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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2019

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: 001-36167

Karyopharm Therapeutics Inc.
(Exact name of registrant as specified in its charter)

Delaware	**26-3931704**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
85 Wells Avenue, 2nd Floor **Newton, MA** **(Address of principal executive offices)**	**02459** **(Zip Code)**

(617) 658-0600
(Registrant's telephone number, including area code)

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, $0.0001 par value	KPTI	Nasdaq Global Select Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 29, 2019, there were 62,790,043 shares of Common Stock, $0.0001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited).

Karyopharm Therapeutics Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except share and per share amounts)

	September 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 168,004	$ 118,021
Short-term investments	99,525	210,178
Accounts receivable	7,928	—
Inventory	100	—
Prepaid expenses and other current assets	5,310	6,413
Total current assets	280,867	334,612
Property and equipment, net	3,240	3,863
Operating lease right-of-use assets	10,904	—
Long-term investments	2,022	2,001
Restricted cash	712	716
Total assets	$ 297,745	$ 341,192
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,068	$ 4,332
Accrued expenses	32,421	32,493
Deferred revenue	1,053	9,362
Operating lease liabilities	1,583	—
Deferred rent	—	390
Other current liabilities	1,077	327
Total current liabilities	39,202	46,904
Convertible senior notes	107,962	102,664
Deferred royalty obligation	73,589	—
Operating lease liabilities, net of current portion	13,643	—
Deferred revenue, net of current portion	3,479	4,532
Deferred rent, net of current portion	—	3,922
Total liabilities	237,875	158,022
Stockholders' equity:		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.0001 par value; 200,000,000 shares authorized; 62,705,481 shares issued and outstanding at September 30, 2019; 100,000,000 shares authorized; 60,829,308 shares issued and outstanding at December 31, 2018	6	6
Additional paid-in capital	884,585	857,156
Accumulated other comprehensive loss	(30)	(244)
Accumulated deficit	(824,691)	(673,748)
Total stockholders' equity	59,870	183,170
Total liabilities and stockholders' equity	$ 297,745	$ 341,192

See accompanying notes to condensed consolidated financial statements.

Karyopharm Therapeutics Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended, September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues:				
Product revenue, net	$ 12,821	$ —	$ 12,821	$ —
License and other revenue	328	239	9,976	30,130
Total revenues	13,149	239	22,797	30,130
Operating expenses:				
Cost of sales	1,013	—	1,013	—
Research and development	26,270	36,427	90,761	122,482
Selling, general and administrative	25,267	12,966	77,032	30,076
Total operating expenses	52,550	49,393	168,806	152,558
Loss from operations	(39,401)	(49,154)	(146,009)	(122,428)
Other income (expense):				
Interest income	1,137	1,098	4,320	2,260
Interest expense	(3,093)	—	(9,180)	—
Other income (expense)	10	(13)	(36)	(20)
Total other (expense) income, net	(1,946)	1,085	(4,896)	2,240
Loss before income taxes	(41,347)	(48,069)	(150,905)	(120,188)
Income tax provision	(20)	(14)	(38)	(9)
Net loss	$ (41,367)	$ (48,083)	$ (150,943)	$ (120,197)
Net loss per share—basic and diluted	$ (0.67)	$ (0.79)	$ (2.46)	$ (2.17)
Weighted-average number of common shares outstanding used in net loss per share—basic and diluted	62,092,841	60,586,511	61,297,249	55,465,261

See accompanying notes to condensed consolidated financial statements.

Karyopharm Therapeutics Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net loss	$(41,367)	$(48,083)	$ (150,943)	$ (120,197)
Comprehensive income (loss)				
Unrealized (loss) gain on investments	(59)	110	250	105
Foreign currency translation adjustments	(32)	(3)	(36)	(41)
Comprehensive loss	$(41,458)	$(47,976)	$ (150,729)	$ (120,133)

See accompanying notes to condensed consolidated financial statements.

Karyopharm Therapeutics Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2019	**2018**
Operating activities		
Net loss	$(150,943)	$(120,197)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	730	541
Net amortization of premiums and discounts on investments	(1,242)	280
Amortization of debt discount and issuance costs	5,298	—
Stock-based compensation expense	11,742	13,378
Changes in operating assets and liabilities:		
Accounts receivable	(7,928)	—
Inventory	(100)	—
Prepaid expenses and other current assets	1,108	(3,039)
Operating lease right-of-use assets	807	—
Accounts payable	(1,215)	(3,425)
Accrued expenses and other liabilities	569	8,139
Operating lease liabilities	(797)	—
Deferred revenue	(9,362)	(8,027)
Deferred rent	—	1,405
Net cash used in operating activities	(151,333)	(110,945)
Investing activities		
Purchases of property and equipment	(156)	(1,270)
Proceeds from maturities of investments	202,454	94,378
Purchases of investments	(90,329)	(97,662)
Net cash provided by (used in) investing activities	111,969	(4,554)
Financing activities		
Proceeds from the issuance of common stock, net of issuance costs	14,563	145,706
Proceeds from the exercise of stock options and shares issued under employee stock purchase plan	1,124	2,627
Proceeds from deferred royalty obligation, net	73,682	—
Net cash provided by financing activities	89,369	148,333
Effect of exchange rate on cash, cash equivalents and restricted cash	(26)	(9)
Net increase in cash, cash equivalents and restricted cash	49,979	32,825
Cash, cash equivalents and restricted cash at beginning of period	118,737	69,487
Cash, cash equivalents and restricted cash at end of period	$ 168,716	$ 102,312
Reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets		
Cash and cash equivalents	$ 168,004	$ 101,600
Long-term restricted cash	712	712
Total cash, cash equivalents and restricted cash	$ 168,716	$ 102,312
Supplemental disclosures:		
Deferred financing costs in accrued expenses at period end	$ 93	$ —
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 11,711	$ —
Cash paid for amounts included in the measurement of operating lease liabilities	$ 2,096	$ —

See accompanying notes to condensed consolidated financial statements.

Karyopharm Therapeutics Inc.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Common Shares					
	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2019	60,965,505	$ 6	$865,726	$ 61	$(783,324)	$ 82,469
Vesting of restricted stock	5,000	—	—	—	—	—
Exercise of stock options and shares issued under the employee stock purchase plan	100,525	—	577	—	—	577
Issuance of common stock, net of issuance costs of $0.3 million	1,634,451	—	14,563	—	—	14,563
Stock-based compensation expense	—	—	3,719	—	—	3,719
Unrealized loss on investments	—	—	—	(59)	—	(59)
Foreign currency translation adjustment	—	—	—	(32)	—	(32)
Net loss	—	—	—	—	(41,367)	(41,367)
Balance at September 30, 2019	62,705,481	$ 6	$884,585	$ (30)	$(824,691)	$ 59,870
Balance at June 30, 2018	60,501,260	$ 6	$781,176	$ (260)	$(567,455)	$ 213,467
Vesting of restricted stock	—	—	—	—	—	—
Exercise of stock options and shares issued under the employee stock purchase plan	163,597	—	812	—	—	812
Stock-based compensation expense	—	—	4,775	—	—	4,775
Unrealized gain on investments	—	—	—	110	—	110
Foreign currency translation adjustment	—	—	—	(3)	—	(3)
Net loss	—	—	—	—	(48,083)	(48,083)
Balance at September 30, 2018	60,664,857	$ 6	$786,763	$ (153)	$(615,538)	$ 171,078
Balance at December 31, 2018	60,829,308	$ 6	857,156	$ (244)	$(673,748)	$ 183,170
Vesting of restricted stock	10,000	—	—	—	—	—
Exercise of stock options and shares issued under the employee stock purchase plan	231,722	—	1,124	—	—	1,124
Issuance of common stock, net of issuance costs of $0.3 million	1,634,451	—	14,563	—	—	14,563
Stock-based compensation expense	—	—	11,742	—	—	11,742
Unrealized gain on investments	—	—	—	250	—	250
Foreign currency translation adjustment	—	—	—	(36)	—	(36)
Net loss	—	—	—	—	(150,943)	(150,943)
Balance at September 30, 2019	62,705,481	$ 6	$884,585	$ (30)	$(824,691)	$ 59,870
Balance at December 31, 2017	49,533,150	$ 5	$625,053	$ (217)	$(495,341)	$ 129,500
Vesting of restricted stock	103,800	—	—	—	—	—
Exercise of stock options and shares issued under the employee stock purchase plan	502,483	—	2,627	—	—	2,627
Issuance of common stock, net of issuance costs of $0.2 million	10,525,424	1	145,705	—	—	145,706
Stock-based compensation expense	—	—	13,378	—	—	13,378
Unrealized gain on investments	—	—	—	105	—	105
Foreign currency translation adjustment	—	—	—	(41)	—	(41)
Net loss	—	—	—	—	(120,197)	(120,197)
Balance at September 30, 2018	60,664,857	$ 6	$786,763	$ (153)	$(615,538)	$ 171,078

See accompanying notes to condensed consolidated financial statements.

Karyopharm Therapeutics Inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Karyopharm Therapeutics Inc., a Delaware corporation, have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial reporting and as required by Regulation S-X, Rule 10-01. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, all adjustments (including those which are normal and recurring) considered necessary for a fair presentation of the interim financial information have been included. When preparing financial statements in conformity with GAAP, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures at the date of the financial statements. Actual results could differ from those estimates. Additionally, operating results for the three and nine months ended September 30, 2019 are not necessarily indicative of the results that may be expected for any other interim period or for the fiscal year ending December 31, 2019. For further information, refer to the financial statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the Securities and Exchange Commission ("SEC") on February 28, 2019.

In July 2019, the U.S. Food and Drug Administration ("FDA") approved XPOVIO® (selinexor) in combination with dexamethasone for the treatment of adult patients with relapsed or refractory multiple myeloma ("RRMM") who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. This indication is approved under accelerated approval based on response rate. Following accelerated approval by the FDA, XPOVIO became commercially available in the United States in July 2019.

Basis of Consolidation

The condensed consolidated financial statements at September 30, 2019 include the accounts of Karyopharm Therapeutics Inc. and our wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The significant accounting policies used in preparation of these condensed consolidated financial statements on Form 10-Q for the nine months ended September 30, 2019 are consistent with those discussed in Note 2 to the financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018, except as it relates to product revenue recognition, accounts receivable, inventory, cost of sales, and deferred royalty obligations, as discussed below, and the adoption of new accounting standards during the nine months ended September 30, 2019, as discussed in Note 2. There were no changes to our accounting policy for license and asset sale agreements, as disclosed in our revenue recognition policy in Note 2 to the financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018, during the nine months ended September 30, 2019.

Product Revenue Recognition

We adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, as well as subsequent amendments, which were codified in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, on January 1, 2018, using the modified retrospective method for all contracts not completed as of the date of adoption. The adoption of ASC 606 did not have a material impact on our consolidated financial position, results of operations, stockholder's equity or cash flows as of the adoption date, as no transition adjustment for any of our contracts with customers was required.

ASC 606 applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements, and financial instruments. Under ASC 606, we recognize revenue when our customer obtains control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements that we determine are within the scope of ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assesses whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In the third quarter of 2019, we began to ship XPOVIO in the United States to specialty pharmacies and specialty distributors, collectively referred to as our customers, under a limited number of distribution arrangements with such third parties. Our specialty pharmacy customers resell XPOVIO directly to patients while our specialty distributor customers resell XPOVIO to healthcare entities, who then resell to patients.

In connection with negotiating and executing contracts with our customers, our policy is to expense incremental costs of obtaining a contract when incurred, if the expected amortization period of the asset that we would have recognized is one year or less. However, no such costs have been incurred to date. In addition to distribution agreements with our customers, we enter into certain arrangements with group purchasing organizations and/or other payors that provide for government mandated and/or privately negotiated rebates, chargebacks, and discounts with respect to the purchase of our products.

In the context of ASC 606, each unit of XPOVIO that is ordered by our customers represents a distinct performance obligation that is completed when control of the product is transferred to the customer. Accordingly, we recognize product revenue when the customer obtains control of our product, which occurs at a point in time, generally upon delivery pursuant to our agreements with our customers. If taxes should be collected from customers relating to product sales and remitted to governmental authorities, they will be excluded from revenue.

Revenue from product sales is recorded at the net sales price, which includes estimates of variable consideration for which reserves are reported. These reserves, as detailed below, are based on the amounts earned, or to be claimed on the related sales, and are classified as reductions of accounts receivable (if the amount is payable to the customer) or a current liability (if the amount is payable to a party other than a customer). Certain of the amounts noted are known at the time of sale based on contractual terms and, therefore, are recorded pursuant to the most likely amount method under ASC 606. Other amounts are estimated and take into consideration a range of possible outcomes, which are probability-weighted and recorded in accordance with the expected value method in ASC 606 for relevant factors, such as current contractual and statutory requirements, specific known market events and trends, industry data, and forecasted customer buying and payment patterns. Overall, these reserves reflect our best estimates of the amount of consideration to which we are entitled based on the terms of the respective underlying contracts. The amount of variable consideration that 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 contracts with our customers will not occur in a future period.

The following are the components of variable consideration related to product revenue:

Cash discounts and distributor fees: We provide customary discounts on XPOVIO sales to our customers for prompt payment, terms for which are explicitly stated in our contracts with such customers. We also pay fees for distribution services to our customers for sales order management, data, and distribution services, terms for which are also explicitly stated in our contracts with such customers. Such fees are not for a distinct good or service and, accordingly, are recorded as a reduction of revenue, as well as a reduction to accounts receivable (cash discounts) or as a component of accrued expenses (distributor fees).

Product returns: Consistent with industry practice, we offer our customers and other indirect purchasers a limited right of return for purchased units of XPOVIO for damage, defect, recall, and/or product expiry (beginning three months prior to the product's expiration date and ending twelve months after the product's expiration date). We estimate the amount of product sales that will be returned using a probability-weighted estimate, initially calculated based on data from similar products and other qualitative considerations, such as visibility into the inventory remaining in the distribution channel. Reserves for estimated returns are recorded as a reduction of revenue in the period that the related revenue is recognized, as well as a reduction to accounts receivable.

Based on the distribution model for XPOVIO, contractual inventory limits with our customers, the price of XPOVIO, and limited contractual return rights, we currently believe there will be minimal XPOVIO returns. However, we will update our estimated return liability each reporting period based on actual shipments of XPOVIO subject to contractual return rights, changes in expectations about the amount of estimated and/or actual returns, and other qualitative considerations.

Chargebacks: Chargebacks for fees and discounts represent the estimated obligations resulting from our contractual commitments to provide products to qualified healthcare entities at prices lower than the list prices charged to our customers who purchase XPOVIO directly from us. Our customers charge us for the discount provided to the healthcare entities. Chargebacks are generally determined at the time of resale to the qualified healthcare provider by our customers. Accordingly, reserves for chargebacks consist of credits that we expect to issue for units that remain in the distribution channel inventory at the end of the reporting period that we expect will be sold to qualified healthcare entities, as well as chargebacks that customers have claimed, but for which we have not yet issued a credit. We record reserves for chargebacks based on contractual terms in the same period that the related revenue is recognized, resulting in a reduction of product revenue and accounts receivable. We generally issue credits to the customer for such amounts within a few weeks after the customer notifies us of the resale to a discount-eligible healthcare entity.

Government rebates: We are subject to discount obligations under state Medicaid programs, Medicare, the Department of Veterans Affairs ("VA"), the Department of Defense ("DOD"), and others. 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 as a component of accrued expenses. For Medicare, we estimate the number of patients in the prescription drug coverage gap for whom we will owe an additional liability under Medicare Part D. Our liability for these rebates consists of invoices received for claims from prior and current 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 distribution channel inventories at the end of the reporting period.

Other incentives: Other incentives offered by us include co-payment assistance, which we provide as financial assistance to patients with commercial insurance which requires prescription drug co-payments by the patient. We calculate the accrual for co-payment assistance based on estimates of claims and the average co-payment assistance amounts per claim that we expect to receive associated with sales of XPOVIO that have been recognized as revenue but remain in distribution channel inventories at the end of the reporting period. Such estimates are based on experience with similar products in the industry, as well as actuals for our product sales to date. Any adjustments to such estimated liabilities on units in the distribution channel at period end, as well as actual amounts incurred on units sold through the distribution channel during the period, are recorded in the same period that the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability, which is included as a component of accrued expenses.

Product revenue reserves and allowances: As noted above, cash discounts, product returns, and chargebacks are recorded as reductions of accounts receivable and distributor fees, government rebates, and other incentives are recoded as a component of accrued expenses. To date, we have determined a material reversal of revenue would not occur in a future period, for the estimates detailed above, as of September 30, 2019 and, therefore, the transaction price was not reduced further during the three months ended September 30, 2019. Actual amounts of consideration ultimately received may differ from our estimates. If actual results in the future vary from our estimates, we will adjust these estimates, which would affect product revenue, net and earnings in the period in which such variances become known.

