UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

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

For the fiscal year ended December 31, 2024

OR

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

Commission File Number 001-40431

DAY ONE BIOPHARMACEUTICALS, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	**83-2415215**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1800 Sierra Point Parkway, Suite 200 Brisbane, CA	**94005**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (650) 484-0899

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 $0.0001 per share	**DAWN**	**Nasdaq Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ NO ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ NO ☒

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on June 30, 2024, was approximately $971.5 million.

The number of shares of Registrant's Common Stock outstanding as of February 20, 2025 was 101,354,516.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to the 2025 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein. The Definitive Proxy Statement will be filed within 120 days of the Registrant's fiscal year ended December 31, 2024. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A ("Amendment No. 1") is being filed to amend our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("the "Original Filing"), filed with the U.S. Securities and Exchange Commission on February 25, 2025 (the "Original Filing Date"). The sole purpose of this Amendment No. 1 is to (i) amend the Consent filed as Exhibit 23.1 in the Original Filing, which did not conform with the consent provided by the Company's Independent Registered Public Accounting Firm as it inadvertently referenced the incorrect date with respect to the Report of Independent Registered Public Accounting Firm, omitted reference to the Company's Registration Statement No. 333-284210 on Form S-8 and Registration Statement No. 333-281822 on Form S-3 and referenced the incorrect location of the office of the Independent Registered Public Accounting Firm and (ii) amend the reports that include reference to "Report of Independent Registered Public Accounting Firm" contained in Part II, Item 8 "Financial Statements and Supplementary Data" of the Original Filing (the "Audit Reports"), which inadvertently contained incorrect references between the Audit Reports and the financial statements.

Except as described above, no changes have been made to the Original Filing and this Amendment No. 1 does not restate, amend or update in any way any of the financial or other information contained in the Original Filing. This Amendment No. 1 does not reflect events that may have occurred subsequent to the Original Filing Date.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, we have included the entire text of Item 8 and Item 9A of the Original Filing in this Amendment No. 1 and this Amendment No. 1 also contains new certifications pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002, which are being filed as Exhibits 31.1, 31.2 and 32.1 hereto, respectively.

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PART II

Item 8. Financial Statements and Supplementary Data.

The information required by this Item is set forth in the financial statements and notes thereto beginning at page F-1 of this Annual Report on Form 10-K.

Item 9A. Controls and Procedures.

Evaluation of Disclosure of Controls and Procedures

Our management, with the participation of our Chief Executive Officer and President and our Chief Operating Officer and Chief Financial Officer, our principal executive officer and principal financial officer, respectively, have evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2024. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of December 31, 2024, our disclosure controls and procedures were effective.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control over financial reporting is designed 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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of our internal control over financial reporting based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in *Internal Control-Integrated Framework (2013 framework)*. Based on our evaluation, management has concluded that our internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1) Financial Statements:

The financial statements required by Item 15(a) are filed as part of this Annual Report on Form 10-K under Item 8 "Financial Statements and Supplementary Data."

(2) Financial Statement Schedules

The financial statement schedules required by Item 15(a) are omitted because they are not applicable, not required or the required information is included in the financial statements or notes thereto as filed in Item 8 of this Annual Report on Form 10-K.

(3) Exhibits.

Exhibit Number	Description	Form	File No.	Exhibit Filing Date	Filed/ Furnished Herewith
3.1	Restated Certificate of Incorporation, dated June 1, 2021, as amended June 22, 2023.	10-Q	001-40431	August 7, 2023	
3.2	Amended and Restated Bylaws, dated February 17, 2023.	8-K	001-40431	February 23, 2023	
3.3	Certificate of Ownership and Merger, dated December 23, 2021	10-K	001-40431	March 7, 2022	
4.1	Form of Common Stock Certificate	S-1/A	333-255754	May 24, 2021	
4.2	Amended and Restated Investors' Rights Agreement, dated February 1, 2021, by and among Day One Biopharmaceuticals Holding Company, LLC and certain of its stockholders.	S-1	333-255754	May 4, 2021	
4.3	Form of Pre-Funded Warrant	8-K	001-40431	July 30, 2024	
4.4	Form of Registration Rights Agreement	8-K	001-40431	July 30, 2024	
4.5	Description of Registrant's Securities	10-K	001-40431	March 7, 2022	
10.1^	Form of Indemnification Agreement with directors and officers	S-1	333-255754	May 4, 2021	
10.2^	Form of Change in Control and Severance Agreement	10-K	001-40431	March 7, 2022	
10.3^	2021 Equity Incentive Plan and forms of award agreements	S-8	333-276372	January 4, 2024	

10.4^	2021 Employee Stock Purchase Plan and forms of award agreements	S-8	333-276372	January 4, 2024
10.5^	2022 Equity Inducement Plan and forms of agreement	S-8	333-268071	October 31, 2022
10.6†	Office Lease, dated June 26, 2024, by and between Arcus Biosciences, Inc., a Delaware corporation, and Day One Biopharmaceuticals, Inc.	10-K	001-40431	February 25, 2025
10.7†	Asset Transfer and License Agreement, effective as of December 16, 2019, by and between DOT Therapeutics-1, Inc. and Millennium Pharmaceuticals, Inc.	S-1	333-255754	May 4, 2021
10.8†	License Agreement for RAF, effective as of December 16, 2019, by and between Sunesis Pharmaceuticals, Inc. and DOT Therapeutics-1, Inc.	S-1	333-255754	May 4, 2021
10.9†	License Agreement, dated February 10, 2021, by and between Merck KGaA, Darmstadt, Germany and Day One Biopharmaceuticals, Inc.	S-1	333-255754	May 4, 2021
10.10	Stock Exchange Agreement, dated May 4, 2021, by and between Day One Biopharmaceuticals Holding Co., LLC and Millennium Pharmaceuticals, Inc.	S-1	333-255754	May 4, 2021
10.11†	Amendment No. 1 to the License Agreement for RAF, dated March 4, 2024, by and between Day One Biopharmaceuticals, Inc. and Sunesis Pharmaceuticals, Inc.	8-K	001-40431	March 7, 2024
10.12†*	Asset Purchase Agreement, dated May 29, 2024.	10-Q	001-40431	August 2, 2024
10.13†*	Exclusive License Agreement by and between MabCare Therapeutics and Day One Biopharmaceuticals, Inc. dated June 17, 2024.	10-Q	001-40431	August 2, 2024
10.14†*	Exclusive License Agreement by and between Day One Biopharmaceuticals, Inc. and Ipsen Pharma SAS dated July 23, 2024.	10-Q	001-40431	October 30, 2024
19.1	Insider Trading Policy	10-K	001-40431	February 25, 2025
21.1	Subsidiaries of the Registrant	10-K	001-40431	February 25, 2025

23.1	Consent of Pricewaterhouse Coopers LLP, Independent Registered Public Accounting Firm				X
23.2	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm	10-K	001-40431	February 25, 2025	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification 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.				X
97.1	Compensation Recovery Policy	10-K	001-40431	February 25, 2025	

101.INS	Inline XBRL Instance Document	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)	X

† Registrant has omitted portions of the exhibit as permitted under Item 601(b)(10) of Regulations S-K.

^ Indicates management contract or compensatory plan.

* Registrant has omitted schedules and exhibits pursuant to Item 601(a)(5) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of the omitted schedules and exhibits to the SEC upon request

** This certification is deemed not filed for purposes of section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

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

DAY ONE BIOPHARMACEUTICALS, INC.

Date: March 6, 2025

By: /s/ Jeremy Bender, Ph.D., M.B.A.
Jeremy Bender, Ph.D., M.B.A.
Chief Executive Officer and President
(Principal Executive Officer)

DAY ONE BIOPHARMACEUTICALS, INC.

Date: March 6, 2025

By: /s/ Charles N. York II, M.B.A.
Charles N. York II, M.B.A.
Chief Operating Officer and Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Jeremy Bender, Ph.D., M.B.A. Jeremy Bender, Ph.D., M.B.A.	Chief Executive Officer and President (Principal Executive Officer)	March 6, 2025
/s/ Charles N. York II, M.B.A. Charles N. York II, M.B.A.	Chief Operating Officer and Chief Financial Officer (Principal Financial and Accounting Officer)	March 6, 2025
* Garry Nicholson	Chair and Director	March 6, 2025
* Habib Dable	Director	March 6, 2025
* Scott Garland	Director	March 6, 2025
* Michael Gladstone	Director	March 6, 2025
* William Grossman, M.D., Ph.D.	Director	March 6, 2025
* Natalie Holles	Director	March 6, 2025
* John A. Josey, Ph.D., M.B.A.	Director	March 6, 2025
* Saira Ramasastry, M.S., M.Phil.	Director	March 6, 2025

* By: /s/ Charles N. York II, M.B.A.
Charles N. York II, M.B.A.
Attorney-in-Fact

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Day One Biopharmaceuticals, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying balance sheets of Day One Biopharmaceuticals, Inc. (the "Company") as of December 31, 2024 and 2023, and the related statements of operations, of comprehensive loss, of stockholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accrued Clinical Trial Expenses

As described in Notes 2 and 4 to the financial statements, the Company records accrued liabilities for estimated costs of clinical trials conducted by third-party service providers. As disclosed by management, these costs are accrued based on factors such as estimates of the work completed and in accordance with terms established with third-party service providers under the service agreements. Management makes judgments and estimates in determining the accrued liabilities for estimated costs of clinical trials each reporting period and monitors patient enrollment levels and related activities to the extent possible through internal reviews, correspondence with clinical research organizations ("CROs") and review of contractual terms. Within accrued expenses and other current liabilities, management has recorded $18.8 million of accrued research and development expenses as of December 31, 2024, a portion of which relates to accrued clinical trial expenses.

The principal considerations for our determination that performing procedures relating to accrued clinical trial expenses is a critical audit matter are (i) the significant judgment by management when developing the estimate of the accrued clinical trial expenses; and (ii) a high degree of auditor judgment and effort in performing procedures related to management's estimate of the accrued clinical trial expenses.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of accrued clinical trial expenses, including controls over the estimates of the work completed in accordance with terms established with third-party service providers under the service agreements. These procedures also included, among others, (i) testing management's process for estimating accrued clinical trial expenses, (ii) evaluating the appropriateness of the method used by management to develop the estimate, (iii) testing the completeness and accuracy of the data used by management to develop the estimate related to invoicing to date under the contracts and costs incurred for services received, and (iv) evaluating the reasonableness of the estimated costs incurred for the services which have not been invoiced by tracing to underlying supporting documentation, such as underlying contracts, invoices and information received from certain third party service providers, where applicable.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California
February 25, 2025

We have served as the Company's auditor since 2023.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Day One Biopharmaceuticals, Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of operations, comprehensive loss, stockholders' equity and cash flows of Day One Biopharmaceuticals, Inc. (the Company) for the year ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We served as the Company's auditor from 2021 to 2023.

