprint Medicines Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025

By:/s/ Michael Landsittel
Michael Landsittel
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Blueprint Medicines Corporation (the "Company") for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2025

By: /s/ Kathryn Haviland
Kathryn Haviland
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 1, 2025

By: /s/ Michael Landsittel
Michael Landsittel
Chief Financial Officer
(Principal Financial Officer)