Accounts Receivable

In general, accounts receivable consists of amounts due from customers, net of customer allowances for cash discounts, product returns, and chargebacks. Our contracts with customers have standard payment terms that generally require payment within 30 days for specialty pharmacy customers and 65 days for specialty distributor customers. We analyze accounts that are past due for collectability, and periodically evaluate the creditworthiness of our customers. As of September 30, 2019, we determined an allowance for doubtful accounts was not required based upon our review of contractual payment terms and individual customer circumstances.

Inventory

Prior to regulatory approval, we expensed costs relating to the production of inventory as research and development expense in the period incurred. We capitalize the costs to manufacture our products incurred after regulatory approval when, based on our judgment, future commercialization is considered probable and the future economic benefit is expected to be realized. Such costs are generally recorded as costs of sales upon shipment. In connection therewith, we value our inventories at the lower of cost or estimated net realizable value. We determine the cost of our inventories, which includes amounts related to materials and manufacturing overhead, on a first-in, first-out basis. Raw materials and work in process includes all inventory costs prior to packaging and labelling, including raw material, active product ingredient, and drug product. Finished goods include packaged and labelled products. Inventories that may be used for either research and development or commercial sale are classified as inventory until the material is consumed or otherwise allocated for research and development. If the material is intended to be used for research and development, it is expensed as research and development once that determination is made.

Prior to FDA approval of XPOVIO, all costs related to the manufacturing of XPOVIO that could potentially be available to support the commercial launch of our products were charged to research and development expense in the period incurred, as there was no alternative future use. We analyze our inventory levels for recoverability each reporting period. In the period in which there is an impairment identified, we write down inventory that has become obsolete, inventory that has a cost basis in excess of its estimated realizable value, and inventory in excess of expected sales requirements as cost of sales. The determination of whether inventory costs will be realizable is based on our estimates. If actual market conditions are less favorable than projected by us, additional write-downs of inventory may be required, which would be recorded as cost of sales.

Cost of Sales

Cost of sales includes the cost of producing and distributing inventories that are related to product revenue during the respective period, including salary related and stock-based compensation expense for employees involved with production and distribution, freight, and indirect overhead costs, as well as third-party royalties payable on product revenue, net. In addition, shipping and handling costs for product shipments are recorded in cost of sales as incurred. Finally, cost of sales may also include costs related to excess or obsolete inventory adjustment charges, abnormal costs, unabsorbed manufacturing and overhead costs, and manufacturing variances.

Deferred Royalty Obligation

We treat the liability related to net revenues, as discussed further in Note 12, as a deferred royalty obligation, amortized under the effective interest rate method over the estimated life of the revenue streams. We recognize interest expense thereon using the effective rate, which is based on our current estimates of future revenues over the life of the arrangement. In connection therewith, we periodically assess our expected revenues using internal projections, impute interest on the carrying value of the deferred royalty obligation, and record interest expense using the imputed effective interest rate. To the extent our estimates of future revenues are greater or less than previous estimates or the estimated timing of such payments is materially different than previous estimates, we will account for any such changes by adjusting the effective interest rate on a prospective basis, with a corresponding impact to the reclassification of our deferred royalty obligation. The assumptions used in determining the expected repayment term of the deferred royalty obligation and amortization period of the issuance costs requires that we make estimates that could impact the short-term and long-term classification of such costs, as well as the period over which such costs will be amortized.

Liquidity

At September 30, 2019, we had $269.6 million in cash, cash equivalents and investments. We have had recurring losses and incurred a loss of $150.9 million for the nine months ended September 30, 2019. Net cash used in operations for the nine months ended September 30, 2019 was $151.3 million. We expect that our cash, cash equivalents and investments at September 30, 2019, together with the cash we expect to generate from product sales and under our alliances, will be sufficient to fund current operating plans and capital expenditure requirements for at least twelve months from the date of issuance of these financial statements, during which time we plan to continue to commercialize XPOVIO in the United States, which commenced in July 2019.

2. Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”). ASU 2016-02 supersedes the lease guidance under FASB ASC Topic 840, *Leases*, resulting in the creation of FASB ASC Topic 842, *Leases* (“ASC 842”). The new standard requires that all lessees (i) recognize, on the balance sheet, liabilities to remit lease payments and right-of-use assets, representing the right to use the underlying asset for the lease term for both finance and operating leases, and (ii) disclose qualitative and quantitative information about its leasing arrangements.

In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases* (“ASU 2018-10”) and ASU No. 2018-11, *Leases (Topic 842) Targeted Improvements* (“ASU 2018-11”). The amendments in ASU 2018-10 and ASU 2018-11 provide additional clarification and implementation guidance on certain aspects of ASU 2016-02 and have the same effective and transition requirements as ASU 2016-02, as detailed below. ASU 2018-11 provides entities the option to not provide comparative period financial statements and instead apply the transition requirements as of the effective date of ASU 2016-02.

ASU 2016-02, ASU 2018-10, and ASU 2018-11 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. We adopted the standard effective January 1, 2019 using the optional transition method under ASU 2018-11 and, therefore, prior period financial information has not been retrospectively adjusted.

Pursuant to the guidance under ASU 2016-02, we elected the optional package of practical expedients to leases that commenced prior to the effective date, which allowed us to not reassess: (i) whether expired or existing contracts contain leases; (ii) lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases. The new standard also allows entities to make certain policy elections, some of which we elected, including: (i) a policy to not record right-of-use assets and leases on the balance sheet for short-term leases that qualify and (ii) a policy to not separate lease and non-lease components for certain classes of underlying assets on contracts entered into or modified after the effective date. We did not elect the use of hindsight in estimating the lease term for leases subject to transition to the new standard.

As summarized in the table below, the standard had a material impact on our condensed consolidated balance sheet as of September 30, 2019, specifically through recognition of right-of-use assets of $11.7 million and lease liabilities of $16.0 million for our existing operating lease for office space in Newton, MA on the effective date. The difference between the operating lease right-of-use assets and operating lease liabilities is due to the change in classification of deferred rent and lease incentives through December 31, 2018 from liabilities to a reduction in our operating lease right-of-use assets. However, the standard did not have a material impact on our condensed consolidated statement of operations and comprehensive loss for the three and nine months ended September 30, 2019, as expense for our existing operating leases continues to be recognized consistent with the recognition pattern before adoption of the new standard. Please refer to Note 10, "Leases" for further information.

	January 1, 2019 Prior to ASC 842 Adoption	ASC 842 Adjustment	January 1, 2019 as Adjusted
Consolidated balance sheet data (in thousands):			
Operating lease and right-of-use assets (1)	$ —	$ 11,711	$ 11,711
Deferred rent (2)	$ 390	$ (390)	$ —
Deferred rent non-current (2)	$ 3,922	$ (3,922)	$ —
Operating lease liabilities (3)	$ —	$ 1,175	$ 1,175
Non-current operating lease liabilities (3)	$ —	$ 14,848	$ 14,848

(1) Represents capitalization of operating lease right-of-use assets, offset by reclassification of deferred rent and tenant incentives to operating lease right-of-use assets.
(2) Represents reclassification of deferred rent and tenant incentives to operating lease right-of-use assets.
(3) Represents recognition of operating lease liabilities.

We implemented internal controls to enable the preparation of financial information upon adoption.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"). ASU 2018-07 largely aligns the accounting for share-based payment awards issued to employees and nonemployees by expanding the scope of Topic 718 to apply to nonemployee share-based transactions, as long as the transaction is not effectively a form of financing. The new guidance was adopted on January 1, 2019 and it did not have a material impact on our condensed consolidated financial statements.

In July 2018, the FASB issued ASU No. 2018-09, *Codification Improvements* ("ASU 2018-09"). This amendment makes changes to a variety of topics to clarify, correct errors in, or make minor improvements to the Accounting Standards Codification. The amendments are effective for annual periods beginning after December 15, 2018 and were adopted effective January 1, 2019. The adoption of these amendments did not have a material impact on our condensed consolidated financial statements.

In November 2018, the FASB issued ASU No. 2018-18, *Collaborative Arrangements (Topic 808)—Clarifying the Interaction between Topic 808 and Topic 606* ("ASU 2018-18"). The amendments in ASU 2018-18 clarify that certain transactions between collaborative arrangement participants should be accounted for as revenue under ASC 606, when the collaborative arrangement participant is a customer in the context of a unit of account. The amendments under ASU 2018-18 are effective for interim and annual fiscal periods beginning after December 15, 2019, with early adoption permitted. The amendments in ASU 2018-18 should be applied retrospectively to the date of initial application of ASC 606. We adopted this guidance effective January 1, 2019 using the modified retrospective approach. The adoption of this standard did not have a material impact on our condensed consolidated financial statements, as each of our arrangements detailed below within Note 5, "License and Asset Purchase Agreements," were previously accounted for under ASC 606, not ASC 808, and we have no other arrangements within the scope of ASC 808.

On August 17, 2018, the SEC issued an amendment to Rule 3-04 of Regulation S-X, which extended the annual disclosure requirement of reporting changes in stockholders' equity to interim periods. Such disclosures are to be provided in a note to the financial statements or in a separate financial statement and requires both the year-to-date information and subtotals for each interim period. On September 25, 2018, the SEC issued guidance under a Compliance and Disclosure Interpretation ("C&DI 105.09") to clarify the effective date of the requirement. Under the guidance in C&DI 105.09, we implemented this updated disclosure requirement beginning with the Form 10-Q for the quarterly period ended March 31, 2019, specifically through inclusion of the comparative condensed consolidated statements of stockholders' equity.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 requires that credit losses be reported using an expected losses model rather than the incurred losses model that is currently used, and establishes additional disclosures related to credit risks. For available-for-sale debt securities with unrealized losses, this standard now requires allowances to be recorded instead of reducing the amortized cost of the investment. The amendments under ASU 2016-13 are effective for interim and annual fiscal periods beginning after December 15, 2019. We are currently evaluating the effects the adoption of ASU 2016-13 will have on our consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement—Disclosure Framework-Changes to the Disclosure Requirement for Fair Value Measurement* ("ASU 2018-13"). The amendments in ASU 2018-13 modify the disclosure requirements on fair value measurements in ASC 820, Fair Value Measurement, based on the concepts in the FASB Concepts Statement, including the consideration of costs and benefits. The amendments under ASU 2018-13 are effective for interim and annual fiscal periods beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the effects the adoption of ASU 2018-13 will have on our consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-15, *Intangible-Goodwill and Other Internal-Use Software (Subtopic 350-40)* ("ASU 2018-15"). ASU 2018-15 updates guidance regarding accounting for implementation costs associated with a cloud computing arrangement that is a service contract. The amendments under ASU 2018-15 are effective for interim and annual fiscal periods beginning after December 15, 2019, with early adoption permitted. We do not expect the adoption of ASU 2018-15 to have a material impact on our consolidated financial statements.

3. Product Revenue

To date, our only source of product revenue has been from the U.S. sales of XPOVIO, which we began shipping to our customers in July 2019. For the three months ended September 30, 2019, we recorded a total of $2.1 million as a reduction of revenue consisting primarily of distribution fees and cash discounts, as well as reserves for chargebacks, rebates and returns.

4. Inventory

The following table presents our inventory of XPOVIO at September 30, 2019 and December 31, 2018 (in thousands):

	September 30, 2019	December 31, 2018
Raw materials and work in process	$ —	$ —
Finished goods	100	—
Total inventory	$ 100	$ —

At September 30, 2019, all of our inventory was related to XPOVIO, which was approved by the FDA in July 2019, at which time we began to capitalize costs to manufacture XPOVIO. Prior to FDA approval of XPOVIO, all costs related to the manufacturing of XPOVIO and related material were charged to research and development expense in the period incurred. At September 30, 2019, we have determined a reserve related to XPOVIO inventory is not required.

5. License and Asset Purchase Agreements

Antengene License Agreement

Effective May 23, 2018 (the "Antengene Effective Date"), we entered into a License Agreement ("Antengene License Agreement") with Antengene Therapeutics Limited, a corporation organized and existing under the laws of Hong Kong ("Antengene") and a subsidiary of Antengene Corporation Co. Ltd., a corporation organized and existing under the laws of the People's Republic of China, pursuant to which we granted Antengene exclusive rights to develop and commercialize, at its own cost, (i) selinexor, our lead, novel, oral Selective Inhibitor of Nuclear Export ("SINE") compound, (ii) eltanexor, our second-generation oral SINE compound, and (iii) KPT-9274, our first-in-class orally bioavailable small molecule that is a non-competitive dual modulator of PAK4 and NAMPT, each for the diagnosis, treatment and/or prevention of all human oncology indications (the "Oncology Field"), as well as (iv) verdinexor, our lead compound in development for the treatment of viral indications for the diagnosis, treatment and/or prevention of certain human non-oncology indications (the "Non-Oncology Field") (the "Antengene Licensed Compounds"). We licensed the development and commercial rights to Antengene for selinexor and eltanexor in the Oncology Field in mainland China and Macau and licensed the development and commercial rights to Antengene for KPT-9274 in the Oncology Field and verdinexor in the Non-Oncology Field in mainland China, Taiwan, Hong Kong, Macau, South Korea, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam (the "Antengene Territory").

Pursuant to the terms of the Antengene License Agreement, we received an upfront payment of $11.7 million, and could receive up to $105.0 million in milestone payments if certain development goals are achieved and up to $45.0 million in milestone payments if certain sales milestones are achieved, as well as a high single-digit to low double-digit royalty based on future net sales of the Antengene Licensed Compounds in the Antengene Territory. In addition, upon Antengene's election and the parties' full execution of a manufacturing technology transfer plan and satisfaction of other specified conditions (the "Antengene Manufacturing Election"), we will grant to Antengene non-exclusive rights to manufacture the Antengene Licensed Compounds and products containing such compounds in or outside of the Antengene Territory solely for development and commercialization in the fields in the Antengene Territory.

As part of the Antengene License Agreement, Antengene will also have the right to participate in global clinical studies of the Antengene Licensed Compounds and will bear the cost and expense for patients enrolled in clinical studies in the Antengene Territory. Antengene is responsible for seeking regulatory and marketing approvals for the Antengene Licensed Compounds in the Antengene Territory, as well as any development of the products specifically necessary to obtain such approvals. Antengene is also responsible for the commercialization of the Antengene Licensed Compounds in the Oncology Field and Non-Oncology Field, as applicable, in the Antengene Territory at its own cost and expense.

Until such time as Antengene elects to manufacture its own drug substance, we will furnish clinical supplies of drug substance to Antengene for use in Antengene's development efforts pursuant to a clinical supply agreement to be entered into by us and Antengene, and Antengene may elect to have us provide commercial supplies of drug product to Antengene pursuant to a commercial supply agreement to be entered into by us and Antengene, in each case the costs of which will be borne by Antengene.

The Antengene License Agreement will continue in effect on a product-by-product, country-by-country basis until the later of the tenth anniversary of the first commercial sale of the applicable product in such country or the expiration of specified patent protection and regulatory exclusivity periods for the applicable product in such country. However, the Antengene License Agreement may be terminated earlier by (i) either party for breach of the Antengene License Agreement by the other party or in the event of the insolvency or bankruptcy of the other party, (ii) Antengene on a product-by-product basis for certain safety reasons or on a product-by-product, country-by-country basis for any reason with 180 days' prior notice or (iii) us in the event Antengene challenges or assists with a challenge to certain of our patent rights.

We assessed the Antengene arrangement in accordance with ASC 606 and concluded that the contract counterparty, Antengene, is a customer. We identified the following material promises under the contract: (i) exclusive licenses for each Antengene Licensed Compound, (ii) initial data transfers for each Antengene Licensed Compound, which consisted of regulatory data compiled by us for the Antengene Licensed Compounds as of the Antengene Effective Date, and (iii) obligations to stand-ready to provide an initial clinical supply for each Antengene Licensed Compound. We also identified immaterial promises under the contract relating to information exchanges and participation on operating committees and other working groups. Separately, we also identified certain customer options that would create an obligation for us if exercised by Antengene, including (i) additional data transfers for each Antengene Licensed Compound, which would consist of the transfer of additional regulatory data compiled by us for each Antengene Licensed Compound after the Antengene Effective Date, (ii) obligations to provide additional clinical supply and related substance supply for each Antengene Licensed Compound upon request by Antengene, (iii) manufacturing technology transfers and licenses for each Antengene Licensed Compound under the Antengene Manufacturing Election, as detailed above, and (iv) options for a backup compound, which represents Antengene's option to select a replacement compound in the event it elects to discontinue the development of the Antengene Licensed Compounds (the "Antengene Transfer Options"). The Antengene Transfer Options

individually represent material rights, as they were offered at a significant and incremental discount. Therefore, they were further assessed as performance obligations under the Antengene License Agreement. Finally, we also identified certain other customer options that would create a manufacturing obligation for us if exercised by Antengene, including for commercial supply. These options do not represent a material right, as they are not offered at a significant and incremental discount.