San Mateo, California

March 6, 2023

Day One Biopharmaceuticals, Inc.
Balance Sheets
(in thousands, except share and per share amounts)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 124,968	$ 230,784
Short-term investments	406,752	135,563
Accounts receivable, net	13,876	—
Inventory	3,321	—
Prepaid expenses and other current assets	13,413	8,927
Total current assets	562,330	375,274
Property and equipment, net	2,285	208
Operating lease right-of-use asset	2,422	352
Intangible assets, net	15,630	—
Deposits and other long-term assets	121	214
Total assets	$ 582,788	$ 376,048
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,262	$ 2,576
Accrued expenses and other current liabilities	68,625	26,524
Current portion of deferred revenue	1,554	—
Current portion of operating lease liabilities	10	408
Total current liabilities	73,451	29,508
Long-term portion of deferred revenue	3,233	—
Long-term portion of operating lease liabilities	2,592	—
Other long-term liability	761	—
Total liabilities	80,037	29,508
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, $0.0001 par value; 500,000,000 shares authorized as of December 31, 2024 and December 31, 2023; 101,116,162 and 87,227,132 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	10	9
Additional paid-in-capital	1,056,738	805,107
Accumulated other comprehensive income	84	9
Accumulated deficit	(554,081)	(458,585)
Total stockholders' equity	502,751	346,540
Total liabilities and stockholders' equity	$ 582,788	$ 376,048

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

Day One Biopharmaceuticals, Inc.
Statements of Operations
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2024	**2023**	**2022**
Revenue:			
Product revenue, net	$ 57,217	$ —	$ —
License revenue	73,944	—	—
Total revenues	131,161	—	—
Cost and operating expenses:			
Cost of product revenue	5,279	—	—
Research and development	227,702	130,521	85,618
Selling, general and administrative	115,450	75,543	61,291
Total cost and operating expenses	348,431	206,064	146,909
Loss from operations	(217,270)	(206,064)	(146,909)
Non-operating income:			
Gain from sale of priority review voucher	108,000	—	—
Investment income, net	19,701	17,187	4,746
Other income (expense), net	1,217	(40)	(18)
Total non-operating income, net	128,918	17,147	4,728
Loss before income taxes	(88,352)	(188,917)	(142,181)
Income tax expense	(7,144)	—	—
Net loss	(95,496)	(188,917)	(142,181)
Net loss per share - basic	$ (1.02)	$ (2.37)	$ (2.17)
Net loss per share - diluted	$ (1.02)	$ (2.37)	$ (2.17)
Weighted-average number of common shares used in net loss per share - basic	93,234,195	79,773,004	65,466,773
Weighted-average number of common shares used in net loss per share - diluted	93,234,195	79,773,004	65,466,773

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

Day One Biopharmaceuticals, Inc.
Statements of Comprehensive Loss
(in thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Net loss	$ (95,496)	$ (188,917)	$ (142,181)
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	75	80	(71)
Total comprehensive loss	$ (95,421)	$ (188,837)	$ (142,252)

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

Day One Biopharmaceuticals, Inc.
Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity/Members' (Deficit)
	Shares	Amount				
Balance at December 31, 2021	61,952,292	$ 6	$ 408,629	$ —	$ (127,487)	$ 281,148
Issuance of common stock pursuant to follow-on offering, net of issuance costs of $10,864	11,500,000	1	161,609	—	—	161,610
Issuance of common stock upon exercise of stock options	235,474	—	3,649	—	—	3,649
Issuance of common stock upon release of restricted stock units	79,441	—	—	—	—	—
Issuance of common stock pursuant to Employee Stock Purchase Plan	97,413	—	642	—	—	642
Unvested common stock forfeiture	(406,444)	—	—	—	—	—
Share-based compensation expenses	—	—	27,242	—	—	27,242
Unrealized loss on available-for-sale securities	—	—	—	(71)	—	(71)
Net loss attributable to common stockholders/members'	—	—	—	—	(142,181)	(142,181)
Balance at December 31, 2022	73,458,176	$ 7	$ 601,771	$ (71)	$ (269,668)	$ 332,039
Issuance of common stock pursuant to follow-on offering, net of issuance costs of $10,827	13,269,231	2	161,407	—	—	161,409
Issuance of common stock upon exercise of stock options	88,459	—	1,338	—	—	1,338
Issuance of common stock upon release of restricted stock units	317,245	—	—	—	—	—
Issuance of common stock pursuant to Employee Stock Purchase Plan	115,421	—	1,250	—	—	1,250
Unvested common stock forfeiture	(21,400)	—	—	—	—	—
Share-based compensation expenses	—	—	39,341	—	—	39,341
Unrealized gain on available-for-sale securities	—	—	—	80	—	80
Net loss attributable to common stockholders	—	—	—	—	(188,917)	(188,917)
Balance at December 31, 2023	87,227,132	$ 9	$ 805,107	$ 9	$ (458,585)	$ 346,540
Issuance of common stock upon exercise of stock options	172,163	—	2,267	—	—	2,267
Issuance of common stock upon release of restricted stock units	680,963	—	—	—	—	—
Issuance of common stock pursuant to Employee Stock Purchase Plan	171,442	—	1,906	—	—	1,906
Issuance of common stock in connection with private placement, net of placement agent fees and offering costs	12,893,213	1	178,176	—	—	178,177
Issuance of prefunded warrants to purchase common stock in connection with private placement, net of issuance costs	—	—	20,941	—	—	20,941
Unvested common stock forfeiture	(28,751)	—	—	—	—	—
Share-based compensation expenses	—	—	48,341	—	—	48,341
Unrealized gain on available-for-sale securities	—	—	—	75	—	75
Net loss	—	—	—	—	(95,496)	(95,496)
Balance at December 31, 2024	101,116,162	$ 10	$ 1,056,738	$ 84	$ (554,081)	$ 502,751

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

Day One Biopharmaceuticals, Inc.
Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Cash flows from operating activities:			
Net loss	$ (95,496)	$ (188,917)	$ (142,181)
Adjustments to reconcile net loss to net cash used in operating activities:			
Acquired in-process research and development assets	55,000	3,000	—
Share-based compensation expense	48,263	39,341	27,242
Depreciation expense	92	36	63
Accretion of discounts on short-term investments, net	(6,389)	(10,078)	(2,030)
Amortization of intangible assets	1,470	—	—
Amortization of operating right-of-use asset	467	347	468
Gain from sale of priority review voucher	(108,000)	—	—
Changes in operating assets and liabilities:			
Accounts receivable, net	(13,876)	—	—
Inventory	(3,243)	—	—
Prepaid expenses and other current assets	(4,556)	(3,322)	(546)
Deposits and other long-term assets	93	255	(300)
Accounts payable	686	2,316	(1,484)
Accrued expenses and other current liabilities	42,101	10,574	9,241
Deferred revenue	4,787	—	—
Operating lease liability	(273)	(405)	(347)
Other long-term liability	761	—	—
Net cash used in operating activities	(78,113)	(146,853)	(109,874)
Cash flows from investing activities:			
Cash paid for purchase of short-term investments	(658,616)	(443,838)	(394,206)
Proceeds from maturity of short-term investments	314,482	575,440	139,158
Proceeds from sale of short-term investments	79,409	—	—
Cash paid for acquired intangible assets	(17,100)	—	—
Proceeds from sale of priority review voucher	108,000	—	—
Cash paid for acquired in-process research and development assets	(55,000)	(3,000)	—
Cash paid for purchase of property and equipment	(2,169)	(224)	(26)
Net cash (used in) provided by investing activities	(230,994)	128,378	(255,074)
Cash flows from financing activities:			
Proceeds from issuance of common stock in connection with private placement, net of placement agent fees and offering costs	178,177	—	—
Proceeds from issuance of prefunded warrants to purchase common stock in connection with private placement, net of issuance costs	20,941	—	—
Proceeds from issuance of common stock, net	—	161,409	161,610
Proceeds from issuance of common stock upon stock option exercises	2,267	1,338	3,649
Proceeds from issuance of common stock upon Employee Stock Purchase Plan purchase	1,906	1,250	642
Cash provided by financing activities	203,291	163,997	165,901
Net (decrease) increase in cash and cash equivalents	(105,816)	145,522	(199,047)
Cash and cash equivalents, beginning of period	230,784	85,262	284,309
Cash and cash equivalents, end of period	$ 124,968	$ 230,784	$ 85,262
Supplemental disclosure of cash flow information:			
Income taxes paid	1,898	—	—
Supplemental disclosures of noncash activities:			
Cash not yet paid for license agreement milestone payment	20,000		
Right-of-use asset obtained in exchange for new operating lease liabilities	2,554	—	940

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

Day One Biopharmaceuticals, Inc.
Notes to the Financial Statements

1. Description of Business and Organization

Organization and Business

Day One Biopharmaceuticals, Inc. is a commercial-stage company focused on advancing medicines for childhood and adult diseases with equal intensity. The Company was founded in November 2018 and is headquartered in Brisbane, CA.

Risks and Uncertainties

The Company is subject to risks common to commercial-stage companies in the biopharmaceutical industry including, but not limited to, uncertainties related to clinical effectiveness of the product, commercialization of products, regulatory approvals, dependence on key products, key personnel and third-party service providers such as contract research organizations ("CROs"), protection of intellectual property rights and the ability to make milestone, royalty or other payments due under any license, collaboration or supply agreements.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP, and include the accounts of the Company's subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in Accounting Standards Codification, or ASC, and Accounting Standards Updates, or ASU, of the Financial Accounting Standards Board, or FASB.

Going Concern

The Company assesses and determines its ability to continue as a going concern in accordance with the provisions of ASC Topic 205-40, *Presentation of Financial Statements—Going Concern*, which requires the Company to evaluate whether there are conditions or events that raise substantial doubt about its ability to continue as a going concern within one year after the date that its annual and interim financial statements are issued. Certain additional financial statement disclosures are required if such conditions or events are identified. Determining the extent, if any, to which conditions or events raise substantial doubt about the Company's ability to continue as a going concern, or the extent to which mitigating plans sufficiently alleviate any such substantial doubt, as well as whether or not liquidation is imminent, requires significant judgment by management.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Estimates and assumptions made in the accompanying financial statements include, but are not limited to, accruals for research and development expenses, variable consideration and other relevant inputs impacting the gross and net revenue recognition, the valuation of share-based awards, and the valuation of deferred tax assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable. Actual results may differ from those estimates or assumptions.

Segments

Operating segments are defined as components of an entity about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one operating segment.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments, and accounts receivable. Amounts on deposit may at times exceed federally insured limits. The Company is exposed to credit risk in the event of default by the financial institutions holding its cash, cash equivalents and short-term investments that are recorded on its balance sheet. Per policy, the Company mitigates its risk by investing in high-grade instruments and limiting the concentration in any one non-United States government or government backed issuer, which limits its exposure. The Company has not experienced any losses on its cash, cash equivalents and short-term investments.

For the year ended December 31, 2024, two individual customers accounted for 94.3% of total net product revenue, with these individual customers representing 66.2% and 28.1% of the Company's total net product revenue. As of December 31, 2024, two customers accounted for 88.7% of the accounts receivable balance, with these individual customers representing 64.5% and 24.2% of the accounts receivable balance. No other individual customers account for more than 10.0% of net product sales or accounts receivable. The Company monitors the financial condition of its customers so that it can appropriately respond to changes in their creditworthiness. To date, the Company has not experienced any losses with respect to the collection of its accounts receivable.

The Company is subject to certain risks and uncertainties and believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position or results of its operations: ability to obtain future financing; regulatory requirements for approval and market acceptance of, and reimbursement for, product candidates; performance of third-party clinical research organizations and manufacturers upon which the Company relies; development of sales channels; protection of the Company’s intellectual property; litigation or claims against the Company based on intellectual property, patent, product, regulatory or other factors; changes to the market landscape; and the Company’s ability to attract and retain employees necessary to support its growth.