In further evaluating the promises detailed above, we determined that the exclusive licenses, initial data transfers, and stand-ready obligation to provide initial clinical supply for each Antengene Licensed Compound were not distinct from one another, and must be combined as four separate performance obligations (the "Antengene Combined License Obligation for selinexor", "Antengene Combined License Obligation for eltanexor", "Antengene Combined License Obligation for KPT-9274" and "Antengene Combined License Obligation for verdinexor"). This is because, for each Antengene Licensed Compound, Antengene requires the initial data transfer and initial clinical supply to derive benefit from the exclusive licenses, since we did not grant manufacturing licenses to any of the Antengene Licensed Compounds at contract inception. We also determined that each of the Antengene Transfer Options represents a distinct performance obligation. Based on these determinations, we identified eight performance obligations at the inception of the Antengene License Agreement, including (i) the Antengene Combined License Obligation for selinexor, (ii) the Antengene Combined License Obligation for eltanexor, (iii) the Antengene Combined License Obligation for KPT-9274, (iv) the Antengene Combined License Obligation for verdinexor, and the four components of the Antengene Transfer Options, including (v) the material right for additional data transfer, (vi) the material right for additional clinical supply and related substance supply, (vii) the material right for manufacturing technology transfer and license, and (viii) the material right for the option for a backup compound.

We further determined that the up-front payment of $11.7 million constituted the entirety of the consideration included in the transaction price at contract inception, which was allocated to the performance obligations based on their relative stand-alone selling prices. We determined that substantially all of the total standalone selling price in the arrangement is derived from the four Antengene Combined License Obligations for selinexor, eltanexor, KPT-9274 and verdinexor. In connection therewith, we also estimated the standalone selling price for each of the material rights within the Antengene Transfer Options, and determined that such amounts were insignificant, and, therefore, immaterial for purposes of allocation. Accordingly, we allocated the $11.7 million transaction price amongst the Antengene Combined License Obligations as follows: $9.4 million for selinexor, $1.0 million for eltanexor, $1.1 million for KPT-9274, and $0.2 million for verdinexor. We believe that a change in the assumptions used to determine our best estimate of the stand-alone selling prices for any of the identified performance obligations would not have a significant effect on the allocation of the underlying transaction price to the performance obligations.

Upon execution of the Antengene License Agreement, the only fixed component of the transaction price included the $11.7 million up-front payment owed to us. As referenced above, we are eligible to receive additional payments of up to $105.0 million in milestone payments if certain development goals are achieved and up to $45.0 million in milestone payments if certain sales milestones are achieved, as well as a high single-digit to low double-digit royalty on future net sales of the Antengene Licensed Compounds in the Antengene Territory. In addition, we would receive cost reimbursement in connection with Antengene's election to receive additional clinical supply for the Antengene Licensed Compounds in the future. The future regulatory milestones and cost reimbursement for providing additional clinical supply of the Antengene Licensed Compounds, both of which represent variable consideration, were evaluated under the most likely amount method, and were not included in the transaction price at contract inception and/or through September 30, 2019, because the amounts were fully constrained as of September 30, 2019. As part of our evaluation of the constraint, we considered numerous factors, including that receipt of such amounts is outside of our control. Separately, any consideration related to sales-based milestones, as well as royalties on net sales upon commercialization by Antengene, will be recognized when the related sales occur, as they were determined to relate predominantly to the intellectual property licenses granted to Antengene and, therefore, have also been excluded from the transaction price in accordance with the sales-based royalty exception, as well as our accounting policy. We will re-evaluate the transaction price in each reporting period, as uncertain events are resolved, or as other changes in circumstances occur.

Through the nine months ended September 30, 2019, we recognized $9.4 million in revenue under the Antengene License Agreement, as the Antengene Combined License Obligation for selinexor was satisfied when the initial clinical supply of selinexor was delivered during the second quarter of 2019. Revenue will be recognized for the Antengene Combined License Obligation for eltanexor, the Antengene Combined License Obligation for KPT-9274, and the Antengene Combined License Obligation for verdinexor once our promise to provide initial clinical supply of each of the Antengene Licensed Compounds in the future is fulfilled. We currently expect the initial clinical supply of KPT-9274 to be delivered within the next twelve months, and the initial clinical supplies of eltanexor and verdinexor are expected to be delivered in the fourth quarter of 2020. Accordingly, and as of September 30, 2019, the remaining $2.3 million of the upfront payment represents a contract liability, (i) $1.1 million of which was included in deferred revenue and is classified as a current liability and (ii) $1.2 million of which was included in deferred revenue and is classified as a non-current liability.

Biogen Asset Purchase Agreement

On January 24, 2018, we entered into an Asset Purchase Agreement (the "APA") and Letter Agreement with Biogen MA Inc., a Massachusetts corporation and subsidiary of Biogen, Inc. ("Biogen").

Under the terms of the APA and Letter Agreement, we sold to Biogen exclusive worldwide rights to develop and commercialize our oral SINE compound KPT-350 and certain related assets with an initial focus in amyotrophic lateral sclerosis ("ALS") (the "Transfer of IP"), and also granted Biogen: (i) an exclusive worldwide license under certain of our intellectual property to manufacture or have manufactured KPT-350 (the "Manufacturing License"), (ii) a technology transfer package, consisting of information and our know-how regarding the manufacture of KPT-350 (the "Manufacturing Technology Transfer"), (iii) a right, at Biogen's request, to have us provide transition assistance regarding manufacturing and other matters (the "Transition Assistance"), (iv) existing inventory of KPT-350 (the "Inventory"), (v) an initial supply of KPT-350 (the "Initial Supply"), and (vi) a right, at Biogen's request, to have us manufacture and supply the active pharmaceutical ingredient for an additional supply of KPT-350 (the "Additional Supply"). In consideration for these rights, we received an upfront payment of $10.0 million, and we are eligible to receive additional payments of up to $142.0 million based on the achievement by Biogen of future specified development milestones, and up to $65.0 million based on the achievement by Biogen of future specified commercial milestones. We will also be eligible to receive tiered royalty payments that reach low double-digits based on future net sales until the later of the tenth anniversary of the first commercial sale of the applicable product and the expiration of specified patent protection for the applicable product, determined on a country-by-country basis.

We and Biogen have made customary representations and warranties and agreed to customary covenants in the APA, including covenants requiring Biogen to use commercially reasonable efforts to develop KPT-350 in specified neurological indications, including ALS, in any of the United States, United Kingdom, France, Spain, Germany or Italy. The APA will continue in effect until the expiration of all royalty obligations, provided that the APA may be terminated earlier by Biogen, subject to the requirements that Biogen (i) negotiate in good faith with us regarding an assignment or license back to us the purchased assets and (ii) not transfer or license the purchased assets to a third party unless such third party assumes Biogen's obligations to us under the APA.

We assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, Biogen, is a customer. We identified the following material promises in the arrangement: the Transfer of IP and the Manufacturing License. We also identified immaterial promises under the contract that were not deemed performance obligations. We further determined that other promises for Additional Supply and Transition Assistance represented customer options, which would create an obligation for us if exercised by Biogen. Since no additional or material consideration is owed to us by Biogen upon exercise of the customer options for Additional Supply and Transition Assistance, we determined that both are offered at significant and incremental discounts. Accordingly, they were assessed as material rights and, therefore, separate performance obligations in the arrangement. We then determined that the Transfer of IP and the Manufacturing License were not distinct from one another and must be combined as a performance obligation (the "Combined Performance Obligation"). This is because Biogen requires the Manufacturing License to derive benefit from the Transfer of IP. Based on these determinations, as well as the considerations noted above with respect to the material rights for Additional Supply and Transition Assistance, we identified three distinct performance obligations at the inception of the contract: (i) the Combined Performance Obligation, (ii) the material right for Additional Supply, and (iii) the material right for Transition Assistance. We further determined that the up-front payment of $10.0 million constituted the entirety of the consideration included in the transaction price at contract inception, which was allocated to the performance obligations based on their relative stand-alone selling prices. In connection therewith, we estimated the stand-alone selling price of the (i) Combined Performance Obligation, (ii) material right for Additional Supply, and (iii) material right for Transition Assistance, and determined that the stand-alone selling price of the material rights for Additional Supply and Transition Assistance were insignificant based on various quantitative and qualitative considerations. Accordingly, we further determined that the allocation of the transaction price to the material rights for Additional Supply and Transition Assistance was insignificant. Based on the estimates of the stand-alone selling prices for each of the performance obligations, we determined that substantially all of the $10.0 million transaction price should be allocated to the Combined Performance Obligation. We believe that a change in the assumptions used to determine our best estimate of the stand-alone selling prices for the identified performance obligations would not have a significant effect on the allocation of the underlying transaction price to the performance obligations.

Upon execution of the APA, the transaction price included only the $10.0 million up-front payment owed to us. We may receive further payments upon the achievement of certain regulatory and sales milestones, as detailed above, as well as tiered royalty payments that reach low double-digits based on future net sales. The future regulatory milestones, which represent variable consideration, were evaluated under the most likely amount method, and were not included in the transaction price, because the amounts were fully constrained as of September 30, 2019. As part of our evaluation of the constraint, we considered numerous factors, including that receipt of such milestones is outside our control. Separately, any consideration related to sales-based milestones, as well as royalties on net sales upon commercialization by Biogen, will be recognized when the related sales occur, as they were determined to relate predominantly to the intellectual property and, therefore, have also been excluded from the transaction price in accordance with the sales-based royalty exception, as well as our accounting policy. We will re-evaluate the transaction price in each reporting period, as uncertain events are resolved, or as other changes in circumstances occur.

We recognized $10.0 million of revenue during the first quarter of 2018, which was when it had satisfied its promises under the Combined Performance Obligation by transferring the underlying promised goods.

Ono License Agreement

Effective October 11, 2017 (the "Ono Effective Date"), we entered into a license agreement (the "Ono License Agreement") with Ono Pharmaceutical Co., Ltd., a corporation organized and existing under the laws of Japan ("Ono"), pursuant to which we granted Ono exclusive rights to develop and commercialize, at its own cost, selinexor and eltanexor, for the diagnosis, treatment and/or prevention of all human oncology indications (the "Ono Field") in Japan, Republic of Korea, Republic of China (Taiwan) and Hong Kong, as well as in the ten Southeast Asian countries currently comprising the Association of Southeast Asian Nations (the "Ono Territory") (the "Ono Exclusive License"). Pursuant to the terms of the Ono License Agreement, we received an upfront payment of ¥2.5 billion (US$21.9 million on the date received), and could receive up to ¥10.15 billion (approximately US$90.5 million at the exchange rate as of the Ono Effective Date) in milestone payments if certain development goals are achieved and up to ¥9.0 billion (approximately US$80.2 million at the exchange rate as of the Ono Effective Date) in milestone payments if certain sales milestones are achieved, as well as a low double-digit royalty based on future net sales of selinexor and eltanexor in the Ono Territory. In addition, upon Ono's election and the parties' full execution of a manufacturing technology transfer plan and satisfaction of other specified conditions (the "Ono Manufacturing Election"), we will grant to Ono non-exclusive rights to manufacture selinexor, eltanexor and products containing such compounds in or outside of the Ono Territory solely for development and commercialization in the Ono Field in the Ono Territory.

As part of the Ono License Agreement, Ono will also have the right to participate in global clinical studies of selinexor and eltanexor and will bear the cost and expense for patients enrolled in clinical studies in the Ono Territory. Ono is responsible for seeking regulatory and marketing approvals for selinexor and eltanexor in the Ono Territory, as well as any development of the products specifically necessary to obtain such approvals. Ono is also responsible for the commercialization of products containing selinexor or eltanexor in the Ono Field in the Ono Territory at its own cost and expense.

Subject to the Ono Manufacturing Election, we will furnish clinical supplies of drug substance to Ono for use in Ono's development efforts pursuant to a clinical supply agreement to be entered into by us and Ono, and Ono may elect to have us provide commercial supplies of drug product to Ono pursuant to a commercial supply agreement to be entered into by us and Ono, in each case the costs of which will be borne by Ono.

The Ono License Agreement will continue in effect on a product-by-product, country-by-country basis until the later of the tenth anniversary of the first commercial sale of the applicable product in such country or the expiration of specified patent protection and regulatory exclusivity periods for the applicable product in such country. However, the Ono License Agreement may be terminated earlier by (i) either party for breach of the Ono License Agreement by the other party or in the event of the insolvency or bankruptcy of the other party, (ii) Ono on a product-by-product basis for certain safety reasons or on a product-by-product, country-by-country basis for any reason with 180 days' prior notice or (iii) us in the event Ono challenges or assists with a challenge to certain of our patent rights.

We assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, Ono, is a customer. We identified the following material promises under the contract: (i) the Ono Exclusive License for selinexor and eltanexor, (ii) initial data transfer for selinexor and eltanexor, which consisted of regulatory data compiled by us for the licensed compounds and products as of the Ono Effective Date, (iii) initial clinical supply for selinexor, which consisted of units of clinical supply for Ono to conduct its Phase I Trial, and (iv) an obligation to stand-ready to provide initial clinical supply for eltanexor. We also identified immaterial promises under the contract relating to information exchanges, and participation on operating committees and other working groups. Separately, we also identified certain customer options that would create an obligation for us if exercised by Ono, including the (i) additional data transfer for selinexor and eltanexor, which would consist of the transfer of additional regulatory data compiled by us for the licensed compounds and products after the Ono Effective Date, (ii) additional clinical supply and related substance supply for selinexor and eltanexor, which would consist of supplying Ono with units and substance of selinexor and eltanexor incremental to the initial clinical supply for selinexor and the obligation to stand-ready to provide initial clinical supply for eltanexor, as noted above, (iii) manufacturing technology transfer and license for selinexor and eltanexor under the Ono Manufacturing Election, as detailed above, and (iv) options for a backup compound, which represents Ono's option to select a replacement compound in the event it elects to discontinue the development of either of the licensed compounds (the "Ono Transfer Options"). The Ono Transfer Options individually represent material rights, as they were offered at a significant and incremental discount. Therefore, they were further assessed as performance obligations under the Ono License Agreement. We also identified certain other customer options that would create a manufacturing obligation for us if exercised by Ono, including commercial supply. This option is referred to herein as the "Ono Manufacturing Option." The Ono Manufacturing Option does not represent a material right, as it is not offered at a significant and incremental discount.

In further evaluating the promises detailed above, we determined that the (i) Ono Exclusive License, initial data transfer, and initial clinical supply for selinexor and (ii) Ono Exclusive License, initial data transfer, and obligation to stand-ready to provide initial clinical supply of eltanexor were not distinct from one another, and must be combined as two separate performance obligations (the "Ono Combined License Obligation for selinexor" and the "Ono Combined License Obligation for eltanexor"). This is because, for both selinexor and eltanexor, Ono requires the initial data transfer and clinical supply to derive benefit from the Ono Exclusive License since we did not grant manufacturing licenses for selinexor and eltanexor at contract inception. We also determined that each of the Ono Transfer Options represents a distinct performance obligation. Based on these determinations, we identified six distinct performance obligations at the inception of the Ono License Agreement, including (i) the Ono Combined License Obligation for selinexor, (ii) the Ono Combined License Obligation for eltanexor, and the four components of the Ono Transfer Options, including (iii) the material right for additional data transfer, (iv) the material right for additional clinical supply and related substance supply, (iv) the material right for manufacturing technology transfer and license, and (vi) the material right for the option for a backup compound.

We further determined that the up-front payment of ¥2.5 billion (US$21.9 million on the date received) constituted the entirety of the consideration included in the transaction price at contract inception, which was allocated to the performance obligations based on our best estimate of their relative stand-alone selling prices. We determined that substantially all of the total standalone selling price in the arrangement is derived from the Ono Combined License Obligation for selinexor and the Ono Combined License Obligation for eltanexor. In connection therewith, we estimated the standalone selling price for each of the material rights within the Ono Transfer Options, and determined that such amounts were insignificant, and, therefore, immaterial for purposes of allocation. Accordingly, we allocated the ¥2.5 billion (US$21.9 million on the date received) upfront transaction price between the Ono Combined License Obligations as follows: $19.7 million for selinexor and $2.2 million for eltanexor. We believe that a change in the assumptions used to determine our best estimate of the stand-alone selling prices for any of the identified performance obligations would not have a significant effect on the allocation of the underlying transaction price to the performance obligations.

Upon execution of the Ono License Agreement, the transaction price included only the ¥2.5 billion (US$21.9 million on the date received) up-front payment owed to us. As referenced above, we are eligible to receive additional payments of up to ¥10.15 billion (approximately US$90.5 million at the exchange rate as of the Ono Effective Date) based on the achievement by Ono of future specified development milestones and up to ¥9.0 billion (approximately US$80.2 million at the exchange rate as of the Ono Effective Date) based on the achievement by Ono of future specified commercial milestones, as well as a low double-digit royalty based on future net sales of selinexor and eltanexor in the Ono Territory. In addition, we could receive cost reimbursement in connection with our promise to stand-ready to provide initial clinical supply for eltanexor in the future. The future regulatory milestones and cost reimbursement for providing initial clinical supply of eltanexor, both of which represent variable consideration, were evaluated under the most likely amount method, and were not included in the transaction price, because the amounts were fully constrained as of September 30, 2019. As part of our evaluation of the constraint, we considered numerous factors, including that receipt of such amounts is outside our control. Separately, any consideration related to sales-based milestones, as well as royalties on net sales upon commercialization by Ono, will be recognized when the related sales occur, as they were determined to relate predominantly to the intellectual property granted to Ono and, therefore, have also been excluded from the transaction price in accordance with the sales-based royalty exception, as well as our accounting policy. We will re-evaluate the transaction price in each reporting period, as uncertain events are resolved, or as other changes in circumstances occur.

As the initial clinical supply of selinexor was delivered in April 2018, the Ono Combined License Obligation for selinexor was determined to be fulfilled and revenue of $19.7 million was recognized during the quarter ended June 30, 2018. The transaction price allocated to the Ono Combined License Obligation for eltanexor will be recognized as revenue once our stand-ready promise to provide initial clinical supply of eltanexor in the future is fulfilled, which is the last remaining undelivered promise associated with the Ono Combined License Obligation for eltanexor. As of September 30, 2019, $2.2 million of the Ono License Agreement upfront payment is included in deferred revenue and is classified as a non-current liability.

Anivive License Agreement

On April 28, 2017 (the "Anivive Effective Date"), we entered into a license agreement (the "Anivive Agreement") with Anivive Lifesciences, Inc. ("Anivive"), a biopharmaceutical company engaged in the research, development and commercialization of animal health medicines, pursuant to which we have granted Anivive an exclusive, worldwide license to develop and commercialize verdinexor (KPT-335) for the treatment of cancer in companion animals (the "Anivive Exclusive License"). Pursuant to the terms of the Anivive Agreement, we received an upfront payment of $1.0 million and a payment of $0.3 million upon the completion of the technology transfer, which occurred during the year ended December 31, 2017. In addition, we are eligible to receive potential clinical, regulatory and commercial development milestone payments totaling up to $43.3 million, as well as a low double-digit royalty based on Anivive's future net sales of verdinexor following commercialization. The potential future milestone payments are composed of $5.8 million based on achievement of clinical and regulatory milestone events and $37.5 million based on achievement of sales milestone events.

We assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, Anivive, is a customer. We identified the following material promises under the contract, the Anivive Exclusive License and the technology transfer, which consisted of regulatory data compiled by us for the licensed compound and product as of the Anivive Effective Date. We also identified immaterial promises under the contract that were not deemed performance obligations, including participating on a product advisory committee and sharing regulatory matter information. We further determined that other promises for (i) transfer of additional technology in the future, if developed by us, and (ii) facilitating manufacturing and supply relationships with our third-party contract manufacturers represented customer options, would create an obligation for us if exercised by Anivive. Since no additional or immaterial consideration is owed to us by Anivive upon exercise of the customer options noted, we determined that both are offered at significant and incremental discounts. Accordingly, they were assessed as material rights and, therefore, separate performance obligations in the arrangement.

In further evaluating the promises detailed above, we determined that the Anivive Exclusive License and the technology transfer were not distinct from one another and must be combined as a performance obligation (the "Anivive Combined License Obligation"). This is because Anivive requires the technology transfer to derive benefit from the Anivive Exclusive License. Based on these determinations, we identified three distinct performance obligations at the inception of the contract: (i) the Anivive Combined License Obligation, (ii) the material right for transfer of additional technology in the future, if developed by us, and (iii) the material right for facilitating manufacturing and supply relationships with our third-party contract manufacturers.

We further determined that the up-front payment of $1.0 million upon contract execution, as well as the $0.3 million upon completion of the technology transfer, constituted the entirety of the consideration included in the transaction price as of the transition date, January 1, 2018, which was allocated to the performance obligations based on their relative stand-alone selling prices. In connection therewith, we estimated the stand-alone selling price of the (i) Anivive Combined License Obligation, (ii) material right for transfer of additional technology in the future, if developed by us, and (iii) the material right for facilitating manufacturing and supply relationships with our third-party contract manufacturers, and determined that the stand-alone selling price of the material rights noted were insignificant based on various qualitative considerations. Accordingly, we further determined that the allocation of the upfront payment to the material rights noted was insignificant. Based on the estimates of the stand-alone selling prices for each of the performance obligations, we determined that substantially all of the $1.3 million transaction price should be allocated to the Anivive Combined License Obligation. We believe that a change in the assumptions used to determine our best estimate of the stand-alone selling prices for the identified performance obligations would not have a significant effect on the allocation of the underlying transaction price to the performance obligations.

As referenced above, the up-front payment of $1.0 million upon contract execution, as well as the $0.3 million upon completion of the technology transfer, constituted the entirety of the consideration included in the transaction price as of the transition date, January 1, 2018. We are also eligible to receive additional payments up to $5.8 million based on achievement of clinical and regulatory milestone events and up to $37.5 million based on achievement of sales milestone events, as well as a low double-digit royalty based on Anivive's future net sales of verdinexor following commercialization. The future regulatory milestones, which represent variable consideration, were evaluated under the most likely amount method, and were not included in the transaction price, because the amounts are fully constrained as of September 30, 2019. As part of our evaluation of the constraint, we considered numerous factors, including that receipt of such milestones is outside our control. Separately, any consideration related to sales-based milestones, as well as royalties on net sales upon commercialization by Anivive, will be recognized when the related sales occur, as they were determined to relate predominantly to the intellectual property granted to Anivive and, therefore, have also been excluded from the transaction price in accordance with the sales-based royalty exception, as well as our policy. We will re-evaluate the transaction price in each reporting period, as uncertain events are resolved, or as other changes in circumstances occur.

To date, we have recognized $1.3 million of revenue associated with the Anivive Agreement. Revenue for the upfront payment and technology transfer milestone was recognized upon completion of the technology transfer in October 2017, as all promises under the Anivive Combined License Obligation had been fulfilled.

6. Fair Value of Financial Instruments

Financial instruments, including cash, restricted cash, prepaid expenses and other current assets, accounts payable and accrued expenses are presented at amounts that approximate fair value at September 30, 2019 and December 31, 2018.

We are required to disclose information on all assets and liabilities reported at fair value that enables an assessment of the inputs used in determining the reported fair values. The fair value hierarchy prioritizes valuation inputs based on the observable nature of those inputs. The fair value hierarchy applies only to the valuation inputs used in determining the reported fair value of the investments and is not a measure of the investment credit quality. The hierarchy defines three levels of valuation inputs:

Level 1 inputs	Quoted prices in active markets for identical assets or liabilities
Level 2 inputs	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 inputs	Unobservable inputs that reflect our own assumptions about the assumptions market participants would use in pricing the asset or liability

Items classified as Level 2 within the valuation hierarchy consist of commercial paper, corporate debt securities, U.S. government agency securities and certificates of deposit. We estimate the fair values of these marketable securities by taking into consideration valuations obtained from third-party pricing sources. These pricing sources utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include market pricing based on real-time trade data for the same or similar securities, issuer credit spreads, benchmark yields, and other observable inputs. We validate the prices provided by our third-party pricing sources by understanding the models used, obtaining market values from other pricing sources and analyzing pricing data in certain instances.

In certain cases where there is limited activity or less transparency around inputs to valuation, the related assets or liabilities are classified as Level 3. The embedded derivative liability associated with our deferred royalty obligation, as discussed further in Note 12, is measured at fair value using an option pricing Monte Carlo simulation model and is included as a component of deferred royalty obligation. The embedded derivative liability is subject to remeasurement at the end of each reporting period, with changes in fair value recognized as a component of interest and other income (expense), net. The assumptions used in the option pricing Monte Carlo simulation model include: (1) our estimates of the probability and timing of related events; (2) the probability-weighted net sales of XPOVIO and any of our other future products, including worldwide net product sales and upfront payments, milestones and royalties; (3) our risk-adjusted discount rate that includes a company specific risk premium; (4) our cost of debt; (5) volatility; and (6) the probability of a change in control occurring during the term of the instrument. Our embedded derivative liability is described in Note 12, “Long-Term Obligations.”

The following table presents information about our financial assets that have been measured at fair value at September 30, 2019 and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

Description	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets				
Cash equivalents:				
Money market funds	$ 78,063	$78,063	$ —	$—
Investments:				
Short-term:				
Corporate debt securities	49,708	—	49,708	—
Commercial paper	36,440	—	36,440	—
U.S. government and agency securities	13,377		13,377	
Long-term:				
Corporate debt securities	2,022		2,022	
Total financial assets	$179,610	$78,063	$101,547	$—

The following table presents information about our financial assets that have been measured at fair value at December 31, 2018 and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

Description	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets				
Cash equivalents:				
Money market funds	$ 62,320	$62,320	$ —	$ —
Corporate debt securities	6,823	—	6,823	—
Commercial paper	7,738	—	7,738	—
Investments:				
Short-term:				
Corporate debt securities	143,079	—	143,079	—
Commercial paper	43,978	—	43,978	—
U.S. government and agency securities	19,124	—	19,124	—
Certificate of deposit	3,997	—	3,997	—
Long-term:				
Corporate debt securities (one to two year maturity)	2,001	—	2,001	—
	$ 289,060	$62,320	$226,740	$ —

7. Investments

The following table summarizes our investments in debt securities, classified as available-for-sale, as of September 30, 2019 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Loss	Fair Value
Short-term:				
Corporate debt securities	$ 49,692	$ 19	$ (3)	$ 49,708
Commercial paper	36,431	12	(3)	36,440
U.S. government and agency securities	13,367	10		13,377
Long-term:				
Corporate debt securities	2,021	1		2,022
	$101,511	$ 42	$ (6)	$101,547

The following table summarizes our investments in debt securities, classified as available-for-sale as of December 31, 2018 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Loss	Fair Value
Short-term:				
Corporate debt securities	$143,254	$ 3	$ (178)	$ 143,079
Commercial paper	44,001	—	(23)	43,978
U.S. government and agency securities	19,131	10	(17)	19,124
Certificate of deposit	4,000	—	(3)	3,997
Long-term:				
Corporate debt securities (one to two year maturity)	2,007	—	(6)	2,001
	$212,393	$ 13	$ (227)	$ 212,179

At September 30, 2019 and December 31, 2018, we held 11 and 79 debt securities, respectively, that were in an unrealized loss position. The aggregate fair value of debt securities in an unrealized loss position at September 30, 2019 and December 31, 2018 was $23.1 million and $180.6 million, respectively. As of September 30, 2019, 1 corporate debt security with a fair value of $1.0 million has been in a continuous unrealized loss position for more than 12 months. The unrealized loss related to this corporate debt security is included in accumulated other comprehensive loss as of September 30, 2019. At September 30, 2019, we did not intend to sell the security with an unrealized loss position in accumulated other comprehensive income, and it is not likely that we will be required to sell this security before recovery of its amortized cost basis.

We review investments for other-than-temporary impairment whenever the fair value of an investment is less than the amortized cost and evidence indicates that an investment's carrying amount is not recoverable within a reasonable period of time. Other-than-temporary impairments of investments are recognized in the condensed consolidated statements of operations if we have experienced a credit loss and have the intent to sell the investment or if it is more likely than not that we will be required to sell the investment before recovery of the amortized cost basis. Evidence considered in this assessment includes reasons for the impairment, compliance with our investment policy, the severity and the duration of the impairment and changes in value subsequent to the end of the period. The unrealized losses at September 30, 2019 and December 31, 2018 are attributable to changes in interest rates and we do not believe any unrealized losses represent other-than-temporary impairments.

8. Net Loss Per Share

Basic and diluted net loss per common share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Our potentially dilutive shares, which include outstanding stock options and unvested restricted stock and restricted stock units, are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive.

The following potentially dilutive securities were excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:

	Three and Nine Months Ended September 30,	
	2019	**2018**
Outstanding stock options	10,210,890	8,962,643
Unvested restricted stock units	834,600	25,000

We have the option to settle the conversion obligation for our 3.00% convertible senior notes issued October 2018, and due 2025, in cash, shares or any combination of the two. As such notes were not convertible as of September 30, 2019, they are not participating securities and do not have an impact on the calculation of basic earnings or loss per share. Based on our net loss position, there was no impact on the calculation of dilutive loss per share during the three and nine months ended September 30, 2019.

9. Stock-based Compensation

Stock Options

A summary of our stock option activity and related information follows:

	Shares	**Weighted-Average Exercise Price Per Share**	**Weighted-Average Remaining Contractual Term (years)**	**Aggregate Intrinsic Value (in thousands)**
Outstanding at December 31, 2018	8,917,084	$13.78	7.4	$ 8,197
Granted	2,996,650	8.08		
Exercised	(131,143)	5.55		
Canceled	(1,571,701)	13.77		
Outstanding at September 30, 2019	10,210,890	12.22	7.0	$12,443
Exercisable at September 30, 2019	5,426,297	$14.64	5.5	$ 7,869

Total stock-based compensation expense related to stock options for the nine months ended September 30, 2019 and 2018 was $9.8 million and $12.8 million, respectively.

As of September 30, 2019, there was $28.7 million of total unrecognized stock-based compensation expense related to stock options. The expense is expected to be recognized over a weighted-average period of 2.77 years.

Restricted Stock Units

A restricted stock unit ("RSU") represents the right to receive one share of our common stock upon vesting of the RSU. The fair value of each RSU is based on the closing price of our common stock on the date of grant. We grant RSUs with service conditions that vest in two or four equal annual installments provided that the employee remains employed with us ("Time-Based RSUs").

During the nine months ended September 30, 2019, we granted Time-Based RSUs under the 2013 Stock Incentive Plan (the "2013 Plan") that vest in four equal annual installments. The following is a summary of RSU activity for the 2013 Plan for the nine months ended September 30, 2019:

	Number of Shares Underlying RSUs	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2018	25,000	$9.87
Granted	1,049,900	9.16
Forfeited	(230,300)	9.24
Vested	(10,000)	8.13
Unvested at September 30, 2019	834,600	$9.18

The total stock-based compensation expense related to RSUs for the nine months ended September 30, 2019 and 2018 was $1.2 million and $0.3 million, respectively.

As of September 30, 2019, there was $6.4 million of unrecognized compensation costs related to unvested Time-Based RSUs, which are expected to be recognized over a weighted-average period of 3.34 years.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan ("ESPP") that permits eligible employees to enroll in six-month offering periods. Participants may purchase shares of our common stock, through payroll deductions, at a price equal to 85% of the fair market value of the common stock on the first or last day of the applicable six-month offering period, whichever is lower. Purchase dates under the ESPP occur on or about May 1 and November 1 of each year. In 2013, our stockholders approved the reservation of 242,424 shares of our common stock for issuance under the ESPP, plus an annual increase to be added on the first day of each fiscal year, commencing on January 1, 2015 and ending on December 31, 2023, equal to the lesser of 484,848 shares of our common stock, 1% of the number of outstanding shares on such date, or an amount determined by the board of directors.

For the nine months ended September 30, 2019 and 2018, we recorded stock-based compensation expense related to the ESPP of $0.7 million and $0.3 million, respectively. As of September 30, 2019, 720,676 shares of our common stock remained available for issuance under the ESPP. As of September 30, 2019, there was $0.1 million of total unrecognized stock-based compensation expense related to the ESPP.

10. Leases

Operating Leases

We are party to an operating lease of 98,502 square feet of office and research space in Newton, Massachusetts with a term through September 30, 2025 (the "Newton, MA Lease"). Pursuant to the Newton, MA Lease, we have provided a security deposit in the form of a cash-collateralized letter of credit in the amount of $0.6 million. The amount is classified within restricted cash.

Upon the adoption of ASU 2016-02, we recorded an operating lease right-of-use asset of $11.7 million and corresponding lease liability of $16.0 million related only to the Newton, MA Lease. As of December 31, 2018, there was a balance of $1.7 million and $2.6 million related to unamortized deferred rent and tenant incentive allowances, respectively, for the Newton, MA Lease, both accounted for as liabilities. These balances were deducted from the lease liability on the Newton, MA Lease in arriving at the right-of-use asset upon adoption of ASU 2016-02 on January 1, 2019.

The Newton, MA Lease provides for increases in future minimum annual rental payments, as defined in the lease agreement. The Newton, MA Lease also includes real estate taxes and common area maintenance ("CAM") charges in the annual rental payments. As these charges were included in minimum annual rental payments as part of our accounting for the Newton, MA Lease under ASC 840 through December 31, 2018, we have included such amounts in the calculation of the operating lease liability, consistent with ASC 842 and our accounting policy elections thereunder, as specified in Note 2, "Recent Accounting Pronouncements." The operating lease cost for the Newton, MA Lease for the nine months ended September 30, 2019 was $2.1 million, of which approximately $0.7 million was charges for CAM.