The Company is dependent on third-party manufacturers to supply products for commercial and research and development activities in its programs. In particular, the Company relies and expects to continue to rely on a small number of manufacturers to supply it with its requirements for the active pharmaceutical ingredients and formulated drugs related to these programs. These programs could be adversely affected by a significant interruption in the supply of active pharmaceutical ingredients and formulated drugs.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. The Company’s cash equivalents consist of investments in money market funds, U.S. government agency securities, and U.S. treasury securities. Cash equivalents are recognized at amortized cost, which approximates fair value.

Investments

The Company’s investments are comprised of U.S. treasury securities and U.S. government agency securities. Investments are classified at the time of purchase, based on management’s intent, as held-to-maturity, available-for-sale, or trading. All of the Company’s investments are classified as available-for-sale. Available-for-sale securities are carried at estimated fair value with unrealized holdings gains and losses (net of tax effects) on such investments reported in other comprehensive income as a separate component on the statements of comprehensive loss. Fair value is determined based on quoted market rates when observable or by utilizing data points that are observable, such as quoted prices, interest rates, and yield curves.

For available-for-sale securities, the Company determines if any impairment is related to credit loss or non-credit loss. In making the assessment of whether a loss is from credit or other factors, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and adverse conditions related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows is less than the amortized cost basis, a credit loss exists and an allowance is created, limited by the amount that the fair value is less than amortized cost basis. Subsequent activity related to the credit loss component in the form of write-offs or recoveries is recognized as part of the allowance for credit losses on available-for-sale securities.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts reflected in the accompanying balance sheets for cash equivalents, prepaid expenses, other current assets, accounts payable, accrued expenses and other current liabilities approximate their fair values, due to their short-term nature.

Accounts Receivable, Net

Accounts receivable, net consists of trade receivables which are amounts due from the Company's specialty pharmacy and specialty distributor customers related to product sales. The Company records trade receivables net of discounts, chargebacks, and any allowances for potential credit losses. An allowance for credit losses is determined based on the financial condition and creditworthiness of customers and the Company considers economic factors and events or trends expected to affect future collections experience. Any allowance would reduce the net receivables to the amount that is expected to be collected. The payment history of the Company’s customers will be considered in future assessments of collectability as these patterns are established over a longer period of time. For the year ended December 31, 2024, the Company did not record any expected credit losses related to outstanding accounts receivable.

Inventory

The Company began capitalizing inventory for OJEMDA upon approval by the U.S. Food and Drug Administration, or FDA, in April 2024. OJEMDA is approved for the treatment of patients 6 months of age and older with relapsed or refractory pediatric low-grade glioma, or pLGG, harboring a BRAF fusion rearrangement, or

BRAF V600 mutation. Prior to regulatory approval, all direct and indirect manufacturing costs were charged to research and development expense in the period incurred.

Inventory is comprised of raw materials, work-in-process and finished goods, and includes costs related to third-party contract manufacturing, packaging, freight-in and overhead. Inventory is stated at the lower of cost or net realizable value with cost based on the first-in-first-out method. Raw and intermediate materials that may be used for either research and development or commercial purposes where the intended use is not yet known are classified as inventory until the material is consumed or otherwise allocated for research and development. If the material is used or otherwise allocated for research and development, it is expensed as research and development in the period that determination is made.

The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and it writes down any excess and obsolete inventories to their estimated realizable value in the period in which the impairment is first identified. Such impairment charges, should they occur, are recorded within cost of product revenue. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required, which would be recorded as a cost of product revenue in the statements of operations. There were no expenses recorded for excess inventory or other impairments during the year ended December 31, 2024.

Property and Equipment, Net

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is recognized using the straight-line method over the estimated useful lives of the related assets ranging from three to five years, and leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset. As of December 31, 2024 and 2023, property and equipment, net was not material. Depreciation expense for each of the years ended December 31, 2024, 2023, and 2022 was immaterial.

Leases

Contractual arrangements that meet the definition of a lease are classified as operating or finance leases and are recorded on the balance sheets as both a right-of-use asset, or ROU asset, and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate, or IBR. Lease ROU assets and lease obligations are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The Company currently does not have any finance leases.

Operating lease ROU assets are adjusted for (i) payments made at or before the commencement date, (ii) initial direct costs incurred, and (iii) tenant incentives under the lease. As the implicit rate for the operating leases are not determinable, the Company determines its IBR based on the information available at the applicable lease commencement date. The IBR is determined by using the rate of interest that the Company would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment where the asset is located. The Company considers a lease term to be the noncancelable period that it has the right to use the underlying asset, including any periods where it is reasonably certain the Company will exercise any option to extend the contract.

Lease costs for minimum lease payments for operating leases are recognized on a straight-line basis over the lease term. Lease liabilities are increased by interest and reduced by payments each period, and the ROU asset is amortized over the lease term. Variable lease costs are recorded when incurred. In measuring the ROU assets and lease liabilities, the Company has elected to combine lease and non-lease components. The Company excludes short-term leases, if any, having initial terms of 12 months or less at lease commencement as an accounting policy election, and recognizes rent expense on a straight-line basis over the lease term for these types of leases.

Intangible Assets, Net

Upon FDA approval and commercial launch of OJEMDA in April 2024, the Company capitalized the $9.0 million milestone payment to Viracta Therapeutics, Inc. (f/k/a Sunesis Pharmaceuticals, Inc.), or Viracta, for a specified regulatory milestone as a finite-lived intangible asset. Upon the sale of the Priority Review Voucher, or PRV, in May 2024 to fully satisfy PRV-related obligations of the Company's license agreement with Viracta, dated

December 16, 2019, as amended, the Company capitalized the $8.1 million payment to Viracta as a finite-lived intangible asset. The intangible assets will be amortized on a straight-line basis over each of the estimated useful life of the underlying intellectual property of 7.3 years. Amortization expense will be recorded as cost of product revenue.

Impairment of Long-Lived Assets

The Company evaluates its long-lived asset group, which consist of property and equipment and right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. To date, no impairments have been recognized in the financial statements.

Revenue Recognition

The Company recognizes net product and license revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, or ASC 606, which outlines a five-step process for recognizing revenue from contracts with customers: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the separate performance obligations in the contract, and (v) recognize revenue associated with the performance obligations as they are satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once a contract is determined to be within the scope of ASC 606, the Company determines the performance obligations that are distinct. The Company recognizes as revenues the amount of the transaction price that is allocated to each respective performance obligation when the performance obligation is satisfied.

Product Revenue, Net

The Company recognizes net product revenue from OJEMDA for the treatment of patients 6 months of age and older with relapsed or refractory pLGG harboring a BRAF fusion rearrangement, or BRAF V600 mutation, which it began selling in May 2024 through contractual arrangements with its specialty pharmacy and specialty distributor customers.

The Company has determined that the delivery of OJEMDA to its customers constitutes a single performance obligation. There are no other promises to deliver goods or services beyond what is specified in each accepted customer order. Net product revenue is recognized at the transaction price when the customer obtains control of the Company’s product, which occurs at a point in time upon delivery of the product to the customer.

The Company has assessed the existence of a significant financing component in the agreements with its customers. The trade payment terms with the Company’s customers do not exceed one year and therefore the Company has elected to apply the practical expedient and no amount of consideration has been allocated as a financing component.

Net product revenues from the sale of OJEMDA are recorded at the transaction price, which include adjustments for discounts and allowances, including estimated cash discounts, government chargebacks, government rebates, specialty distributor fees, copay assistance, and returns. These adjustments represent variable consideration under ASC 606 and are estimated using the expected value method or most likely amount method and are recorded when revenue is recognized on the sale of the product. These adjustments are established by management as its best estimate based on available information and will be adjusted to reflect known changes in the factors that impact such allowances. Adjustments for variable consideration are determined based on the contractual terms with customers, historical trends, communications with customers and the levels of inventory remaining in the distribution channel, as well as expectations about the market for the product and anticipated introduction of competitive products. Overall, these reserves reflect the Company’s best estimates of the amount of consideration to which it is entitled based on the terms of the respective underlying contracts.

The amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price, only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. Actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from the Company's original estimates, the Company will adjust these estimates, which would affect net product revenue and earnings in the period such variances become known.

Cash Discounts — The Company estimates cash discounts based on contractual terms and expectations regarding future customer payment patterns. The adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and accounts receivable.

Government Chargebacks — Chargebacks for fees and discounts to qualified government healthcare providers represent the estimated obligations resulting from contractual commitments to sell products to qualified U.S. Department of Veterans Affairs hospitals and 340B entities at prices lower than the list prices charged to customers who directly purchase the product from the Company. The 340B Drug Discount Program is a U.S. federal government program created in 1992 that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices. Customers charge the Company for the difference between what they pay for the product and the statutory selling price to the qualified government entity. These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and accounts receivables, net. Chargeback amounts are generally determined at the time of resale to the qualified government healthcare provider by customers, and the Company generally issues credits for such amounts within a few weeks of the Customer's notification to the Company of the resale. Reserves for chargebacks consist of chargebacks that customers have claimed, but for which the Company has not yet issued a credit and credits that the Company expects to issue for product that has been recognized as revenue, but which remains in the distribution channel inventories at the end of each reporting period.

Government Rebates — The Company is subject to discount obligations under state Medicaid programs and Medicare. These reserves are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses and other current liabilities. For Medicare, the Company also estimates the number of patients in the prescription drug coverage gap for whom the Company will owe an additional liability under the Medicare Part D program. For Medicaid programs, the Company estimates the portion of sales attributed to Medicaid patients and records a liability for the rebates to be paid to the respective state Medicaid programs. The Company's liability for these rebates consists of invoices received for claims from prior quarters that have not been paid or for which an invoice has not yet been received, estimates of claims for the current quarter, and estimated future claims that will be made for product that has been recognized as revenue, but which remains in the distribution channel inventories at the end of each reporting period.

Specialty Distributor Fees — The Company pays fees to our specialty distributor customers for distribution services provided in connection with the sales of OJEMDA. These specialty distributor fees are based on a contractually determined fixed percentage of sales. The adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses and other current liabilities.

Copay Assistance — The Company offers a co-pay assistance program, which is intended to provide financial assistance to qualified commercially-insured patients with prescription drug co-payments required by payers. The calculation of the accrual for co-pay assistance is based on an estimate of claims and the cost per claim that the Company expects to receive associated with product that has been recognized as revenue, but remains in the distribution channel inventories at the end of each reporting period. The adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included as accrued expenses and other current liabilities.

Product Returns — Consistent with industry practice, the Company's contracts with customers for OJEMDA generally provide for returns only if the product is damaged or defective upon delivery, if there is a shipment error, and for certain customers, if the product is within an eligible expiry window. The Company currently estimates product return reserves using available industry data and its own sales information, including its visibility into the inventory remaining in the distribution channel. The Company believes the returns of OJEMDA will be minimal because our customers often carry limited inventory given the price of our products, and the limited number of patients. These reserves are established in the same period that the related revenue is recognized.

License Revenue

The Company generates license revenue from the Ipsen License Agreement, pursuant to which, the Company licensed to Ipsen Pharma SAS, or Ipsen, the right to commercialize tovorafenib in all territories outside the United States and agreed to provide certain research and development and manufacturing services.