In addition, we are party to short-term leases having a term of twelve months or less at the commencement date. We recognize short-term lease expense on a straight-line basis and do not record a related right-of use asset or lease liability for such leases. These costs were insignificant for the nine months ended September 30, 2019.

Lease Commitments

As of September 30, 2019, future minimum lease payments under non-cancellable operating lease agreements for which we have recognized operating lease right-of-use assets and liabilities are as follows (in thousands):

Years ending December 31,	Future Minimum Payments
2019	$ 793
2020	3,200
2021	3,277
2022	3,447
2023 and thereafter	10,453
Total minimum lease payments	$21,170
Less: present value adjustment	(5,944)
Present value of minimum lease payments	$15,226

As of September 30, 2019, the remaining lease term on the Newton, MA Lease was 5.9 years. The lease has a renewal option for an additional five years, although there is no economic penalty for failure to exercise the option. However, because we did not elect the use of hindsight in estimating the lease term for leases subject to transition to the new standard, and the renewal option was not previously considered in our assessment of the lease term for the Newton, MA Lease before adoption of ASC 842, the renewal option was not considered as part of the lease term in calculating the operating lease right-of-use assets and liabilities as of January 1, 2019.

As a discount rate was not directly observable for our Newton, MA Lease, the discount rate used to calculate the net present value of future payments was our incremental borrowing rate calculated at transition based on the remaining lease term. Upon adoption and through September 30, 2019, the discount rate used to calculate the operating lease liability was 11.0%. The incremental borrowing rate is the rate of interest that the we would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment. In determining the incremental borrowing rate, we considered (i) our estimated public credit rating, (ii) our observable debt yields, as well as other bonds in the market issued by other companies with similar credit ratings as us, and (iii) adjustments necessary for collateral, lease term, and inflation or foreign currency.

11. Equity

Underwritten Offerings

On May 7, 2018, we completed a follow-on offering under our shelf registration statement on Form S-3 (File No. 333-222726) pursuant to which we issued an aggregate of 10,525,424 shares of common stock, which included the full exercise of the underwriters' option to purchase additional shares, at a public offering price of $14.75 per share. We received aggregate net proceeds of approximately $145.7 million from the offering after deducting the underwriting discounts and commissions and other offering expenses.

Open Market Sale Agreement

On August 17, 2018, we entered into an Open Market Sale Agreement (the "Open Market Sale Agreement") with Jefferies LLC, as agent ("Jefferies"), pursuant to which we may issue and sell shares of our common stock having an aggregate offering price of up to $75.0 million (the "Open Market Shares") from time to time through Jefferies (the "Open Market Offering").

Under the Open Market Sale Agreement, Jefferies may sell the Open Market Shares by methods deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act. We may sell the Open Market Shares in amounts and at times to be determined by us from time to time subject to the terms and conditions of the Open Market Sale Agreement, but we have no obligation to sell any of the Open Market Shares in the Open Market Offering.

We or Jefferies may suspend or terminate the offering of Open Market Shares upon notice to the other party and subject to other conditions. We have agreed to pay Jefferies commissions for its services in acting as agent in the sale of the Open Market Shares in the amount of up to 3.0% of gross proceeds from the sale of the Open Market Shares pursuant to the Open Market Sale Agreement. We have also agreed to provide Jefferies with customary indemnification and contribution rights.

For the three and nine months ended September 30, 2019, we have sold an aggregate of 1,634,451 Open Market Shares under the Open Market Sale Agreement, for net proceeds of approximately $14.6 million.

12. Long-Term Obligations

3.00% Convertible Senior Notes due 2025

On October 16, 2018, we completed an offering of $150.0 million aggregate principal amount of our 3.00% convertible senior notes due 2025 (the "Notes"). In addition, on October 26, 2018, we issued an additional $22.5 million aggregate principal amount of the Notes pursuant to the full exercise of the option to purchase additional Notes granted to the initial purchasers in the offering. The Notes were sold in a private offering to qualified institutional buyers in reliance on Rule 144A under the Securities Act. In accordance with accounting guidance for debt with conversion and other options, we separately accounted for the liability component ("Liability Component") and the embedded conversion option ("Equity Component") of the Notes by allocating the proceeds between the Liability Component and the Equity Component, due to our ability to settle the Notes in cash, shares of our common stock or a combination of cash and shares of our common stock, at our option. In connection with the issuance of the Notes, we incurred approximately $5.6 million of debt issuance costs, which primarily consisted of underwriting, legal and other professional fees, and allocated these costs between the Liability Component and the Equity Component based on the allocation of the proceeds. Of the total debt issuance costs, $2.2 million was allocated to the Equity Component and recorded as a reduction to additional paid-in capital and $3.4 million was allocated to the Liability Component and recorded as a reduction of the Notes. The portion allocated to the Liability Component is amortized to interest expense using the effective interest method over seven years.

The Notes are our senior unsecured obligations and bear interest at a rate of 3.00% per year payable semiannually in arrears on April 15 and October 15 of each year, beginning on April 15, 2019. Upon conversion, the Notes will be convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. The Notes will be subject to redemption at our option, on or after October 15, 2022, in whole or in part, if the conditions described below are satisfied. The Notes will mature on October 15, 2025, unless earlier converted, redeemed or repurchased in accordance with their terms. Subject to satisfaction of certain conditions and during the periods described below, the Notes may be converted at an initial conversion rate of 63.0731 shares of common stock per $1 principal amount of the Notes (equivalent to an initial conversion price of approximately $15.85 per share of common stock).

Holders of the Notes may convert all or any portion of their Notes, in multiples of $1 principal amount, at their option at any time prior to the close of business on the business day immediately preceding June 15, 2025 only under the following circumstances:

(1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2018 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the Notes on each applicable trading day;

(2) during the five business day period immediately after any five consecutive trading day period (the "Measurement Period") in which the trading price per $1,000 principal amount of Notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;

(3) if we call the Notes for redemption, until the close of business on the business day immediately preceding the redemption date; or

(4) upon the occurrence of specified corporate events as described within the indenture governing the Notes.

As of September 30, 2019, none of the above circumstances had occurred and as such, the Notes could not have been converted.

We may not redeem the Notes prior to October 15, 2022. On or after October 15, 2022, we may redeem for cash all or part of the Notes at our option if the last reported sale price of our common stock equals or exceeds 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending within five trading days prior to the date on which we send any notice of redemption. The redemption price will be 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any. In addition, calling any convertible note for redemption will constitute a make-whole fundamental change with respect to that convertible note, in which case the conversion rate applicable to the conversion of that convertible note, if it is converted in connection with the redemption, will be increased in certain circumstances.

The initial carrying amount of the Liability Component of $101.2 million was calculated by measuring the fair value of a similar liability that does not have an associated convertible feature. The allocation was performed in a manner that reflected our non-convertible borrowing rate for similar debt. The Equity Component of the Notes of $67.9 million was recognized as a debt discount and represents the difference between the proceeds from the issuance of the Notes of $172.5 million and the fair value of the liability of the Notes of approximately $104.7 million on their respective dates of issuance. The excess of the principal amount of the Liability Component over its carrying amount is amortized to interest expense using the effective interest method over seven years. The Equity Component is not remeasured as long as it continues to meet the conditions for equity classification.

The outstanding balances of the Notes as of September 30, 2019 consisted of the following (in thousands):

Liability component:	
Principal	$172,500
Less: debt discount and issuance costs, net	(64,538)
Net carrying amount	$107,962
Equity component:	$ 65,641

We determined the expected life of the Notes was equal to its seven-year term. The effective interest rate on the Liability Component of the Notes was 11.85%. As of September 30, 2019, the “if-converted value” did not exceed the remaining principal amount of the Notes. The fair value of the Notes was determined based on data points other than quoted prices that are observable, either directly or indirectly, and has been classified as Level 2 within the fair value hierarchy. The fair value of the Notes, which differs from their carrying value, is influenced by market interest rates, our stock price and stock price volatility. The estimated fair value of the Notes as of September 30, 2019 was approximately $156.3 million.

The following table sets forth total interest expense recognized related to the Notes during the nine months ended September 30, 2019 (in thousands):

	Nine Months Ended September 30, 2019
Contractual interest expense	$3,882
Amortization of debt discount	5,045
Amortization of debt issuance costs	253
Total interest expense	$9,180

Future minimum payments on the Notes as of September 30, 2019 were as follows (in thousands):

Years ended December 31,	Future Minimum Payments
2019	$ 2,588
2020	5,175
2021	5,175
2022	5,175
2023 and thereafter	188,025
Total minimum payments	$206,138
Less: interest	(33,638)
Less: unamortized discount	(64,538)
Less: current portion	—
Convertible senior notes	$107,962

Deferred Royalty Obligation

In September 2019, we entered into a Revenue Interest Financing Agreement (the "Revenue Interest Agreement") with HealthCare Royalty Partners III, L.P. and HealthCare Royalty Partners IV, L.P. ("HCR") whereby HCR will receive payments from us at a tiered percentage (the "Applicable Tiered Percentage") of future net revenues of XPOVIO and any of our other future products, including worldwide net product sales and upfront payments, milestones, and royalties (the "Revenue Interests"). We received $75.0 million upon closing (the "First Investment Amount") and have the right to receive an additional $75.0 million (the "Second Investment Amount" and together with the First Investment Amount, the "Investment Amount") upon the achievement of future regulatory and commercial milestones and subject to the approval of both parties and customary closing conditions.

In exchange for the First Investment Amount, HCR will receive a tiered royalty in the mid-single digits based on worldwide net revenues of XPOVIO and any of our other future products, including worldwide net product sales and upfront payments, milestones, and royalties. The Applicable Tiered Percentages are subject to reduction in the future if a target based on cumulative U.S. net sales is met. Total royalty payments are capped at 185% of the Investment Amount.

If HCR has not received 65% of the Investment Amount by December 31, 2022 or 100% of the Investment Amount by December 31, 2024, we must make a cash payment sufficient to gross HCR up to such minimum amounts.

As the repayment of the funded amount is contingent upon worldwide net product sales and upfront payments, milestones, and royalties, the repayment term may be shortened or extended depending on actual worldwide net product sales and upfront payments, milestones, and royalties. The repayment period commenced on October 1, 2019 and expires on the earlier of (i) the date in which HCR has received cash payments totaling an aggregate of 185% of the Investment Amount or (ii) the legal maturity date of October 1, 2031. If HCR has not received payments equal to 185% of the Investment Amount by the twelve-year anniversary of the initial closing date, we shall pay an amount equal to the Investment Amount plus a specific annual rate of return less payments previously received.

We have evaluated the terms of the Revenue Interest Agreement and concluded that the features of the Investment Amount are similar to those of a debt instrument. Accordingly, we have accounted for the transaction as long-term debt.

We have evaluated the terms of the debt and determined that the repayment of 185% of the Investment Amount, less any payments made to date, upon a change of control is an embedded derivative that requires bifurcation from the debt instrument and fair value recognition. We determined the fair value of the derivative using an option pricing Monte Carlo simulation model taking into account the probability of change of control occurring and potential repayment amounts and timing of such payments that would result under various scenarios, as further described in Note 6. The aggregate fair value of the embedded derivative at issuance date is included in deferred royalty obligation. We will remeasure the embedded derivative to fair value each reporting period until the time the features lapse and/or termination of the Revenue Interest Agreement.

The effective interest rate as of September 30, 2019 was 17.3%. In connection with the Revenue Interest Agreement, we incurred debt issuance costs totaling $1.4 million. Debt issuance costs have been netted against the debt as of September 30, 2019 and are being amortized over the estimated term of the debt using the effective interest method, adjusted on a prospective basis for changes in the underlying assumptions and inputs. The assumptions used in determining the expected repayment term of the debt and amortization period of the issuance costs requires that we make estimates that could impact the short and long-term classification of these costs, as well as the period over which these costs will be amortized.

The carrying value of the deferred royalty obligation at September 30, 2019 was $72.3 million based on $75.0 million of proceeds, net of fair value of the bifurcated embedded derivative liability and debt issuance costs incurred. The carrying value of the deferred royalty obligation approximates fair value at September 30, 2019 and was measured using Level 3 inputs.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this quarterly report.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the following discussion, contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q, including statements regarding possible achievement of discovery and development milestones, including regulatory submissions and approvals, our future discovery and development efforts, our commercialization efforts, our collaborations and partnering agreements with third parties, our strategy, our future operations, financial position and revenues, projected costs, prospects, plans and objectives of management, are forward looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Forward-looking statements are not guarantees of future performance and our actual results could differ materially from the plans, intentions, expectations or results discussed in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, our ability to successfully commercialize XPOVIO® (selinexor), adverse results in our drug discovery and clinical development activities, decisions made by the U.S. Food and Drug Administration (FDA) and other regulatory authorities with respect to the development and commercialization of our drug candidates, our ability to raise additional capital to support our clinical development program and other operations, our ability to develop products of commercial value and to identify, discover and obtain rights to additional potential product candidates, our ability to obtain, maintain and enforce our intellectual property rights, the outcome of research and development activities and the fact that the preclinical and clinical testing of our compounds may not be predictive of the success of later clinical trials, our reliance on third-parties, competitive developments, the effect of current and future legislation and regulation and regulatory actions, as well as other risks described in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2018 (2018 Form 10-K), as filed with the Securities and Exchange Commission (SEC) on February 28, 2019, and other filings with the SEC.

As a result of these and other factors, we may not actually achieve the plans, intentions, expectations or results disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

OVERVIEW

We are an oncology-focused pharmaceutical company dedicated to the discovery, development and commercialization of novel, first-in-class drugs directed against nuclear export and related targets for the treatment of cancer and other major diseases. Our **S**elective **I**nhibitor of **N**uclear **E**xport (**SINE**) compounds function by binding with and inhibiting the nuclear export protein exportin 1 (XPO1). Our initial focus has been on seeking the regulatory approval and commercialization of our lead SINE compound, selinexor, as an oral agent in cancer indications with significant unmet clinical need.

In July 2019, the FDA approved XPOVIO (selinexor) in combination with dexamethasone for the treatment of adult patients with relapsed or refractory multiple myeloma (RRMM) who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. This indication is approved under accelerated approval based on response rate. Continued approval for this indication may be contingent upon verification and description of clinical benefit in a confirmatory trial. The ongoing, randomized Phase 3 BOSTON (**Bo**rtezomib, **S**elinexor and Dexame**t**has**on**e) study evaluating selinexor in combination with Velcade® (bortezomib) and low-dose dexamethasone is intended to serve as the confirmatory trial.

The accelerated approval of XPOVIO was based on results from the Phase 2b STORM (**S**elinexor **T**reatment **o**f **R**efractory **M**yeloma) trial, which was a multicenter, single-arm, open-label study of patients with RRMM. STORM Part 2 included 122 patients with RRMM who had previously received three or more anti-myeloma treatment regimens including an alkylating agent, glucocorticoids, bortezomib, carfilzomib, lenalidomide, pomalidomide, and an anti-CD38 monoclonal antibody; and whose myeloma was documented to be refractory to glucocorticoids, a proteasome inhibitor, an immunomodulatory agent, an anti-CD38 monoclonal antibody, and to the last line of therapy.

In STORM Part 2, a total of 122 patients were treated with XPOVIO (80 mg) in combination with dexamethasone (20 mg) on Days 1 and 3 of every week. Eighty-three patients had RRMM that was documented to be refractory to bortezomib, carfilzomib, lenalidomide, pomalidomide, and daratumumab. Treatment continued until disease progression, death, or unacceptable toxicity.

The major efficacy outcome measure was overall response rate (ORR), as assessed by an Independent Review Committee based on the International Myeloma Working Group (IMWG) Uniform Response Criteria for Multiple Myeloma. The approval of XPOVIO was based upon the efficacy and safety in a prespecified subgroup analysis of the 83 patients whose disease was refractory to bortezomib, carfilzomib, lenalidomide, pomalidomide, and daratumumab, as the benefit-risk ratio appeared to be greater in this more heavily pretreated population than in the overall trial population.

For the STORM Part 2 study's major efficacy outcome measure, the ORR was 25.3% in the subgroup of 83 patients, which included one stringent complete response, no complete responses, four very good partial responses and 16 partial responses. The median time to first response for these patients was 4 weeks and the median duration of response was 3.8 months.

Amongst the 202 patients enrolled in STORM Parts 1 and 2 who were treated with XPOVIO (80 mg) in combination with dexamethasone (20 mg) on days 1 and 3 weekly, the most common adverse reactions (incidence ≥20%) were thrombocytopenia, fatigue, nausea, anemia, decreased appetite, decreased weight, diarrhea, vomiting, hyponatremia, neutropenia, leukopenia, constipation, dyspnea, and upper respiratory tract infections. The treatment discontinuation rate due to adverse reactions was 27%; 53% of patients had a reduction in the XPOVIO dose, and 65.3% had the dose of XPOVIO interrupted. The most frequent adverse reactions requiring permanent discontinuation in 4% or greater of patients who received XPOVIO included fatigue, nausea, and thrombocytopenia. The rate of fatal adverse reactions was 8.9%. Following accelerated approval by the FDA, XPOVIO became commercially available in the United States in July 2019.