Under the terms of the Ipsen License Agreement, (i) Ipsen paid the Company an upfront license fee in the amount of $70.8 million and (ii) Ipsen Biopharmaceuticals, Inc., or the Investor, a fully-owned United States affiliate of Ipsen, purchased 2,341,495 shares of the Company's common stock in a private placement for $40.0 million, at a price per share representing a 17.0% premium to the volume weighted average price, or VWAP, of the Company's common stock as traded on The Nasdaq Stock Market LLC for the ten consecutive trading days prior to and including the date of the Company's public release of U.S. GAAP revenue for the quarter ended June 30, 2024 on July 30, 2024, or the Revenue Release, and the ten consecutive trading days following the Revenue Release, in accordance with the terms set forth in an investment agreement by and between the Company and the Investor dated July 23, 2024. The Company is also eligible to receive up to approximately $330.0 million based on exchange rates as of the reporting date in additional commercial launch and sales-based milestone payments, as well as tiered, double-digit royalty payments starting at mid-teens percentage of annual net sales of tovorafenib, subject to customary adjustments specified in the Ipsen License Agreement.

The commercial launch milestones related to first commercial sale(s) in certain territories, sales-based milestones and royalties are recognized as revenue when the related sales occur as the license of intellectual property is deemed to be the predominant item to which the commercial launch milestones, sales-based milestones and royalties relate.

Upon execution of the Ipsen License Agreement, the transaction price was determined to be $78.2 million, representing the aggregate of the upfront license fee of $70.8 million and the premium paid by Ipsen on its equity investment in the Company of $7.4 million (the excess of the value of the shares of the Company issued to Ipsen), representing additional consideration from Ipsen for the rights under the Ipsen License Agreement.

The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue against each performance obligation as or when the performance obligations under the contract are satisfied.

If a license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes the transaction price allocated to the license as revenue upon transfer of control of the license. All other promised goods or services in the agreement are evaluated to determine if they are distinct. If they are not distinct, they are combined with other promised goods or services to create a bundle of promised goods or services that is distinct. Optional future services where any additional consideration paid to the Company reflects their standalone selling prices do not provide the customer with a material right, and, therefore, are not considered performance obligations. If optional future services are priced in a manner which provides the customer with a significant or incremental discount, they are material rights, and are accounted for as separate performance obligations.

When consideration is received from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded within deferred revenue. Contract liabilities within deferred revenue are recognized as revenue after control of the goods or services is transferred to the customer and all revenue recognition criteria have been met.

Cost of Product Revenue

Our cost of product revenue includes the cost of inventory sold, amortization expense of intangible assets and third-party royalties payable on our net product revenue. Cost of product revenue may also include costs related to excess or obsolete inventory adjustment charges, abnormal costs, unabsorbed manufacturing and overhead costs, and manufacturing variances.

Research and Development Expenses

Research and development expenses consist of costs associated with acquiring technology and intellectual property licenses that have no alternative future uses; costs incurred under agreements with third-party contract

research organizations, contract manufacturing organizations and other third parties that conduct clinical trials on the Company's behalf; other costs associated with research and development programs, including laboratory materials and supplies; employee-related costs, including salaries, benefits and share-based compensation expense, for the Company's research and development personnel; and facilities and other overhead expenses, including expenses for rent and facilities maintenance, and amortization. The Company expenses research and development costs as incurred. The Company is obligated to make upfront payments upon execution of certain research and development agreements. Advance payments, including nonrefundable amounts, for goods or services that will be used or rendered for future research and development activities are deferred. Such amounts are recognized as expense as the related goods are delivered or the related services are performed, or such time when the Company does not expect the goods to be delivered or services to be performed.

Accrued Research and Development Expenses

The Company records accrued liabilities for estimated costs of our clinical trials conducted by third-party service providers. The Company records the estimated costs of the clinical trials as research and development expense based upon the estimated amount of services provided but not yet invoiced. The Company accrues for these costs based on factors such as estimates of the work completed and in accordance with terms established with third-party service providers under the service agreements. The Company makes judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The Company has not experienced any material differences between accrued costs and actual costs incurred.

The Company makes payments in connection with the clinical trials under contracts with contract research organizations who conduct and manage our clinical trials. The financial terms of these contracts are subject to negotiation, which vary by contract and may result in payments that do not match the periods over which materials or services are provided. Generally, these agreements set forth the scope of work to be performed at a fixed fee, unit price or on a time and materials basis. In the event the Company makes advance payments for goods or services that will be used or rendered for future research and development activities, the payments are deferred and capitalized as a prepaid expense and recognized as expense as the goods are received or the related services are rendered. Such payments are evaluated for current or long-term classification based on when they are expected to be realized.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty of the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses in the statements of operations.

Share-Based Compensation

The Black-Scholes option-pricing model, used to estimate fair value of stock options awards, requires the use of the following assumptions:

- *Fair Value of Common Stock*—The Company's closing price on the Nasdaq market at the grant date.
- *Expected Term*—The expected term represents the period that the share-based awards are expected to be outstanding. The expected term for stock options is calculated using the simplified method, as the weighted-average vesting term of the award and the award's contract period (generally 10 years). The Company utilizes this method due to lack of historical exercise data and the plain-vanilla nature of the Company's service condition share-based awards. For the Company's performance condition stock option awards, the Company calculated the expected term by taking into consideration the options' contractual life, the timing of when milestones are expected to be achieved, and the expected exercise period by a holder from the vesting date until the contractual term (generally 10 years).
- *Expected Volatility*—Since the Company does not have sufficient trading history for its common stock, the expected volatility is estimated based on the average historical volatilities of common stock of comparable publicly traded biopharmaceutical companies over a period equal to the expected term of the stock option grants. The comparable biopharmaceutical companies are chosen based on their size, stage in the life cycle

or area of specialty. The Company will continue to apply this process until sufficient historical information regarding the volatility of the common stock price becomes available.

- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the awards.
- *Expected Dividend Yield*—The Company has never paid dividends on the common stock and has no plans to pay dividends on its common stock. Therefore, the expected dividend yield use is zero.

The fair value of restricted stock units granted is determined based on the stock price on the date of grant. The Company uses the straight-line attribution method for recognizing share-based compensation expense for awards with service condition. The Company recognizes share-based compensation expense for awards with performance conditions when it is probable that the condition will be met, and the award will vest. The Company recognizes forfeitures by reducing the expense in the same period the forfeitures occur. The Company classifies share-based compensation expense in the statements of operations in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified.

Income Taxes

Income taxes are accounted for using the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and results of recent operations. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. If management determines that the Company would be able to realize its deferred tax assets in the future in excess of their net recorded amount, management would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) management determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, management recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

The Company provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions. These reserves are based on a determination of whether and how much of a tax benefit taken by the Company in its filings or positions is more likely than not to be realized following resolution of any potential contingencies related to the tax benefit. Potential interest related to the underpayment of income taxes will be classified as a component of income tax expense and any related penalties will be classified as income tax expense.

Net Loss per Share

The Company calculates basic and diluted net loss per share in conformity with the two-class method required for participating securities. Under the two-class method, basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period, without consideration of potential dilutive securities. Diluted net loss per share is computed by dividing the net loss, after adjusting it for loss attributable to redeemable noncontrolling interest, in any, by the sum of the weighted average number of common stock shares outstanding during the period plus the dilutive effects of potentially dilutive securities outstanding during the period. Potentially dilutive securities include incentive shares, unvested restricted common

shares and redeemable convertible preferred shares, prior to the IPO. Potentially dilutive securities include unvested restricted stock awards, unvested restricted stock units and stock options, after the IPO. For all periods presented, diluted net loss per share is the same as basic net loss per share since the effect of including potential common stock shares is anti-dilutive and incentive shares participation thresholds were not met.

Comprehensive Loss

Comprehensive loss represents all changes in stockholders' equity except those resulting from and distributions to stockholders. The Company's unrealized gains and losses on available-for-sale securities represent the only component of other comprehensive loss that are excluded from the reported net loss and that are presented in the statements of comprehensive loss.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) – *Improvements to Income Tax Disclosures*, which enhances the transparency and decision usefulness of income tax disclosures by requiring disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. The ASU is effective for fiscal years beginning after December 15, 2024 and allows for adoption on a prospective basis, with a retrospective option. The Company is currently evaluating the effect of this update on its financial statement disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, which requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses at each interim and annual reporting period. The ASU is effective for fiscal years beginning after December 15, 2026 and allows for adoption on a prospective basis, with a retrospective option. Early adoption is permitted. The Company is currently evaluating the effect of this update on its financial statement disclosures.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280) – *Improvements to Reportable Segment Disclosures*, which requires incremental disclosure of segment information on an interim and annual basis. This ASU is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Retrospective application to all prior periods presented in the financial statements is required for public entities. The Company adopted ASU 2023-07 on January 1, 2024, which resulted in additional disclosures of significant segment expenses and other segment items as well as incremental qualitative disclosures. See Note 13 "Segment Reporting" in the accompanying notes to the financial statements for further detail.

3. Recurring Fair Value Measurements

The following table sets forth the Company's financial instruments as of December 31, 2024 and 2023, which are measured at fair value on a recurring basis by level within the fair value hierarchy (in thousands):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Money market funds	$ 16,728	$ —	$ —	$ 16,728
U.S. treasury securities	—	311,487	—	311,487
U.S. government agency securities	—	183,375	—	183,375
Total assets measured at fair value	$ 16,728	$ 494,862	$ —	$ 511,590

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Money market funds	$ 47,003	$ —	$ —	$ 47,003
U.S. treasury securities	—	246,208	—	246,208
U.S. government agency securities	—	63,202	—	63,202
Total assets measured at fair value	$ 47,003	$ 309,410	$ —	$ 356,413

The Company's money market funds are classified as Level 1 because they are measured using observable inputs from active markets for identical assets.

The Company's U.S. treasury securities and U.S. government agency securities are classified as Level 2 because they are measured with inputs that are either directly or indirectly observable for the asset which include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

There were no assets or liabilities classified as Level 3 as of December 31, 2024 and 2023.

There were no transfers between Level 1, Level 2 or Level 3 categories during the periods presented.

The following tables summarize the estimated fair value of the Company's cash equivalents, available-for-sale securities classified as short-term investments, and associated unrealized gains and losses (in thousands):

	December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 16,728	$ —	$ —	$ 16,728
U.S. government agency securities	75,163	—	—	75,163
U.S. treasury securities	12,947	—	—	12,947
Total cash equivalents	104,838	—	—	104,838
Short-term investments				
U.S. government agency securities	108,210	13	(11)	108,212
U.S. treasury securities	298,457	85	(2)	298,540
Total short-term investments	$ 406,667	$ 98	$ (13)	$ 406,752

	December 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 47,003	$ —	$ —	$ 47,003
U.S. government agency securities	63,202	—	—	63,202
U.S. treasury securities	110,645	—	—	110,645
Total cash equivalents	220,850	—	—	220,850
Short-term investments				
U.S. treasury securities	135,554	9	—	135,563
Total short-term investments	$ 135,554	$ 9	$ —	$ 135,563

The following table summarizes the maturities of our cash equivalents and available-for-sale securities (in thousands):

	December 31, 2024	
	Amortized Cost	Fair Value
Mature in one year or less	$ 511,505	$ 511,590
Total	$ 511,505	$ 511,590

	December 31, 2023	
	Amortized Cost	Fair Value
Mature in one year or less	$ 356,404	$ 356,413
Total	$ 356,404	$ 356,413

The Company regularly reviews the changes to the rating of its securities and monitors the surrounding economic conditions to assess the risk of expected credit losses. As of December 31, 2024 and 2023, there were no securities that were in an unrealized loss position for more than 12 months. As of December 31, 2024 and 2023, the unrealized losses, if any, on the Company's short-term investments were primarily caused by interest rate increases. The Company does not expect the issuers to settle any security at a price less than the amortized cost basis of the investment with the contractual cash flows of these investments guaranteed by the issuer. No allowance for credit losses has been recorded since it is not more-likely-than-not that the Company will be required to sell the investments before recovery of their amortized cost basis. Realized gains and losses were immaterial for the year ended December 31, 2024. There were no realized gains and losses for the year ended December 31, 2023.

4. Balance Sheet Items

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Prepaid research and development expenses	$ 8,216	$ 5,657
Prepaid insurance	830	918
Other prepaid expenses and other assets	4,367	2,352
Total prepaid expenses and other current assets	$ 13,413	$ 8,927

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Accrued research and development expenses	$ 18,760	$ 12,643
Accrued milestone payment	20,000	—
Accrued payroll related expenses	13,943	9,165
Accrued professional service expenses	3,758	3,675
Other	12,164	1,041
Total accrued expenses and other current liabilities	$ 68,625	$ 26,524

5. Intangible Assets

Intangible assets, net consisted of the following:

	December 31, 2024	December 31, 2023
Intangible assets with finite lives:		
License agreement milestone payment	$ 9,000	$ —
PRV-related obligation payment	8,100	—
Intangible assets, gross	17,100	—
Less accumulated amortization	(1,470)	—
Intangible assets, net	$ 15,630	$ —

The Company incurred amortization expense of $1.5 million for the year ended December 31, 2024.

The estimated aggregate amortization expense for amortizable finite-lived intangible assets as of December 31, 2024 is as follows:

Year Ending December 31,		Estimated Amortization Expense
2025	$	2,345
2026		2,345
2027		2,345
2028		2,345
2029		2,345
Thereafter		3,905
Total future expected amortization expense	$	15,630

6. Significant Agreements

Takeda asset purchase agreement

On December 16, 2019, a subsidiary of the Company entered into an asset purchase agreement, or the Takeda Asset Agreement, with Millennium Pharmaceuticals, Inc., a related party and an affiliate of Takeda Pharmaceutical Company Limited, or Takeda. Effective December 31, 2021, the subsidiary was merged with and into the Company, with the Company being the surviving corporation and assuming the subsidiary's obligations under the Takeda Asset Agreement. Pursuant to the Takeda Asset Agreement, the Company purchased certain technology rights and know-how related to TAK-580 (which is now OJEMDA™ (tovorafenib)) that provides a new approach for treating patients with primary brain tumors or brain metastases of solid tumors. The Company also received clinical inventory supplies to use in the Company's research and development activities of such RAF-inhibitor and an assigned investigator clinical trial agreement. Takeda also assigned to the Company its exclusive license agreement, or the Viracta License Agreement, with Viracta. Takeda also granted the Company a worldwide, sublicensable exclusive license under specified patents and know-how and non-exclusive license under other patents and know-how generated by Takeda under the Takeda Asset Agreement. The Company also granted Takeda a grant back license, as defined in the Takeda Asset Agreement, which is terminable either automatically or by the Company in the event Takeda does not achieve specified development milestones within the applicable timeframes set forth under the Takeda Asset Agreement. This grant back license to Takeda was terminated at the time of conversion of the company from an LLC to a corporation in connection with the Millennium Stock Exchange Agreement.

The term of the Takeda Asset Agreement will expire on a country-by-country basis upon expiration of all assigned patent rights and all licensed patent rights in such country. Takeda may terminate the Takeda Asset Agreement prior to the Company's first commercial sale of a product if the Company ceases conducting any development activities for a continuous and specified period of time and such cessation is not agreed upon by the parties and is not done in response to guidance from a regulatory authority. Additionally, Takeda can terminate the Takeda Asset Agreement in the event of the Company's bankruptcy. In the event of termination of the Takeda Asset Agreement by Takeda as a result of the Company's cessation of development or bankruptcy, all assigned patents, know-how and contracts (other than the Viracta License Agreement) will be assigned back to Takeda and Takeda will obtain a reversion license under patents and know-how generated to exploit all such terminated products.

In consideration for the sale and assignment of assets and the grant of the license under the Takeda Asset Agreement, the Company made an upfront payment of $1.0 million in cash and issued 9,857,143 shares of Series A redeemable convertible preferred stock in the Company's subsidiary in December 2019. The fair value of issued shares was estimated as $9.9 million, based on the price paid by other investors for issued shares in the Series A financing of the Company's subsidiary. Based on the terms of the Millennium Stock Exchange Agreement, Takeda exchanged the 9,857,143 shares of Series A redeemable convertible preferred stock of the Company's subsidiary for 6,470,382 shares of the Company's common stock upon the effectiveness of the conversion of the company from an LLC to a corporation, on May 26, 2021.

License agreement with Viracta

On December 16, 2019, a subsidiary of the Company amended and restated the Viracta License Agreement that was assigned pursuant to the Takeda Asset Agreement. Effective December 31, 2021, the subsidiary was merged with and into the Company, with the Company being the surviving corporation and assuming the subsidiary's obligations under Viracta License Agreement. Under the Viracta License Agreement, the Company received a worldwide exclusive license under specified patent rights and know-how to develop, use, manufacture, and commercialize products containing compounds binding the RAF protein family.

The term of the Viracta License Agreement will expire on a licensed product-by-licensed product and country-by-country basis upon the expiration of the Company's obligation to pay royalties to Viracta with respect to such product in such country. The Company has the right to terminate the Viracta License Agreement with respect to any or all of the licensed products at will upon a specified notice period.

The Company paid $2.0 million upfront in cash to Viracta, which was recorded as research and development expenses as the technology does not have an alternative future use.

On March 4, 2024, the Company entered into an amendment to the Viracta License Agreement. As part of the amendment, the Company made a one-time payment in March 2024 to Viracta of $5.0 million, which was recorded as research and development expenses during the year ended December 31, 2024, in exchange for reduced future payment obligations ranging from the mid-teens to the high single-digit percentage related to the future sale or use of the rare pediatric disease PRV received.

On April 23, 2024, the FDA approved OJEMDA (a tablet formulation and powder solution formulation of tovorafenib) for the treatment of patients 6 months of age and older with relapsed or refractory pLGG harboring a BRAF fusion or rearrangement, or BRAF V600 mutation. The indication was approved under accelerated approval based on response rate and duration of response. With the approval, the Company received a rare pediatric disease PRV from the FDA. The Company made a $9.0 million milestone payment to Viracta in May 2024 for the achievement of this milestone. The $9.0 million milestone was accounted for as a finite-lived intangible asset and will be amortized over the life of the underlying asset. Related amortization expense will be recorded as cost of product revenue in the Company's statements of operations.

On May 29, 2024, the Company sold its rare pediatric disease PRV for $108.0 million to an undisclosed buyer. As part of the transaction, $8.1 million of the total consideration received from the sale of the rare pediatric disease PRV was paid to Viracta to fully satisfy PRV-related obligations under the Viracta License Agreement and was capitalized as a finite-lived intangible asset, which will be amortized on a straight-line basis over its estimated useful life. The gross proceeds of $108.0 million were recorded as a gain from sale of priority review voucher in the accompanying statements of operations during the year ended December 31, 2024. As of December 31, 2024, the unamortized finite-lived intangible asset was $7.4 million. Related amortization expense will be recorded as cost of product revenue in the Company's statements of operations.

On December 3, 2024, Viracta assigned the Viracta License Agreement to XOMA (US) LLC, or XOMA, pursuant to a Royalty Purchase Agreement dated March 22, 2021, between Viracta and XOMA, whereby Viracta sold its right, title, and interest in and to the Viracta License Agreement to XOMA. The Company has agreed to the assignment and novation of the Viracta License Agreement to XOMA as successor party, now XOMA License Agreement. In connection with such assignment, the parties also agreed to assign all rights, title and interest in related intellectual property. No material terms of the XOMA License Agreement have been amended or modified in relation to the same.

As of December 31, 2024, the Company could be required to make additional milestone payments of up to $40.0 million upon achievement of specified development and regulatory milestones for each licensed product in two indications, with milestones payable for the second indication upon achievement of a specified milestone event being lower than milestones payable for the first indication. Commencing with the first commercial sale of OJEMDA in a country, the Company is obligated to pay tiered royalties ranging in the mid-single-digit percentages on net sales of licensed products. The obligation to pay royalties will end on a country-by-country and licensed product-by-licensed product basis commencing on the first commercial sale in a country and continuing until the later of: (i) the expiration of the last valid claim of the XOMA licensed patents, jointly owned collaboration patents or specified patents owned by the Company covering the use or sale of such product in such country, (ii) the expiration of the last statutory exclusivity pertaining to such product in such country or (iii) the tenth anniversary of the first commercial sale of such product in such country.

License agreement with Merck KGaA, Darmstadt, Germany

On February 10, 2021, a subsidiary of the Company entered into a license agreement, or the MRKDG License Agreement, with Merck KGaA, Darmstadt, Germany, a pharmaceutical corporation located in Darmstadt, Germany. Effective December 31, 2021, the subsidiary was merged with and into the Company, with the Company being the surviving corporation and assuming the subsidiary's obligations under the MRKDG License Agreement.

Under the MRKDG License Agreement, Merck KGaA, Darmstadt, Germany granted to the Company an exclusive worldwide license, with the right to grant sublicenses through multiple tiers, under specified patent rights and know-how for the Company to research, develop, manufacture and commercialize products containing and comprising the pimasertib and MSC2015103B compounds. The Company also received clinical inventory supplies to use in its research and development activities. The Company's exclusive license grant is subject to a non-exclusive license granted by Merck KGaA, Darmstadt, Germany's affiliate to a cancer research organization and Merck KGaA, Darmstadt, Germany retains the right to conduct, directly or indirectly, certain ongoing clinical studies relating to pimasertib. Under the MRKDG License Agreement, the Company has obligations to use commercially reasonable efforts to develop and commercialize at least two licensed products in at least two specified major market countries by the year 2029.

The term of the MRKDG License Agreement will expire on a licensed product-by-licensed product and country-by-country basis upon the expiration of the Company's obligation to pay royalties to the licensor with respect to such licensed product in such country and will expire in its entirety upon the expiration of all of the Company's payment obligations with respect to all licensed products and all countries under the MRKDG License Agreement.

In consideration for the rights granted under the MRKDG License Agreement and clinical supplies, the Company made an upfront payment of $8.0 million, which was recorded as research and development expenses, as the technology does not have an alternative future use and supplies are used for research activities. As of December 31, 2024, the Company could be required to make additional payments of up to $364.5 million based upon the achievement of specified development, regulatory, and commercial milestones, as well a high, single-digit royalty percentage on future net sales of licensed products, if any. Milestones and royalties are contingent upon future events and will be recorded when the milestones are achieved and when payments are due.