In addition, we submitted a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) in January 2019 with a request for conditional approval of selinexor as a treatment for patients with heavily pretreated multiple myeloma based on the results of the STORM study. During March 2019, the EMA had inspectors conduct a Good Clinical Practices (GCP) inspection at our headquarters, which was also attended by the FDA, as well as inspections of two clinical sites that participated in Part 2 of the STORM study. While we did not receive any findings from the FDA, in May 2019, the EMA inspectors provided us a written inspection report seeking our responses to various questions and findings. We promptly addressed the questions and findings in the inspection report and submitted proposals to the EMA's Committee for Medicinal Products for Human Use (CHMP). In September 2019, we received the Day 180 List of Outstanding Issues from CHMP, which identified two issues requiring resolution. First, CHMP requested that we reconfirm the IRC adjudicated response rate to justify a positive benefit-risk assessment and, second, CHMP requested that we address the findings from the GCP inspection and our corrective measures taken to justify that the clinical trial data are of sufficient quality to support a benefit-risk assessment. We are currently working with CHMP to address both topics and expect to receive a decision on the application in early 2020.

We plan to seek additional approvals for the use of selinexor in combination therapies to expand the patient populations that are eligible for selinexor, as well as to move selinexor towards front-line cancer therapy. We are also advancing the clinical development of selinexor in multiple solid tumor indications. Oral selinexor is being evaluated in company- and investigator-sponsored clinical trials in advanced hematologic malignancies and solid tumors. Clinical trials evaluating selinexor include the Phase 1b/2 STOMP (**S**elinexor and Backbone **T**reatments **o**f **M**ultiple Myeloma **P**atients) study in combination with standard therapies in multiple myeloma, the Phase 2b SADAL (**S**elinexor **A**gainst **D**iffuse **A**ggressive **L**ymphoma) study in diffuse large B-cell lymphoma (DLBCL), the pivotal, randomized Phase 3 BOSTON study in multiple myeloma, the Phase 2/3 SEAL (**Se**linexor in **A**dvanced **L**iposarcoma) study in liposarcoma and the Phase 3 SIENDO (**S**elinexor/Placebo After Combination Chemotherapy **I**n Patients with advanced or recurrent **ENDO**metrial cancer) study. During 2018 and 2019, in addition to the results from the STORM study, we reported positive top-line data from the SADAL study, as well as new or updated interim data for the STOMP and SEAL studies.

Based on the positive results of the SADAL study, we plan to submit a New Drug Application (NDA) to the FDA with a request for accelerated approval for selinexor as a new treatment for patients with relapsed and/or refractory DLBCL after at least two prior multi-agent therapies and who are ineligible for stem cell transplantation (high dose chemotherapy with stem cell rescue), including chimeric antigen receptor modified T (CAR-T) cell therapy. In November 2018, the FDA granted fast track designation to selinexor for the treatment of patients that have relapsed and/or refractory DLBCL after at least two prior multi-agent therapies and who are ineligible for transplantation, including high dose chemotherapy with stem cell rescue. While the FDA previously agreed that the trial design and indication appear appropriate for accelerated approval, they reiterated to us in their feedback that the availability of accelerated approval will depend on the trial results and available therapies at the time of regulatory action. The FDA also has reiterated to us that it recommends, in general, a randomized trial with a progression-free survival endpoint as an initial registration approach and, for DLBCL, recommended two randomized trials that isolate the treatment effect of selinexor for a DLBCL indication. In addition, as we experienced with our NDA based on the results of Part 2 of the STORM study, the FDA has noted tolerability and dose optimization as review matters. We also plan to submit a MAA to the EMA with a request for conditional approval. We anticipate submitting the NDA by the end of 2019 and the MAA during 2020.

As of September 30, 2019, we had an accumulated deficit of $824.7 million. We had net losses of $41.4 million and $48.1 million for the three months ended September 30, 2019 and 2018, respectively, and net losses of $150.9 million and $120.2 million for the nine months ended September 30, 2019 and 2018, respectively. As of September 30, 2019, we have generated $12.8 million in net sales from XPOVIO, which first became commercially available in the United States in July 2019.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

We believe that several accounting policies are important to understanding our historical and future performance. We refer to these policies as "critical" because these specific areas generally require us to make judgments and estimates about matters that are uncertain at the time we make the estimate, and different estimates—which also would have been reasonable—could have been used, which would have resulted in different financial results.

There were no changes to the critical accounting policies we identified in the 2018 Form 10-K, other than with respect to product revenue recognition, as described in Note 1 to the Condensed Consolidated Financial Statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q. It is important that the discussion of our operating results that follows be read in conjunction with the critical accounting policies disclosed in the 2018 Form 10-K, as well as in Note 1 to the Condensed Consolidated Financial Statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q.

RESULTS OF OPERATIONS

Comparison of the Three Months Ended September 30, 2019 and September 30, 2018

	Three Months Ended September 30,			
	2019	2018	$ Change	% Change
	(in thousands)			
Revenues:				
Product revenue, net	$ 12,821	$ —	$ 12,821	100%
License and other revenue	328	239	89	37%
Operating expenses:				
Cost of sales	1,013	—	1,013	100%
Research and development	26,270	36,427	(10,157)	(28)%
Selling, general and administrative	25,267	12,966	12,301	95%
Loss from operations	(39,401)	(49,154)	9,753	(20)%
Other (expense) income, net	(1,946)	1,085	(3,031)	(279)%
Loss before income taxes	(41,347)	(48,069)	6,722	(14)%
Income tax provision	(20)	(14)	(6)	43%
Net loss	$(41,367)	$(48,083)	$ 6,716	(14)%

Product revenue, net. We began to record product revenue, net in the third quarter of 2019 following the approval of XPOVIO by the FDA in July 2019 and its subsequent commercial launch in the United States. We did not generate any revenue from product sales prior to the three months ended September 30, 2019.

Cost of Sales. Cost of sales includes the cost of producing and distributing inventories that are related to XPOVIO product revenue in the United States during the respective period (including salary-related and stock-based compensation expenses for employees involved with XPOVIO production and distribution) and third-party royalties payable on our net product revenue for XPOVIO. We began capitalizing XPOVIO inventory costs during the third quarter of 2019 subsequent to FDA approval, as our expectation is that such costs will be recoverable through commercialization of XPOVIO. Prior to the capitalization of XPOVIO inventory costs, such costs were recorded as research and development expenses in the period incurred. During the three months ended September 30, 2019, we recorded $1.0 million of cost of sales, including $0.7 million related to royalties. The cost of sales during the three months ended September 30, 2019 only reflects a portion of the costs related to the manufacturing of XPOVIO and related materials, since, prior to FDA approval, these costs were expensed. The manufacturing costs of XPOVIO on-hand upon FDA approval were approximately $2.8 million. At September 30, 2019, we have $2.7 million of this previously expensed XPOVIO and related material on-hand.

Research and Development Expense. Research and development expense decreased approximately $10.2 million to $26.3 million for the three months ended September 30, 2019 from approximately $36.4 million for the three months ended September 30, 2018. The decrease is primarily related to:

- a decrease of $4.8 million in personnel costs;

- a decrease of $2.7 million in clinical trial costs, primarily related to the selinexor program;
- a decrease of $1.8 million in consulting and professional costs;
- a decrease of $0.6 million in miscellaneous costs; and
- a decrease of $0.3 million in travel costs.

We expect our research and development expense to be relatively consistent for the final quarter of 2019 as compared to the third quarter of 2019 as we moderate our spending on our development programs and clinical trials, while continuing clinical development of selinexor in our lead indications with a focus on regulatory submissions for selinexor.

Selling, General and Administrative Expense. Selling, general and administrative expense increased approximately $12.3 million to $25.3 million for the three months ended September 30, 2019 from approximately $13.0 million for the three months ended September 30, 2018. The increase is primarily related to:

- an increase of $7.5 million in personnel costs, primarily due to increased headcount and related onboarding costs associated with building our commercial team in connection with the U.S. commercial launch of XPOVIO;
- an increase of $3.1 million in commercial related activities;
- an increase of $1.9 million in costs related to corporate training, travel and corporate events; and
- an increase of $0.3 million in facility costs and information technology infrastructure costs; offset by
- a decrease of $0.5 million in consulting and professional costs.

We expect our selling, general and administrative expenses to remain consistent for the remainder of 2019 to support our expanding operating and commercial activities, particularly following the accelerated approval of XPOVIO by the FDA in July 2019 and commercial launch shortly thereafter.

Other Income (Expense), net. Other (expense) income, net decreased from $1.1 million of other income, net for the three months ended September 30, 2018 to $1.9 million of other expense, net for the three months ended September 30, 2019. The decrease is primarily due to $3.1 million of interest expense related to the issuance of our 3.00% convertible senior notes due 2025 (Notes) in October 2018.

We expect interest expense to increase in the fourth quarter of 2019 and beyond, related to the issuance of our deferred royalty obligation.

Comparison of the Nine months Ended September 30, 2019 and September 30, 2018

	Nine months Ended September 30,			
	2019	2018	$ Change	% Change
	(in thousands)			
Revenues:				
Product revenue, net	$ 12,821	$ —	$ 12,821	100%
License and other revenue	9,976	30,130	(20,154)	(67)%
Operating expenses:				
Cost of sales	1,013	—	1,013	100%
Research and development	90,761	122,482	(31,721)	(26)%
Selling, general and administrative	77,032	30,076	46,956	156%
Loss from operations	(146,009)	(122,428)	(23,581)	19%
Other (expense) income, net	(4,896)	2,240	(7,136)	(319)%
Loss before income taxes	(150,905)	(120,188)	(30,717)	26%
Income tax provision	(38)	(9)	(29)	322%
Net loss	$(150,943)	$(120,197)	$(30,746)	26%

Product revenue, net. We began to record product revenue, net in the third quarter of 2019 following the approval of XPOVIO by the FDA in July 2019 and its subsequent commercial launch in the United States. We did not generate any revenue from product sales prior to the three months ended September 30, 2019.

License and Other Revenue. During the nine months ended September 30, 2019, we recognized $9.4 million in revenue pursuant to a license arrangement with Antengene Therapeutics Limited, $0.2 million in revenue for clinical supply provided to various partners, as well as $0.3 million in revenue pursuant to a government grant arrangement. During the nine months ended September 30, 2018, we recognized $10.0 million in revenue pursuant to an asset purchase agreement with Biogen MA Inc. for the sale of KPT-350 and $19.9 million in revenue primarily as a result of a license arrangement with Ono Pharmaceutical Co., Ltd.

Cost of Sales. Cost of sales includes the cost of producing and distributing inventories that are related to XPOVIO product revenue in the United States during the respective period (including salary-related and stock-based compensation expenses for employees involved with XPOVIO production and distribution) and third-party royalties payable on our net product revenue for XPOVIO. We began capitalizing XPOVIO inventory costs during the third quarter of 2019 subsequent to FDA approval and our expectation that such costs will be recoverable through commercialization of XPOVIO. Prior to the capitalization of XPOVIO inventory costs, such costs were recorded as research and development expenses in the period incurred. During the nine months ended September 30, 2019, we recorded $1.0 million of cost of sales, including $0.7 million related to royalties. The cost of sales during the nine months ended September 30, 2019 only reflects a portion of the costs related to the manufacturing of XPOVIO and related materials, since, prior to FDA approval, these costs were expensed. The manufacturing costs of XPOVIO on-hand upon approval were approximately $2.8 million. At September 30, 2019, we have $2.7 million of this previously expensed XPOVIO and related material on-hand.

Research and Development Expense. Research and development expense decreased approximately $31.7 million to $90.8 million for the nine months ended September 30, 2019 from approximately $122.5 million for the nine months ended September 30, 2018. The decrease is primarily related to:

- a decrease of $15.3 million in clinical trial costs, primarily related to the selinexor program;
- a decrease of $9.2 million in consulting and professional costs;
- a decrease of $7.5 million in personnel costs; and
- a decrease of $0.6 million in travel costs; offset by
- an increase of $0.9 million in facility costs and information technology infrastructure costs.

Selling, General and Administrative Expense. Selling, general and administrative expense increased approximately $47.0 million to $77.0 million for the nine months ended September 30, 2019 from approximately $30.1 million for the nine months ended September 30, 2018. The increase is primarily related to:

- an increase of $28.8 million in personnel costs, primarily due to increased headcount and related onboarding costs associated with building our commercial team in preparation for and in connection with the U.S. commercial launch of XPOVIO;

- an increase of $9.5 million in commercial related activities;
- an increase of $5.7 million in costs related to corporate training, travel and corporate events;
- an increase of $3.6 million in facility costs and information technology infrastructure costs; and
- an increase of $0.2 million in consulting and professional costs; offset by
- a decrease of $0.8 million in miscellaneous costs.

Other Income (Expense), net. Other (expense) income, net decreased from $2.2 million of other income, net for the nine months ended September 30, 2018 to $4.9 million of other expense, net for the nine months ended September 30, 2019. The decrease is primarily due to $9.2 million of interest expense related to the issuance of the Notes in October 2018, offset by a $2.1 million increase in interest income due to increased returns resulting from a general increase in interest rates and higher investment balances.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

During the third quarter of 2019, we began generating revenues from drug sales, as XPOVIO first became commercially available in the United States in July 2019. We have had limited revenues to date from product sales and have financed our operations principally through private placements of our preferred stock, proceeds from our initial public offering and follow-on offerings of common stock, proceeds from the issuance of convertible debt, proceeds pursuant to the Revenue Interest Agreement (as defined below), and cash generated from our business development activities.

At September 30, 2019, our principal source of liquidity was $269.6 million of cash, cash equivalents and investments. We have had recurring losses and incurred a loss of $150.9 million for the nine months ended September 30, 2019. Net cash used in operations for the nine months ended September 30, 2019 was $151.3 million. We expect that cash, cash equivalents and investments at September 30, 2019 will be sufficient to fund our current operating plans and capital expenditure requirements for at least twelve months from the date of issuance of the financial statements contained in this Quarterly Report on Form 10-Q, during which time we plan to enhance and support the commercial infrastructure for the sale of XPOVIO in the United States that began in July 2019.

On September 14, 2019, we entered into a Revenue Interest Financing Agreement (the “Revenue Interest Agreement”) with HealthCare Royalty Partners III, L.P. and HealthCare Royalty Partners IV, L.P (“HCR”). Pursuant to the Revenue Interest Agreement, HCR paid us $75.0 million (the “First Investment Amount”), less certain transaction expenses, at the initial closing, which occurred on September 27, 2019, as disclosed in Note 12 to the Condensed Consolidated Financial Statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q.

On October 16, 2018, we completed an offering of $150.0 million aggregate principal amount of the Notes. In addition, on October 26, 2018, we issued an additional $22.5 million aggregate principal amount of the Notes pursuant to the full exercise of the option to purchase additional Notes granted to the initial purchasers in the offering. The Notes were sold in a private offering to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended. The net proceeds from the sale of the Notes was $166.9 million, after deducting the initial purchasers’ discounts and commissions and actual offering expenses payable by us.

In August 2018, we entered into an open market sale agreement (Open Market Sale Agreement) with Jefferies LLC, as agent, relating to an “at the market offering”, pursuant to which we may issue and sell shares of our common stock, having an aggregate offering price of up to $75.0 million. As of October 31, 2019, we had sold an aggregate of 1,634,451 shares under the Open Market Sale Agreement, for net proceeds of approximately $14.6 million, all of which were sold during the third quarter of 2019.

On May 7, 2018, we completed a follow-on offering under our shelf registration statement on Form S-3 (File No. 333-222726) pursuant to which we issued an aggregate of 10,525,424 shares of common stock, which included the full exercise of the underwriters’ option to purchase additional shares, at a public offering price of $14.75 per share. We received aggregate net proceeds of approximately $145.7 million from the offering after deducting the underwriting discounts and commissions and other offering expenses.

During the years ended December 31, 2018 and 2017, we received $44.6 million in upfront payments under our arrangements with Anivive Lifesciences, Inc., Ono Pharmaceutical Co., Ltd., Biogen MA Inc., and Antengene Therapeutics Limited, pursuant to which we are also entitled to receive milestone payments, if certain development goals and sales milestones are achieved, as well as royalties on future net sales of the licensed and sold products in the territories under such arrangements.

Cash Flows

The following table provides information regarding our cash flows:

	Nine months Ended September 30,	
	2019	2018
	(in thousands)	
Net cash used in operating activities	$(151,333)	$(110,945)
Net cash provided by (used in) investing activities	111,969	(4,554)
Net cash provided by financing activities	89,369	148,333
Effect of exchange rate changes	(26)	(9)
Net increase in cash, cash equivalents and restricted cash	$ 49,979	$ 32,825

Operating activities. The net cash used in operating activities in both periods resulted primarily from our net losses adjusted for non-cash charges and changes in the components of working capital. The increase in cash used in operating activities during the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, was primarily driven by our increased loss from operations during that period.