In November 2023, the Company discontinued its monotherapy substudy due to a limited duration of response in this rare patient population despite observing responses with a generally well tolerated therapy. In July 2024, the Company decided to close the program as the Company determined that the benefit/risk profile, as well as the market opportunity, did not justify the significant investment required to continue the trial despite observing some clinical responses.

Research collaboration and license agreement with Sprint Bioscience AB

On August 15, 2023, the Company entered into a research collaboration and license agreement, or the Sprint License Agreement, with Sprint Bioscience AB, or Sprint, a Swedish corporation located in Huddinge, Sweden. Under the Sprint License Agreement, Sprint granted to the Company an exclusive, worldwide license, with the right to grant sublicenses through multiple tiers, to research, develop, and commercialize pharmaceutical products and to engage in research aimed at discovery, optimization and development an inhibitor targeting Vaccinia Related Kinase 1, or VRK1.

The term of the Sprint License Agreement will expire on a licensed product and country basis upon the expiration of the royalty term with respect to such licensed product and such country, unless terminated earlier. The Company has the right to terminate the Sprint License Agreement in its entirety, or on a licensed product-by-licensed product basis, at will upon a specified notice period.

The Company paid $3.0 million upfront in cash to Sprint, which was recorded as research and development expenses as the technology does not have an alternative future use. As of December 31, 2024, the Company could be required to make milestone payments of up to $309.0 million based upon achievement of specified development, regulatory, and commercial milestones for each licensed product, as well as tiered royalties ranging in the single-digit percentages on future net sales of licensed products, if any. Milestones and royalties are contingent upon future events and will be recorded when the milestones are achieved and when payments are due.

License agreement with MabCare Therapeutics

On June 17, 2024, the Company entered into a license agreement, or the MabCare License Agreement, with MabCare Therapeutics, or MabCare, a pharmaceutical corporation located in Shanghai, China. Under the MabCare License Agreement, MabCare granted to the Company an exclusive worldwide license, excluding Greater China, with the right to grant sublicenses through multiple tiers, under specified patent rights and know-how for the Company to develop, manufacture and commercialize DAY301 (formerly MTX-13), a novel Antibody Drug Conjugate, or ADC, targeting protein-tyrosine kinase 7, or PTK7. The Company will also receive clinical inventory supplies to use in its research and development activities. Under the MabCare License Agreement, the Company has obligations to use commercially reasonable efforts to develop, obtain regulatory approval for, and commercialize at least one licensed product in one indication in each of the United States, Japan, and three European countries.

The term of the MabCare License Agreement will expire in its entirety upon the expiration of the last to expire royalty term with respect to all licensed products in the Company's territory, unless terminated earlier. Following the expiration of the royalty term for a licensed product in a country, the license granted to the Company shall become non-exclusive, fully paid-up, royalty-free, perpetual, and irrevocable for such licensed product in such country. Upon the expiration of the term, the license granted to the Company shall become non-exclusive, transferable, sublicensable, fully paid, royalty free, perpetual, and irrevocable in its entirety.

In consideration for the rights granted under the MabCare License Agreement, the Company made a $55.0 million upfront payment in July 2024. The upfront payment was recorded as research and development expenses, as the technology and supplies licensed do not have an alternative future use. As of December 31, 2024, the Company could be required to make additional payments of $1,152.0 million based upon the achievement of specified development, regulatory, and commercial success-based milestones plus low-to-mid single-digit royalties on net sales outside of Greater China. Milestones and royalties are contingent upon future events and will be recorded when the milestones are achieved and when payments are due. In January 2025, we cleared the first cohort (a single-patient accelerated titration cohort) in the Phase 1a portion of the DAY301 Phase 1a/b clinical trial. As of December 31, 2024, the Company accrued a milestone liability of $20.0 million.

License agreement with Ipsen Pharma SAS

On July 23, 2024, the Company entered into the Ipsen License Agreement, pursuant to which, the Company licensed to Ipsen, on an exclusive basis, the right to commercialize tovorafenib in all territories outside the United States and agreed to provide certain research and development and manufacturing services. Ipsen shall have the right to grant sublicenses to third-parties.

Under the terms of the Ipsen License Agreement, (i) Ipsen paid the Company an upfront license fee in the amount of $70.8 million and (ii) the Investor, a fully-owned United States affiliate of Ipsen, purchased 2,341,495 shares of the Company’s common stock in a private placement for $40.0 million, at a price per share representing a 17.0% premium to the VWAP of the Company’s common stock as traded on The Nasdaq Stock Market LLC for the ten consecutive trading days prior to and including the date of the Revenue Release, and the ten consecutive trading days following the Revenue Release, in accordance with the terms set forth in an investment agreement by and between the Company and the Investor dated July 23, 2024.

As of December 31, 2024, the Company is also eligible to receive up to approximately $330.0 million based on exchange rates as of the reporting date in additional commercial launch and sales-based milestone payments, as well as tiered, double-digit royalty payments starting at mid-teens percentage of annual net sales of tovorafenib, subject to customary adjustments specified in the Ipsen License Agreement. The royalty payment obligations under the Ipsen License Agreement expire on a country-by-country basis no earlier than ten years following the first commercial sale of tovorafenib in the applicable country.

In addition, the Ipsen License Agreement provides that the Company will supply to Ipsen, and Ipsen will purchase from the Company, all required quantities of tovorafenib for all territories outside the United States in accordance with a supply agreement to be entered into by and between the Company and Ipsen, or the Ipsen Supply Agreement. The Company determined that the cost-plus rate to be charged for the supply of tovorafenib does not represent a material right. Ipsen has the right to request a manufacturing technology transfer of the then-current manufacturing process of tovorafenib under the Ipsen License Agreement, and such consent shall not be unreasonably withheld, such that upon completion of the manufacturing technology transfer, Ipsen or a third-party would be solely responsible for the manufacture of tovorafenib for all territories outside the United States.

Following the two-year anniversary of July 23, 2024, the effective date of the Ipsen License Agreement, Ipsen may terminate the Ipsen License Agreement for convenience with six months' prior written notice or for certain other specified reasons. The Company may terminate the Ipsen License Agreement if Ipsen or any of its affiliates challenge the validity of any patents controlled by the Company that are licensed under the Ipsen License Agreement. Both Ipsen and the Company may terminate the Ipsen License Agreement (i) for material breach by the other party and a failure to cure such breach within the time period specified in the Ipsen License Agreement or (ii) the other party's bankruptcy event.

The Company evaluated the Ipsen License Agreement under Accounting Standards Codification, or ASC, 606 and concluded that Ipsen represents a customer in the transaction. The Company identified two distinct performance obligations for licenses to intellectual property in the form of the exclusive license to commercialize tovorafenib outside the United States for both (i) relapsed or refractory and (ii) front-line pLGG; and three distinct research and development performance obligations related to tovorafenib for completion of (i) the pivotal Phase 2 relapsed or refractory pLGG trial, or FIREFLY-1, (ii) the pivotal Phase 3 front-line pLGG trial, or FIREFLY-2, and (iii) the European Union, or EU, companion diagnostic for pLGG. Both the FIREFLY-1 and FIREFLY-2 trials related to pLGG pertain to later-stage intellectual property and only involve validating the efficacy of tovorafenib with respect to each distinct designation and are not expected to significantly modify or customize the licensed intellectual property. The FIREFLY-1 and FIREFLY-2 trials, and EU companion diagnostic research and development services related to pLGG could be performed by a third-party. The Company determined that the promise of the manufacturing technology transfer is a customer option that does not represent a material right given the value of the services is not material and fulfillment of this promise is ancillary to the main transaction. Accordingly, the manufacturing technology transfer is not a performance obligation at the outset of the arrangement.

Upon execution of the Ipsen License Agreement, the transaction price was determined to be $78.2 million, representing the aggregate of the upfront license fee of $70.8 million and the premium paid by Ipsen on its equity investment in the Company of $7.4 million (the excess of the value of the shares of the Company issued to Ipsen), representing additional consideration from Ipsen for the rights under the Ipsen License Agreement. Commercial launch milestones related to first commercial sale(s) in certain territories, sales-based milestones and royalties on net sales upon commercialization by Ipsen were excluded from the transaction price and will be recognized when the related sales occur as they were determined to predominantly relate to the intellectual property and, therefore, have been excluded from the transaction price in accordance with the sales-based royalty exception.

The Company allocated the transaction price to the performance obligations based on their relative standalone selling price. The Company developed the estimated stand-alone selling price for each license using discounted cash flow models. In developing this estimate, the Company applied judgment in the determination of the assumptions relating to forecasted future revenues, the discount rate, and the probability of success. The stand-alone selling price for each of the research and development services was estimated based on the Company's forecasted costs to be incurred to fulfill the obligations plus a reasonable margin. The portion of the transaction price allocable to the relapsed or refractory and front-line pLGG licenses to intellectual property was recognized as license revenue at the point in time in which Ipsen had the right to use the license/know-how, which occurred during the year ended December 31, 2024. The portion of the transaction price allocable to the relapsed or refractory, front-line and companion diagnostic research and development services performance obligations will be recognized over time as the services are delivered based on costs incurred relative to the total estimated cost to deliver the services. During the year ended December 31, 2024, $73.9 million of license revenue was recognized with $1.6 million and $3.2 million of the undelivered services included in current and non-current deferred revenue, respectively.

7. Commitments and Contingencies

Leases

The Company entered into a lease agreement for its corporate office facility in South San Francisco, California in March 2020. Such agreement was determined to be a lease, since the right to control the use of the identified asset was conveyed to the Company for a period of time in exchange for consideration. The Company can extend the lease term for an additional three years at market rates upon the notice of extension. The Company is obligated to pay monthly rent expense and its pro rata share of utilities, common area maintenance expenses, and property taxes. The landlord also provided an allowance of $10,000 for tenant improvements. The Company concluded that it is an operating lease. Common area expenses are a non-lease component and a variable consideration and included in operating expenses as incurred. The extension period has not been included in the determination of the Right of Use,

or ROU, asset or the lease liability for operating leases as the Company concluded that it is not reasonably certain that it would exercise this option. In October 2022, the Company terminated this lease agreement prior to its scheduled expiration in January 2023.

In April 2022, the Company entered into a lease agreement for approximately 12,000 square feet of general use office space in Brisbane, California. Such agreement was determined to be a lease since the right to control the use of the identified asset was conveyed to the Company for a period of time in exchange for consideration. The term of the lease is 31 months and commenced in May 2022. There is no option to extend the lease term nor is there an option to terminate the lease term prior to its expiration. The Company is obligated to pay monthly rent expense and its pro rata share of the landlord's operating expenses which include utilities, common area maintenance expenses, and property taxes. Such expenses are a non-lease component and a variable consideration and included in the Company's operating expenses as incurred. The Company concluded that this lease is also an operating lease. The total payments for base rent over the term of the lease is approximately $1.1 million. Upon execution of the agreement, the Company paid a security deposit of approximately $40,000 classified as deposits and other long-term assets on the balance sheet.

In June 2024, the Company entered into a lease agreement for approximately 19,000 square feet of general use office space in Brisbane, California. Such agreement was determined to be a lease since the right to control the use of the identified asset was conveyed to the Company for a period of time in exchange for consideration. The term of the lease is approximately 7.4 years and commenced in August 2024. There is no option to extend the lease term nor is there an option to terminate the lease term prior to its expiration. The Company is obligated to pay monthly rent expense and its pro rata share of the landlord's operating expenses which include utilities, common area maintenance expenses, and property taxes. Such expenses are a non-lease component and a variable consideration and included in the Company's operating expenses as incurred. The Company concluded that this lease is also an operating lease. The total payments for base rent over the term of the lease is approximately $4.4 million. Upon execution of the agreement, the Company paid a security deposit of approximately $86,000 classified as deposits and other long-term assets on the condensed balance sheet.

The Company determined the lease incremental borrowing rate, or IBR, based on the information available at the applicable lease commencement date as the Company’s leases do not provide an implicit rate. The IBR is determined by using the rate of interest that the Company would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment where the asset is located. As of December 31, 2024, the weighted-average remaining lease term and weighted-average discount rate were 7.0 years and 12.9%, respectively.

The Company’s lease does not require any contingent rental payments, impose financial restrictions, or contain any residual value guarantees.

Lease expense of right-of-use assets is recognized on a straight-line basis over the applicable lease term. Lease expense was $0.6 million, $0.4 million, and $0.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. Cash paid for amounts included in the measurement of operating lease liabilities was $0.5 million, $0.5 million, and $0.4 million for the years ended December 31, 2024, 2023 and 2022, respectively. Variable payments expensed during the years ended December 31, 2024, 2023, and 2022 were immaterial.

As of December 31, 2024, the future lease obligations were as follows (in thousands):

Year Ending December 31,	
2025	350
2026	432
2027	445
2028	459
2029	711
Thereafter	1,981
Total future minimum lease payments	4,378
Less: imputed interest	(1,776)
Present value of operating lease liabilities	2,602
Less: current portion of operating lease liabilities	(10)
Long-term portion of operating lease liabilities	$ 2,592

Research and Development Agreements

The Company enters into contracts in the normal course of business with clinical research organizations, contract manufacturing organizations, and other third-party vendors for clinical trial, manufacturing, testing, and other research and development activities. These contracts generally provide for termination on notice, with the exception of one vendor where certain costs are non-cancellable after the approval of the project. As of December 31, 2024 and 2023, there were no amounts accrued related to termination and cancellation charges as these are not probable.

License Agreements

The Company entered into license agreements, as disclosed in Note 5, with various parties under which it is obligated to make contingent and non-contingent payments.

Purchase Commitments

To support product needs for OJEMDA, the Company has entered into a manufacturing and supply agreement with Quotient Sciences - Philadelphia, LLC in July 2023 that requires the Company to meet minimum purchase obligations on an annual basis. The remaining amount of future minimum purchase obligations under the manufacturing and supply agreement over the next five years is approximately $14.1 million, in aggregate, as of December 31, 2024. For the year ended December 31, 2024, the Company has made $3.0 million of purchases under the purchase obligation.

Legal Proceedings

The Company, from time to time, may be party to litigation, claims and assessments arising in the ordinary course of business. The Company accrues liabilities for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. The Company is not subject to any material legal proceedings, and to the best of its knowledge, no material legal proceedings are currently pending or threatened.

Indemnification Agreements

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for indemnification for certain liabilities. The exposure under these agreements is unknown because it involves claims that may be made against it in the future but have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations. The Company also has indemnification obligations to its directors and executive officers for specified events or occurrences, subject to some limits, while they are serving at its request in such capacities. There have been no claims to date, and the Company believes the fair value of these indemnification agreements is minimal. Accordingly, the Company had not recorded any liabilities for these agreements as of December 31, 2024 and 2023.

8. Common Stock

Pursuant to its certificate of incorporation, the Company is authorized to issue 500.0 million shares of common stock at a par value of $0.0001 per share. As of December 31, 2024, 101,116,162 shares of common stock were issued and outstanding.

The Company has reserved shares of common stock for future issuances as follows:

	December 31, 2024
Common stock options issued and outstanding	12,127,435
Common stock available for future grants	3,482,006
Common stock available for ESPP	2,421,745
Restricted stock units issued and outstanding	1,774,287
Pre-funded warrants	1,517,241
Total	21,322,714

2024 Private Placement

In July 2024, the Company entered into a securities purchase agreement with certain institutional and accredited investors, or the PIPE Investors, pursuant to which the Company agreed to sell and issue to the PIPE Investors in a private placement, or the Private Placement, an aggregate of (i) 10,551,718 shares of the Company's common stock, par value $0.0001 per share, at a purchase price of $14.50 per share and (ii) 1,517,241 pre-funded warrants, or the Pre-Funded Warrants, to purchase up to an aggregate of 1,517,241 shares of the Company's common stock, or the Warrant Shares, at a purchase price of $14.4999 per Pre-Funded Warrant. Each Pre-Funded Warrant has an exercise price of $0.0001 per Warrant Share.

The Pre-Funded Warrants are exercisable at any time after their original issuance at the option of each holder, in such holder's discretion, by (i) payment in full in immediately available funds for the number of shares of common stock purchased upon such exercise or (ii) a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the Pre-Funded Warrant. A holder will not be entitled to exercise any portion of any Pre-Funded Warrant if the holder's ownership of the Company's common stock would exceed 9.99% following such exercise.

In the event of certain fundamental transactions, the holders of the Pre-Funded Warrants will be entitled to receive upon exercise of the Pre-Funded Warrants the kind of amounts of securities, cash or other property that the holders would have received had they exercised the Pre-Funded Warrants immediately prior to such fundamental transaction without regard to any limitations on exercise contained in the Pre-Funded Warrants. The Pre-Funded Warrants were classified as a component of permanent stockholders' equity within additional paid-in capital and were recorded at the issuance date using a relative fair value allocation method.

The Pre-Funded Warrants are equity classified because they (i) are freestanding financial instruments that are legally detachable and separately exercisable from the equity instruments, (ii) are immediately exercisable, (iii) do not embody an obligation for the Company to repurchase its shares, (iv) permit the holders to receive a fixed number of shares of common stock upon exercise, (v) are indexed to the Company's common stock and (vi) meet the equity classification criteria. In addition, such Pre-Funded Warrants do not provide any guarantee of value or return. The Company valued the Pre-Funded Warrants at issuance, concluding that their sales price approximated their fair value, and allocated net proceeds from the Private Placement proportionately to the Company's common stock and Pre-Funded Warrants.

The Private Placement closed on August 1, 2024 and the Company received net proceeds of $166.5 million, after deducting placement agent fees, offering costs, and other expenses, of which $145.6 million was allocated to the common stock and $20.9 million was allocated to the Pre-Funded Warrants. The net proceeds were recorded as a component of additional paid-in capital.

Investment agreement with Ipsen Biopharmaceuticals, Inc.

In July 2024, the Company entered into the Ipsen License Agreement, pursuant to which, the Company licensed to Ipsen, on an exclusive basis, the right to commercialize tovorafenib in all territories outside the United States and agreed to provide certain research and development and manufacturing services. Under the terms of the Ipsen License Agreement, (i) Ipsen paid the Company an upfront license fee in the amount of $70.8 million and (ii) the Investor, a fully-owned United States affiliate of Ipsen, purchased 2,341,495 shares of the Company's common stock in a private placement for $40.0 million, at a price per share representing a 17.0% premium to the VWAP of the Company's common stock as traded on The Nasdaq Stock Market LLC for the ten consecutive trading days prior to and including the date of the Revenue Release, and the ten consecutive trading days following the Revenue Release, in accordance with the terms set forth in an investment agreement by and between the Company and the Investor dated July 23, 2024. The Company valued the shares at issuance at $32.6 million, concluding that the Company's common stock price as traded on The Nasdaq Stock Market LLC on the closing date of the transaction approximated fair value, which was recorded as a component of additional paid-in capital.

June 2023 Follow-On Offering

In June 2023, the Company completed a follow-on offering and issued and sold 13,269,231 shares of common stock (including the exercise by the underwriters of their option to purchase an additional 1,730,769 shares of

common stock) at a price to the public of $13.00 per share for net proceeds of approximately $161.4 million, after deducting underwriting discounts, commissions, and offering costs.

June 2022 Follow-On Offering

In June 2022, the Company completed a follow-on offering and issued and sold 11,500,000 shares of common stock (including the exercise by the underwriters of their option to purchase an additional 1,500,000 shares of common stock) at a price to the public of $15.00 per share for net proceeds of approximately $161.6 million, after deducting underwriting discounts, commissions, and offering costs.

At-The-Market Offering

The Company has entered into an equity distribution agreement, or the Equity Distribution Agreement, with Piper Sandler & Co. and JonesTrading Institutional Services LLC, as sales agents, relating to the issuance and sale of shares of the Company's common stock for an aggregate offering price of up to $250.0 million under an at-the-market offering program, or the ATM. The Company has no obligation to sell any shares and could at any time suspend solicitations and offers under the ATM. No shares of the Company's common stock have been sold under the ATM as of December 31, 2024.

9. Share-based Compensation

Share-based compensation expense recorded in the accompanying statements of operations is as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Research and development expense	$ 16,710	$ 14,381	$ 8,486
Selling, general and administrative expense	31,553	24,960	18,756
Total share-based compensation expense	$ 48,263	$ 39,341	$ 27,242

2022 Equity Inducement Plan

In October 2022, the Company's board of directors approved the 2022 Equity Inducement Plan, or the 2022 Plan. The 2022 Plan provides for the grant of non-statutory stock options and restricted stock units. The number of shares of common stock reserved for issuance under the 2022 Plan is 1,000,000 shares.

2021 Equity Incentive Plan

In May 2021, in connection with the IPO, the board of directors and stockholders approved the 2021 Equity Incentive Plan, or the 2021 Plan, which became effective on the day before the date of the effectiveness of the IPO. The 2021 Plan provides for the grant of incentive stock options, non-statutory stock options, stock appreciation rights, awards of restricted stock, restricted stock units and other share-based awards. The number of shares of common stock reserved for issuance under the 2021 Plan is equal to the sum of: (x) 6,369,000 shares of common stock; plus (y) 4,719,605 shares of common stock issued in respect of the conversion of incentive shares that were subject to vesting immediately prior to the effectiveness of the registration statement for the IPO that expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by us at their original issuance price pursuant to a contractual repurchase right. The number of shares available for grant and issuance under the 2021 Plan will be automatically increased on the first day of each fiscal year, beginning with the fiscal year commencing on January 1, 2021 and continuing for each fiscal year until, and including, the fiscal year commencing on January 1, 2031, by the lesser of (a) 5% of the number of shares of all classes of the Company's common stock, plus the total number of shares of Company common stock issuable upon conversion of any preferred stock or exercise of any warrants to acquire shares of Company common stock for a nominal exercise price issued and outstanding on each December 31 immediately prior to the date of increase or (b) such number of shares determined by the board of directors.

Stock Options

The following table provides a summary of stock option activity during the year ended December 31, 2024.

	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	10,211,758	$ 17.10		
Granted	2,915,362	$ 14.28		
Exercised	(172,163)	$ 13.18		$ 401.5
Forfeiture	(827,522)	$ 16.84		
Outstanding at December 31, 2024	12,127,435	$ 16.50	7.5	$ 748.5
Vested and expected to vest at December 31, 2024	12,127,435	$ 16.50	7.5	$ 748.5
Exercisable at December 31, 2024	7,610,570	$ 16.66	7.0	$ 431.2

Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money options. The total intrinsic value of options exercised during the years ended December 31, 2024, 2023, and 2022 was $0.4 million, $0.6 million and $1.6 million, respectively.