Investing activities. The net cash provided by (used in) investing activities during the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, primarily reflects an increase in maturity of investments of $108.1 million offset by a decrease in purchases of $7.3 million.

Financing activities. The net cash provided by financing activities for the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, reflects a decrease of $59.0 million primarily related to the net proceeds of $73.7 million from the execution of the Revenue Interest Agreement with HCR in September 2019 and the net proceeds of $14.6 million from the sale of Open Market Shares under the Open Market Sale Agreement during the third quarter of 2019, compared to the net proceeds of $145.7 million from our follow-on offering in May 2018.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue to commercialize XPOVIO and continue the clinical trials of, and as we seek marketing approval for our drug candidates. In addition, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution of any of our drug candidates for which we obtain marketing approval, to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of any collaborator that we may have at such time for any such drug. Furthermore, we expect to continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or commercialization efforts.

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

- revenue generated from commercial sales of XPOVIO;
- costs related to the sales and marketing of XPOVIO;
- the costs, timing and outcome of regulatory review of our drug candidates;
- the costs of future commercialization activities, including drug sales, marketing, manufacturing and distribution, for any of our drug candidates for which we receive marketing approval, to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of any collaborator that we may have at such time;
- the amount of revenue received from commercial sales of our drug candidates for which we receive marketing approval;
- the progress and results of our current and planned clinical trials of selinexor;
- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our other drug candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the success of any collaborations that we may enter into with third parties;
- the extent to which we acquire or in-license other drugs and technologies;

- the costs associated with legal activities, including litigation, arising in the course of business activities and our ability to prevail in any such legal disputes; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Identifying potential drug candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete. In addition, our drug candidates for which we receive marketing approval may not achieve commercial success. Our ability to become and remain profitable depends on our ability to generate revenue. While we began to generate revenue from the sales of XPOVIO in July 2019, there can be no assurance as to the amount or timing of any such revenue, and we may not achieve profitability for several years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Contractual Obligations

As of September 30, 2019, we have contractual obligations under the Revenue Interest Agreement with HCR, as disclosed in Note 12 to the Condensed Consolidated Financial Statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q. There have been no other material changes to our contractual obligations described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2018 Form 10-K.

OFF-BALANCE SHEET ARRANGEMENTS

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to changes in interest rates. We had cash, cash equivalents, restricted cash and investments of $270.3 million as of September 30, 2019. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because the majority of our investments are in short-term securities. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio.

We do not believe our cash, cash equivalents, restricted cash and investments have significant risk of default or illiquidity. While we believe our cash, cash equivalents and investments do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in securities at one or more financial institutions that are in excess of federally insured limits. Given the potential instability of financial institutions, we cannot provide assurance that we will not experience losses on these deposits and investments.

We are also exposed to market risk related to changes in foreign currency exchange rates. We contract with contract research organizations and contract manufacturing organizations that are located in Canada and Europe, which are denominated in foreign currencies. We also contract with a number of clinical trial sites outside the United States, and our budgets for those studies are frequently denominated in foreign currencies. We are subject to fluctuations in foreign currency rates in connection with these agreements. We do not currently hedge our foreign currency exchange rate risk.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Senior Vice President, Chief Financial Officer and Treasurer (principal financial officer), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2019. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies our judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of

September 30, 2019, our Chief Executive Officer and our Senior Vice President, Chief Financial Officer and Treasurer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the fiscal quarter ended September 30, 2019, we began generating product revenue from the sale of XPOVIO in the United States. We consider the accounting for our net product revenue to be material to the results of operations for the three and nine months ended September 30, 2019, and believe that the additional internal controls and procedures related to the accounting for net product revenue under ASC 606, *Revenue from Contracts with Customers,* have a material effect on our internal control over financial reporting. No other changes in our internal control over financial reporting occurred during the fiscal quarter ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We were recently named as a defendant in securities class action litigation in the U.S. District Court for the District of Massachusetts. A complaint was filed on July 23, 2019, by the Allegheny County Employees' Retirement System, against us and certain of our current and former executive officers and directors as well as the underwriters of our public offerings of common stock conducted in April 2017 and May 2018. A second complaint was filed by Heather Mehdi on September 17, 2019, against the same defendants with the exception of the underwriters. The two complaints are related and we expect them to be consolidated by the court. Both complaints allege violations of federal securities laws based on our disclosures related to the results from the Phase 2 SOPRA study and Part 2 of the Phase 2b STORM study, and seek unspecified compensatory damages, including interest; reasonable costs and expenses, including attorneys' and expert fees; unspecified recessionary damages; and such equitable/injunctive relief or other relief as the court may deem just and proper. We have reviewed the allegations and believe they are without merit. We intend to defend vigorously against this litigation.

Item 1A. Risk Factors.

Careful consideration should be given to the following risk factors, in addition to the other information set forth in this Quarterly Report on Form 10-Q and in other documents that we file with the SEC, in evaluating us and our business. Investing in our common stock involves a high degree of risk. If any of the following risks and uncertainties actually occurs, our business, prospects, financial condition and results of operations could be materially and adversely affected. The risks described below are not intended to be exhaustive and are not the only risks we face. New risk factors can emerge from time to time, and it is not possible to predict the impact that any factor or combination of factors may have on our business, prospects, financial condition and results of operations.

Risks Related to the Discovery, Development and Commercialization of Our Drugs and Drug Candidates

We depend heavily on the success of XPOVIO® (selinexor). If we are unable to successfully commercialize XPOVIO or successfully develop selinexor for additional indications, or if we experience significant delays in doing so, our business will be materially harmed.

We have invested a significant portion of our efforts and financial resources in the research and development of our lead drug candidate, selinexor. Our ability to generate revenues from the sale of drugs that treat cancer and other diseases in humans will depend heavily on the successful development, regulatory approval and commercialization of selinexor. On July 3, 2019, the U.S. Food and Drug Administration, or FDA, granted accelerated approval for XPOVIO in combination with dexamethasone for the treatment of adult patients with relapsed or refractory multiple myeloma (RRMM) who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. Our ability to generate product revenues will depend on our successful commercialization of XPOVIO and our obtaining additional marketing approvals for, and successfully commercializing, selinexor for additional indications.

The commercial success of XPOVIO and the successful clinical development of selinexor and our other drug candidates will depend on several factors, including the following:

- successful commercialization of XPOVIO in the United States, including establishing and maintaining sales, marketing and distribution capabilities for XPOVIO;
- the consistency of any new data we collect and analyses we conduct with prior results, whether they support a favorable safety, efficacy and effectiveness profile of XPOVIO and any potential impact on our FDA accelerated approval and/or FDA package insert for XPOVIO;

- our ability to comply with FDA post-marketing requirements and commitments, including through successfully conducting additional studies that confirm clinical efficacy, effectiveness and safety of XPOVIO and acceptance of the same by the FDA and medical community since continued approval for this indication may be contingent upon verification of a clinical benefit in confirmatory trials;
- acceptance of XPOVIO and, if and when approved, our drug candidates by patients, the medical community and third-party payors;
- obtaining and maintaining coverage, adequate pricing and adequate reimbursement by third-party payors, including government payors, for XPOVIO and our drug candidates;
- successful completion of preclinical studies;
- acceptance by the FDA of investigational new drug applications, or INDs, for our drug candidates prior to commencing clinical studies;
- successful enrollment in, and completion of, clinical trials, including demonstration of a favorable risk-benefit ratio;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our drug candidates;
- establishing sales, marketing, manufacturing and distribution capabilities to commercialize any drug candidates for which we may obtain marketing approval, whether alone or in collaboration with others;
- launching commercial sales of any drug candidates for which we obtain marketing approval, whether alone or in collaboration with others;
- effectively competing with other therapies;
- maintaining an acceptable safety profile of the drugs following approval;
- enforcing and defending intellectual property rights and claims; and
- maintaining and growing an organization of scientists and business people, including collaborators, who can develop and commercialize our drug candidates.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize XPOVIO or our drug candidates, which would materially harm our business.

The results of previous clinical trials may not be predictive of future results, and the results of our current and planned clinical trials may not satisfy the requirements of the FDA or non-U.S. regulatory authorities.

Clinical failure can occur at any stage of clinical development. Clinical trials may produce negative or inconclusive results, and we or any collaborators may decide, or regulators may require us, to conduct additional clinical trials or preclinical studies. We will be required to demonstrate with substantial evidence through well-controlled clinical trials that our drug candidates are safe and effective for use in a diverse population before we can seek regulatory approvals for their commercial sale. Success in early-stage clinical trials does not mean that future larger registration clinical trials will be successful because drug candidates in later-stage clinical trials may fail to demonstrate sufficient safety and efficacy to the satisfaction of the FDA and non-U.S. regulatory authorities despite having progressed through early-stage clinical trials. Drug candidates that have shown promising results in early-stage clinical trials may still suffer significant setbacks in subsequent registration clinical trials. Additionally, the outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later-stage clinical trials, and interim results of a clinical trial are not necessarily indicative of final results.

In addition, the design of a clinical trial can determine whether its results will support approval of a drug, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We may be unable to design and conduct a clinical trial to support regulatory approval. Further, if our drug candidates are found to be unsafe or lack efficacy, we will not be able to obtain regulatory approval for them and our business would be harmed. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in earlier clinical trials.

In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial protocols, differences in size and type of the patient populations, adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any Phase 2, Phase 3 or other clinical trials we may conduct will demonstrate consistent or adequate efficacy and safety sufficient to obtain regulatory approval to market our drug candidates.

Further, our drug candidates may not be approved even if they achieve their primary endpoints in Phase 3 clinical trials or other registration trials. The FDA or non-U.S. regulatory authorities may disagree with our trial design and our interpretation of data from preclinical studies and clinical trials. In addition, any of these regulatory authorities may change requirements for the approval of a drug candidate even after providing a positive opinion on, or otherwise reviewing and providing comments or advice on, a protocol for a clinical trial that has the potential to result in approval by the FDA or another regulatory authority. In addition, any of these regulatory authorities may also approve a drug candidate for fewer or more limited indications than we request or may grant approval contingent on the performance of costly post-marketing clinical trials. Furthermore, the FDA or non-U.S. regulatory authorities may not approve the labeling claims that we believe would be necessary or desirable for the successful commercialization of our drug candidates.

To date, we have had several discussions with the FDA and non-U.S. regulatory authorities regarding the design of our later phase clinical trials for selinexor, including the BOSTON, STORM, SADAL and SEAL studies. In July 2019, the FDA approved, under accelerated approval based on response rate from the STORM study, XPOVIO in combination with dexamethasone for the treatment of adult patients with RRMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. We plan to seek additional regulatory approvals of selinexor in North America and Europe in each indication with respect to which such later phase clinical trial is being conducted and with respect to which we receive positive results that may support full or accelerated approval, as the case may be. We or our current or future partners may also seek such approvals in other geographies. We cannot be certain that we will commence additional later phase trials or complete ongoing later phase trials as anticipated. Before obtaining regulatory approvals for the commercial sale of any drug candidate for a target indication, we must demonstrate with substantial evidence gathered in preclinical studies and well-controlled clinical studies, and, with respect to approval in the United States, to the satisfaction of the FDA, that the drug candidate is safe and effective for use for that target indication. There is no assurance that the FDA or non-U.S. regulatory authorities would consider our current and planned later phase clinical trials to be sufficient to serve as the basis for filing for approval or to gain approval of selinexor for any indication. The FDA and non-U.S. regulatory authorities retain broad discretion in evaluating the results of our clinical trials and in determining whether the results demonstrate that selinexor is safe and effective. If we are required to conduct additional clinical trials of selinexor prior to approval, including additional earlier phase clinical trials that may be required prior to commencing any later phase clinical trials, or additional clinical trials following completion of our current and planned later phase clinical trials, we will need substantial additional funds, and there is no assurance that the results of any such additional clinical trials will be sufficient for approval.

The results to date in preclinical and early clinical studies conducted by us or our academic collaborators and in Phase 1 and Phase 2 clinical trials that we are currently conducting include the response of tumors to selinexor. We expect that in any later phase clinical trial where patients are randomized to receive either selinexor on the one hand, or standard of care, supportive care or placebo on the other hand, the primary endpoint will be either progression free survival, meaning the length of time on treatment until objective tumor progression, or overall survival, while the primary endpoint in any later phase clinical trial that is not similarly randomized may be different. For example, the primary endpoint of our Phase 2/3 SEAL study, the clinical trial of selinexor in patients with dedifferentiated liposarcoma, and a primary endpoint of our Phase 3 BOSTON study, the clinical trial of selinexor in combination with Velcade (bortezomib) and dexamethasone in patients with multiple myeloma, is progression free survival. In some instances, the FDA and other regulatory bodies have accepted overall response rate as a surrogate for a clinical benefit and have granted regulatory approvals based on this or other surrogate endpoints. Overall response rate is defined as the portion of patients with tumor size reduction of a predefined amount for a minimum time period. For some types of cancer, we may use overall response rate as a primary endpoint, as we did in our SADAL study and our STORM study. These clinical trials will not be randomized against control arms and the primary endpoints of these trials are overall response rate. If selinexor does not demonstrate sufficient overall response rates in these indications, or any other indication for which a clinical trial has overall response rate as a primary endpoint, or if the FDA or non-U.S. regulatory authorities do not deem overall response rate a sufficient endpoint, or deem a positive overall response rate to be insufficient, it will likely not be approved for that indication based on the applicable study. With respect to the STORM and SADAL studies, the FDA has reiterated to us that it recommends, in general, a randomized trial with a progression-free survival endpoint as an initial registration approach.

We may not be successful in our efforts to identify or discover additional potential drug candidates.

Part of our strategy involves identifying and developing drug candidates to build a pipeline of novel drug candidates. Our drug discovery efforts may not be successful in identifying compounds that are useful in treating cancer or other diseases. Our research programs may initially show promise in identifying potential drug candidates, yet fail to yield drug candidates for clinical development for a number of reasons, including:

- the research methodology used may not be successful in identifying potential drug candidates;

- potential drug candidates may, on further study, be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will receive marketing approval and/or achieve market acceptance; or
- potential drug candidates may not be effective in treating their targeted diseases.

Research programs to identify new drug candidates require substantial technical, financial and human resources. We may choose to focus our efforts and resources on a potential drug candidate that ultimately proves to be unsuccessful.

If we are unable to identify suitable compounds for preclinical and clinical development, we will not be able to obtain revenues from sale of drugs in future periods, which likely would result in significant harm to our financial position and adversely impact our stock price.

Clinical drug development is a lengthy and expensive process, with an uncertain outcome. If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of such drug candidates.

Before obtaining marketing approval from regulatory authorities for the sale of our drug candidates, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later stage clinical trials, and interim results of a clinical trial do not necessarily predict final results. For example, certain data from our Phase 1 and Phase 2 clinical trials of selinexor to date are based on unaudited data provided by our clinical trial investigators. An audit of this data may change the conclusions drawn from this unaudited data provided by our clinical trial investigators indicating less promising results than we currently anticipate. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their drug candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drug candidates. Furthermore, the failure of any drug candidates to demonstrate safety and efficacy in any clinical trial could negatively impact the perception of our other drug candidates and/or cause the FDA or other regulatory authorities to require additional testing before any of our drug candidates are approved.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our drug candidates, including:

- regulatory authorities or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- feedback from regulatory authorities that requires us to modify the design of our clinical trials;
- we may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites or contract research organizations;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulatory authorities may require us, to conduct additional clinical trials, suspend ongoing clinical trials or abandon drug development programs;
- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors, including those manufacturing our drug candidates or conducting clinical trials on our behalf, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we or our investigators might have to suspend or terminate clinical trials of our drug candidates for various reasons, including non-compliance with regulatory requirements, a finding that our drug candidates have undesirable side effects or other unexpected characteristics, or a finding that the participants are being exposed to unacceptable health risks;
- regulators may recommend or require us to perform additional or unanticipated clinical trials to obtain approval;
- regulators may revise the requirements for approving our drug candidates, or such requirements may not be as we anticipate;
- the cost of clinical trials of our drug candidates may be greater than we anticipate;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate;

- regulators may revise the requirements for approving our drug candidates, or such requirements may not be as we anticipate; and
- any partners and collaborators that help conduct clinical trials may face any of the above issues, and may conduct clinical trials in ways they view as advantageous to them but that are suboptimal for us.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our drug candidates;
- not obtain marketing approval at all;
- obtain marketing approval in some countries and not in others;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- have the drug removed from the market after obtaining marketing approval.