The total fair value of options that vested during the years ended December 31, 2024, 2023, and 2022 were $33.3 million, $29.2 million and $23.1 million, respectively. The weighted-average grant date fair value of options granted during the years ended December 31, 2024, 2023, and 2022 were $9.22 per share, $13.14 per share, and $10.03 per share, respectively.

Unrecognized share-based compensation for stock options as of December 31, 2024 was $45.9 million, which is expected to be recognized over a weighted-average period of 2.1 years.

The Company used the Black-Scholes option pricing model to estimate the fair value of stock option awards granted with the following assumptions:

	Year Ended December 31,		
	2024	2023	2022
Expected term (in years)	5.27 - 6.74	5.27 - 6.25	2.92 - 6.33
Expected volatility	68.27% - 70.57%	68.74% - 81.98%	65.20% - 81.68%
Risk-free interest rate	3.43% - 4.47%	3.47% - 4.67%	1.47% - 4.37%
Expected dividend yield	—	—	—

Restricted Stock Units

The following table provides a summary of restricted stock units activity under the 2021 Plan during the year ended December 31, 2024:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested restricted stock units at December 31, 2023	1,031,545	$ 18.27
Granted	1,640,180	$ 14.35
Vested	(680,963)	$ 16.48
Forfeiture	(216,475)	$ 16.22
Unvested restricted stock units at December 31, 2024	1,774,287	$ 15.58

Unamortized share-based compensation for restricted stock units as of December 31, 2024 was $25.8 million, which is expected to be recognized over a weighted-average period of 2.7 years.

Restricted Stock Awards

The following table provides a summary of the unvested common stock awards activity during the year ended December 31, 2024.

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested common stock as of December 31, 2023	747,679	$ 16.00
Vested	(636,647)	$ 16.00
Forfeiture	(28,751)	$ 16.00
Unvested common stock as of December 31, 2024	82,281	$ 16.00

Unamortized share-based compensation for restricted stock awards as of December 31, 2024 was $0.5 million, which is expected to be recognized over a weighted-average period of 0.2 years.

2021 Employee Stock Purchase Plan

In May 2021, the board of directors adopted and the stockholders approved the 2021 Employee Stock Purchase Plan, or the ESPP, which became effective on May 26, 2021. A total of 603,000 shares of common stock were initially reserved for issuance under the ESPP. The number of shares of the common stock reserved for issuance under the ESPP will automatically increase on the first day of each fiscal year, beginning with the fiscal year commencing on January 1, 2021 and continuing for each fiscal year until, and including, the fiscal year commencing on January 1, 2031, by the lesser of: (a) 1% of the total number of outstanding shares of common stock of the Company (on an as converted basis outstanding on the immediately preceding December 31 (rounded down to the nearest whole share)) and (b) an amount determined by the board of directors. 407,629 shares have been issued under the ESPP as of December 31, 2024. The Company recognized $0.8 million, $0.8 million, and $0.5 million of compensation expense related to the ESPP plan for the years ended December 31, 2024, 2023, and 2022, respectively.

10. Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders after the Conversion is calculated as follows (in thousands except share and per share amounts):

	Year Ended December 31,		
	2024	2023	2022
Net loss	$ (95,496)	$ (188,917)	$ (142,181)
Net loss per share, basic and diluted	$ (1.02)	$ (2.37)	$ (2.17)
Weighted-average number of common shares used in computing net loss per share, basic and diluted	93,234,195	79,773,004	65,466,773

The following outstanding potentially dilutive securities have been excluded from the calculation of diluted net loss per share, as their effect is anti-dilutive:

	As of December 31,	
	2024	2023
Stock options	12,127,435	10,068,258
Unvested common shares	82,281	747,679
Restricted stock units	1,774,287	984,920
Shares committed under ESPP	113,296	104,700
Total	14,097,299	11,905,557

11. Income Taxes

All pre-tax losses have been incurred in the United States. The total tax expense is comprised of current U.S. federal income tax expense of approximately $1.9 million and current U.S. state and local income tax expense of approximately $5.2 million.

The effective tax rate of the Company's provision (benefit) for income taxes differs from the federal statutory rate as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory rate	21.0%	21.0%	21.0%
State tax	28.9%	0.5%	0.6%
Permanent differences	(0.1)%	(0.3)%	—
Credits	19.3%	2.0%	1.7%
Change in valuation allowance	(68.5)%	(21.5)%	(22.6)%
Share-based compensation	(4.8)%	(1.7)%	(0.7)%
Uncertain tax positions	(3.9)%	—	—
Total	(8.1)%	—	—

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The principal components of the Company's deferred tax assets and liabilities consisted of the following (in thousands):

	As of December 31,	
	2024	2023
Deferred tax assets		
Federal and state net operating loss carryforwards	$ 34,577	$ 38,973
Capitalized R&D Section 174 Expense	63,487	34,938
Credits	22,038	10,338
Intangible asset basis	24,206	4,034
Share-based compensation	8,892	4,775
Other	3,986	1,397
Total deferred tax assets	157,186	94,455
Total deferred tax liabilities	(1,729)	(75)
Less: valuation allowance	(155,457)	(94,380)
Net deferred tax assets	$ —	$ —

Changes in the valuation allowance for deferred tax assets during the years ended December 31, 2024, 2023 and 2022 were as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Valuation allowance as of beginning of year	$ 94,380	$ 53,794	$ 23,778
Increases recorded to income tax provision	61,077	40,586	30,016
Valuation allowance as of end of year	$ 155,457	$ 94,380	$ 53,794

The Company has not generated taxable income since inception with the exception of the year ended December 31, 2024. Due to its history of losses, expected future losses and lack of other positive evidence, the Company determined that it is more likely than not that its net deferred tax assets will not be realized, and therefore, the net deferred tax assets are fully offset by a valuation allowance at December 31, 2024, 2023, and 2022. The Company increased the valuation allowance by $61.1 million, $40.6 million, and $30.0 million for the years ended December 31, 2024, 2023, and 2022, respectively.

As of December 31, 2024, the Company had federal net operating loss carryforwards, or NOLs, of $93.6 million that do not expire and federal tax credits of $25.3 million available to offset tax liabilities that begin to expire in 2038. The Company also has gross state NOLs of $169.6 million and state tax credits of $2.9 million which are available to offset state tax liabilities. The state NOLs begin to expire in 2038 and the state tax credits do not expire.

During the year ended December 31, 2024, the Company completed a Section 382 study to determine whether an ownership change per the provisions of Section 382 of the Internal Revenue Code, as well as similar state provisions, has occurred. The Company's current year utilization of net operating losses and income tax credits is not impacted by the provisions of Section 382 or 383. Utilization of its net operating loss and income tax credit carryforwards may be subject to an annual limitation due to ownership changes that may have occurred or that could occur in the future. These ownership changes may limit the amount of the net operating loss and income tax credit carryover that can be utilized annually to offset future taxable income. In general, an "ownership change" as defined by Section 382 of the Internal Revenue Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the outstanding shares of a company by certain stockholders.

In accordance with the Tax Cuts and Jobs Act of 2017, Research and Experimental, or R&E, expenses under Internal Revenue Code Section 174 are required to be capitalized beginning in 2022. R&E expenses are required to be amortized over a period of 5 years for domestic expenses and 15 years for foreign expenses.

Uncertain Tax Positions

In accordance with authoritative guidance, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The following table reconciles the beginning and ending amount of unrecognized tax benefits (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Balance at beginning of year	$ 2,634	$ 2,535	$ 1,141
Additions based on tax positions related to prior year	1,433	29	726
Additions based on tax positions related to current year	2,305	872	916
Reductions based on tax positions related to prior year	—	(802)	(248)
Reductions based on tax positions related to current year	—	—	—
Balance at end of year	$ 6,372	$ 2,634	$ 2,535

The entire amount of the unrecognized tax benefits would not impact the Company's effective tax rate if recognized. The Company has elected to include interest and penalties as a component of tax expense. During the years ended December 31, 2024, 2023 and 2022, the Company did not recognize accrued interest and penalties related to unrecognized tax benefits. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease during the next 12 months.

The Company files income tax returns in the U.S. federal, California and other state tax jurisdictions. The federal and state income tax returns from December 31, 2018 to December 31, 2023 remain subject to examination.

12. Defined Contribution Plan

The Company maintains an employee savings plan pursuant to Section 401(k) of the Internal Revenue Code. All employees are eligible to participate provided that they meet the requirements of the plan. For the year ended December 31, 2024, 2023, and 2022, the Company made matching contributions of $1.7 million, $1.3 million, and $0.8 million, respectively.

13. Segment Reporting

The Company views its operations and manages its business in one operating and one reportable segment, which includes all activities related to the identification, development and commercialization of medicines for childhood and adult diseases with equal intensity. The determination of a single operating segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker, or

CODM. The Company's CODM is its Chief Executive Officer, who reviews and evaluates net loss for purposes of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods. Our CODM does not evaluate the operating segment using asset or liability information. The operating segment derives all net product revenues from the sales of OJEMDA in the United States through contractual arrangements with its specialty pharmacy and specialty distributor customers. All the Company's assets are located in the United States.

In addition to the significant expense categories included within net loss presented on the Company's Statements of Operations, see below for disaggregated amounts that comprise research and development expenses:

	Year Ended December 31,		
	2024	2023	2022
		(in thousands)	
External costs:			
Third-party CRO, CMO and other third-party clinical trial costs (1)	$ 89,400	$ 71,294	$ 50,175
License upfront payments and milestones	80,000	8,000	2,500
Other research and development costs	8,949	8,465	3,598
Internal costs:			
Employee related expenses	49,353	42,762	29,345
Total research and development expenses	$ 227,702	$ 130,521	$ 85,618

(1) Costs incurred under agreements with third-party CROs, CMOs, and other third parties that conduct clinical activities on the Company's behalf.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-256521, 333-263343, 333-268071, 333-269727, 333-276372, and 333-284210) and Registration Statements on Form S-3 (Nos. 333-265346, 333-274521, and 333-281822) of Day One Biopharmaceuticals, Inc. of our report dated February 25, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California
February 25, 2025

Exhibit 31.1

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

I, Jeremy Bender, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Day One Biopharmaceuticals, Inc.;

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

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

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant 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 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.

March 6, 2025
Date

/s/ Jeremy Bender, Ph.D., M.B.A.
Jeremy Bender, Ph.D., M.B.A.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Charles York II, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Day One Biopharmaceuticals, Inc.;

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

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

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant 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 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.

March 6, 2025
Date

/s/ Charles York II, M.B.A.
Charles York II, M.B.A.
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsection (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

In connection with the Amendment No. 1 to the Annual Report of Day One Biopharmaceuticals, Inc. (the "Company") on Form 10-K/A for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers of Day One Biopharmaceuticals, Inc., a Delaware corporation, do hereby certify that, pursuant to 18 U.S.C. *§* 1350, as adopted pursuant to *§* 906 of the Sarbanes-Oxley Act of 2002, to the best of our 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 Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 6, 2025	/s/ Jeremy Bender, Ph.D., M.B.A.
Date	Jeremy Bender, Ph.D., M.B.A. Chief Executive Officer (Principal Executive Officer)
March 6, 2025	/s/ Charles York II, M.B.A.
Date	Charles York II, M.B.A. Chief Financial Officer (Principal Financial and Accounting Officer)