Our drug development costs will also increase if we experience delays in testing or marketing approvals. We do not know whether clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates, allow our competitors to bring drugs to market before we do or impair our ability to successfully commercialize our drug candidates, which would harm our business and results of operations. In addition, many of the factors that cause, or lead to, clinical trial delays may ultimately lead to the denial of regulatory approval of our drug candidates.

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

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside of the United States. In addition, some of our competitors may have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' drug candidates.

Patient enrollment is affected by other factors, including:

- severity of the disease under investigation;
- availability and efficacy of approved drugs for the disease under investigation;
- patient eligibility criteria for the study in question;
- competing drugs in clinical development;
- perceived risks and benefits of the drug candidate under study;
- restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned trials;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- proximity and availability of clinical trial sites for prospective patients.

In addition, patient enrollment may be affected by future regulatory actions, such as Form 483 observations or the partial clinical hold we were subject to previously. In February 2017, following the conclusion of a joint inspection conducted by the FDA and Danish Medicines Agency at our corporate headquarters, the FDA issued a Form 483 noting certain deficiencies in procedures and documentation that were identified in our selinexor development program. We implemented corrective actions, preventative actions and other initiatives directed at resolving the deficiencies identified in the Form 483 observations and provided the FDA with our responses to the Form 483 observations in February 2017.

In addition, in March 2017, the FDA notified us that it had placed the clinical trials under our IND for selinexor on partial clinical hold, which is an order by the FDA to delay or suspend part of a sponsor's clinical work requested under its IND as well as investigator-sponsored trials. The partial clinical hold was due to incomplete information in the existing version of the investigator's brochure, including an incomplete list of serious adverse events, or SAEs, associated with selinexor, and not as a result of any new information regarding the safety profile of selinexor. The partial clinical holds on the clinical trials of selinexor were lifted by the FDA Division of Hematology Products (effective March 30, 2017), Division of Oncology Products 1 (effective April 5, 2017) and Division of Oncology Products 2 (effective March 31, 2017). However, if in the future we are delayed in addressing, or unable to address, any concerns of the FDA or other regulators, we could be delayed or prevented from enrolling patients in our clinical trials.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays, could require us to abandon one or more clinical trials altogether and could delay or prevent our receipt of necessary regulatory approvals. Enrollment delays in our clinical trials may result in increased development costs for our drug candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

If serious adverse or unacceptable side effects are identified during the development of our drug candidates or we observe limited efficacy of our drug candidates, we may need to abandon or limit the development of one or more of our drug candidates or it could delay or prevent regulatory approval, limit commercial viability, or result in significant negative consequences following any marketing approval.

Four of our drug candidates are in clinical development for treatment of human diseases. Their risk of failure is high. If XPOVIO or any of our drug candidates are associated with undesirable side effects or have characteristics that are unexpected in clinical trials or following approval and/or commercialization, we may need to abandon their development or limit development or marketing to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. For example, we have modified our informed consent form and advised patients already enrolled in our clinical trials of the potential for worsening of pre-existing cataracts as a result of treatment with selinexor. Adverse events, or AEs, in our clinical trials to date have been generally predictable and manageable, although some patients have experienced more serious AEs. The most common drug-related AEs were gastrointestinal, such as nausea, anorexia, diarrhea and vomiting, and fatigue. These side effects were generally mild or moderate in severity. The most common AEs that were Grade 3 or Grade 4, meaning they were more than mild or moderate in severity, were thrombocytopenia, or low count of platelets in the blood, and neutropenia, or low neutrophil counts. To date, the most common AEs have been managed with supportive care and dose modifications. However, a number of patients have withdrawn from our clinical trials as a result of AEs. For example, amongst the 202 patients enrolled in Parts 1 and 2 of the STORM study who were treated with selinexor in combination with dexamethasone, the most common AEs (incidence ≥20%) were thrombocytopenia, fatigue, nausea, anemia, decreased appetite, decreased weight, diarrhea, vomiting, hyponatremia, neutropenia, leukopenia, constipation, dyspnea, and upper respiratory tract infections. The treatment discontinuation rate due to AEs was 27%; 53% of patients had a reduction in the selinexor dose, and 65.3% had the dose of selinexor interrupted. In this group of patients, the most frequent AEs requiring permanent discontinuation in 4% or greater of patients who received selinexor included fatigue, nausea, and thrombocytopenia. Similarly, in the SADAL study, as of April 3, 2019, among the 127 patients included in the safety analysis, the treatment discontinuation rate due to AEs was 13.5%; 49.6% of patients had a reduction in the selinexor dose, and 90.6% had the dose of selinexor interrupted or withheld with the most common AEs (incidence ≥20%) being thrombocytopenia, nausea, fatigue, anemia, anorexia, diarrhea, constipation, weight loss, neutropenia, vomiting, pyrexia and asthenia. A small percentage of patients across our clinical trials have experienced SAEs deemed by us and the clinical investigator to be related to selinexor. SAEs generally refer to AEs that result in death, are life threatening, require hospitalization or prolonging of hospitalization, or cause a significant and permanent disruption of normal life functions, congenital anomalies or birth defects, or require intervention to prevent such an outcome.

These AEs and the resulting dose modification and/or treatment discontinuation rates or safety or toxicity issues that we may experience in our clinical trials in the future could result in a more restrictive label for any drug candidates approved for marketing or could result in the delay or denial of approval to market any drug candidates by the FDA or comparable foreign regulatory authorities, which could prevent us from ever generating revenue from the sale of drugs or achieving profitability. Results of our trials could reveal an unacceptably high severity and prevalence of side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our drug candidates for any or all targeted indications. Many compounds that initially showed promise in early-stage trials for treating cancer or other diseases have later been found to cause side effects that prevented further development of the compound. If such an event occurs after any of our drug candidates are approved and/or commercialized, a number of potentially significant negative consequences may result, including:

- regulatory authorities may withdraw the approval of such drug;

- regulatory authorities may require additional warnings on the label or impose distribution or use restrictions;
- regulatory authorities may require one or more post-marketing studies;
- regulatory authorities may withdraw the approval of such drug;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected drug candidate, if approved, or could substantially increase commercialization costs and expenses, which could delay or prevent us from generating revenues from the sale of our drugs and harm our business and results of operations.

The FDA or non-U.S. regulatory authorities may disagree with our and/or our clinical trial investigators' interpretation of data from clinical trials in determining if serious adverse or unacceptable side effects are drug-related.

We, and our clinical trial investigators, currently determine if serious adverse or unacceptable side effects are drug-related. The FDA or non-U.S. regulatory authorities may disagree with our or our clinical trial investigators' interpretation of data from clinical trials and the conclusion by us or our clinical trial investigators that a serious adverse effect or unacceptable side effect was not drug-related. The FDA or non-U.S. regulatory authorities may require more information, including additional preclinical or clinical data to support approval, which may cause us to incur additional expenses, delay or prevent the approval of one of our drug candidates, and/or delay or cause us to change our commercialization plans, or we may decide to abandon the development or commercialization of the drug candidate altogether.

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

Because we have limited financial and managerial resources, we focus on research programs and drug candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other drug candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially-viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate.

XPOVIO or any of our drug candidates that receives marketing approval may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

XPOVIO or any of our drug candidates receives marketing approval may fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. Efforts to educate the medical community and third-party payors on the benefits of our drug candidates will require significant resources and may not be successful. For example, current cancer treatments like chemotherapy and radiation therapy are well-established in the medical community, and doctors may continue to rely on these treatments. If XPOVIO or our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenues from sales of drugs and we may not become profitable. The degree of market acceptance of XPOVIO and our drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer our drugs for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the timing of market introduction of competitive products;
- sufficient third-party coverage or reimbursement;
- effectiveness of our sales and marketing efforts;

- adverse publicity about our drugs or favorable publicity about competitive products;
- the prevalence and severity of any side effects;
- any restrictions on the use of our drugs together with other medications; and
- inability of certain types of patients to take our drugs.

Our estimates of the potential market opportunities for XPOVIO and our drug candidates include several key assumptions based on our industry knowledge, industry publications, third-party research and other surveys, which may be based on a small sample size and fail to accurately reflect market opportunities. While we believe that our internal assumptions are reasonable, these assumptions involve the exercise of significant judgment on the part of our management, are inherently uncertain and the reasonableness of these assumptions has not been assessed by an independent source. If any of our assumptions or estimates, or these publications, research, surveys or studies prove to be inaccurate, then the actual market for XPOVIO, selinexor or any other drug candidates may be smaller than we expect, and as a result our product revenue may be limited and it may be more difficult for us to achieve or maintain profitability.

If we are unable to establish and maintain sales, marketing and distribution capabilities or maintain current agreements or enter into additional sales, marketing and distribution agreements with third parties, we may not be successful in commercializing XPOVIO or any of our drug candidates that we may develop if and when they are approved.

We are in the process of establishing and maintaining a sales and marketing infrastructure for XPOVIO, our first product, and our company does not have any prior experience in the sales, marketing or distribution of pharmaceutical drugs. To achieve commercial success for any approved drug for which sales and marketing is not the responsibility of any strategic collaborator that we have or may have in the future, we must either develop a sales, marketing and distribution organization or outsource these functions to other third parties. In the future, we may choose to build a sales, marketing and distribution infrastructure to market or co-promote one or more of our drug candidates, if and when they are approved, or enter into additional collaborations with respect to the sale, marketing and distribution of our drug candidates. We intend to work with existing and potential partners to establish the commercial infrastructure to support a potential launch of selinexor outside the United States.

There are risks involved with both establishing and maintaining our own sales, marketing and distribution capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time-consuming and could delay any commercial launch of a drug candidate. Further, we may underestimate the size of the sales force required for a successful product launch and may need to expand our sales force earlier and at a higher cost than we anticipated. If the commercial launch of any of our drug candidates for which we establish a commercial infrastructure is delayed or does not occur for any reason, including if we do not receive marketing approval on the timeframe we expect, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize XPOVIO or any drug candidates for which we receive marketing approval on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future drugs;
- the lack of complementary drugs to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive drug lines;
- unforeseen costs and expenses associated with creating an independent sales, marketing and distribution organization; and
- inability to obtain sufficient coverage and reimbursement from third-party payors and governmental agencies.

Entering into arrangements with third parties to perform sales and marketing services may result in lower revenues from the sale of drug or the profitability of these revenues to us than if we were to market and sell any drugs that we develop ourselves. In addition, we may not be successful in maintaining current arrangements or entering into additional arrangements with third parties to sell, market and distribute XPOVIO or any of our drug candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drugs effectively. If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing XPOVIO or any of our drug candidates for which we obtain marketing approval.

We have a limited number of engagements with specialty pharmacies and specialty distributors. The specialty pharmacies sell XPOVIO directly to patients. The specialty distributors sell XPOVIO to healthcare entities who then resell XPOVIO to patients. While we have entered into agreements with each of these pharmacies and distributors to distribute XPOVIO in the United States, they may not perform as agreed or they may terminate their agreements with us. Also, we may need to enter into agreements with additional pharmacies or distributors, and there is no guarantee that we will be able to do so on commercially reasonable terms or at all. If we are unable to maintain and, if needed, expand, our network of specialty pharmacies and specialty distributors, we would be exposed to substantial distribution risk.

We may not receive royalty or milestone revenue under our license agreements for several years, or at all.

Our license agreements provide for payments on achievement of development and/or commercialization milestones and for royalties on product sales. However, because drug development entails a high risk of failure, we may never realize any material portion of the milestone revenue provided in our license agreements and we do not expect to receive any royalty revenue for several years, if at all.

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

The discovery, development and commercialization of new drugs is highly competitive. We face competition with respect to XPOVIO and our drug candidates and will face competition with respect to any drug candidates that we may seek to discover and develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of major pharmaceutical, specialty pharmaceutical and biotechnology companies that currently market and sell drugs or are pursuing the development of drugs for the treatment of cancer and the other disease indications for which we are developing our drug candidates, although we believe that to date, none of these competitive drugs and therapies currently in development are based on scientific approaches that are the same as our approach. Potential competitors also include academic institutions and governmental agencies and public and private research institutions.

We are initially focused on developing our current drug candidates for the treatment of cancer. There are a variety of available therapies marketed for cancer. In many cases, cancer drugs are administered in combination to enhance efficacy. Some of these drugs are branded and subject to patent protection, and others are available on a generic basis. Many of these approved drugs are well-established therapies and are widely accepted by physicians, patients and third-party payors. Insurers and other third-party payors may also encourage the use of generic drugs. We expect that any of our drug candidates that are approved will be priced at a significant premium over competitive generic drugs. This may make it difficult for us to achieve our business strategy of using our drug candidates in combination with existing therapies or replacing existing therapies with our drug candidates.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are more effective, safer, more convenient or less costly than any that we are developing or that would render our drug candidates obsolete or non-competitive. Our competitors may also obtain marketing approval from the FDA or other regulatory authorities for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market or preventing us from entering into a particular indication at all.

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

Even if we are able to effectively commercialize XPOVIO or any drug candidate that we may develop, the drugs may not receive coverage or may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, all of which would harm our business.

The legislation and regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or drug licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. In the United States, approval and reimbursement decisions are not linked directly, but there is increasing scrutiny from the Congress and regulatory authorities of the pricing of pharmaceutical products. As a result, we might obtain marketing approval for a drug in a particular

country, but then be subject to price regulations that delay our commercial launch of the drug, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the drug in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval.

Our ability to effectively commercialize XPOVIO or any of our product candidates that we may develop successfully will depend, in part, on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. Obtaining and maintaining adequate reimbursement for XPOVIO and any of our product candidates, if approved, may be difficult. Moreover, the process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price of a product or for establishing the reimbursement rate that such a payor will pay for the product. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for our products by third-party payors.

A primary trend in the healthcare industry in the United States and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Third-party payors may also seek, with respect to an approved product, additional clinical evidence that goes beyond the data required to obtain marketing approval. They may require such evidence to demonstrate clinical benefits and value in specific patient populations or they may call for costly pharmaceutical studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies before covering our products. Accordingly, we cannot be sure that reimbursement will be available for XPOVIO and any drug candidate that we commercialize and, if reimbursement is available, we cannot be sure as to the level of reimbursement and whether it will be adequate. Coverage and reimbursement may impact the demand for, or the price of, XPOVIO or any drug candidate for which we obtain marketing approval. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize XPOVIO or any drug candidate for which we obtain marketing approval.

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

Product liability lawsuits against us could divert our resources, cause us to incur substantial liabilities and to limit commercialization of XPOVIO and any other drugs that we may develop.

We face an inherent risk of product liability exposure related to the testing of our drug candidates in human clinical trials. We face an even greater risk as we commercialize XPOVIO or any other drugs that we may develop. For example, we may be sued if any drug we develop allegedly causes injury or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against claims that our drug candidates or drugs caused injuries, we will incur substantial liabilities or be required to limit commercialization of our drug candidates. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for XPOVIO and any other drugs that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;

- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to successfully commercialize XPOVIO and any other drugs that we may develop.

We currently hold clinical trial and general product liability insurance coverage, but that coverage may not be adequate to cover any and all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

The business that we conduct outside the United States may be adversely affected by international risk and uncertainties.

Although our operations are based in the United States, we conduct business outside the United States and expect to continue to do so in the future. For instance, many of the sites at which our clinical trials are being conducted are located outside the United States. In addition, we plan to seek approvals to sell our products in foreign countries. Any business that we conduct outside the United States will be subject to additional risks that may materially adversely affect our ability to conduct business in international markets, including:

- potentially reduced protection for intellectual property rights;
- the potential for so-called parallel importing, which is what happens when a local seller, faced with high or higher local prices, opts to import goods from a foreign market (with low or lower prices) rather than buying them locally;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, volatility in currency exchange rates or political instability in particular foreign economies and markets;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting a product candidate and/or finished drug product supply or manufacturing capabilities abroad;
- business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters, including earthquakes, hurricanes, typhoons, floods and fires; and
- failure to comply with Office of Foreign Asset Control rules and regulations and the Foreign Corrupt Practices Act, or FCPA.

Risks Related to Our Financial Position, Convertible Senior Notes, Revenue Interest Financing Agreement and Need for Additional Capital

We have incurred significant losses since inception. We expect to continue to incur losses in the future and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net loss was $150.9 million for the nine months ended September 30, 2019. As of September 30, 2019, we had an accumulated deficit of $824.7 million. As we only recently launched our first FDA-approved product, XPOVIO, in July 2019, we have had limited revenues to date from product sales and have financed our operations to date principally through private placements of our preferred stock, proceeds from our initial public offering and follow-on offerings of common stock, issuance of convertible debt, proceeds from a revenue interest financing and cash generated from our business development activities. We have devoted substantially all of our efforts to research and development, including preclinical studies and clinical trials, pursuing regulatory approvals and engaging in activities to commercially launch XPOVIO for the treatment of adult patients with RRMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. Other than the FDA's accelerated approval of XPOVIO, our lead drug candidate, oral selinexor (for indications not yet approved), as well as verdinexor, eltanexor and KPT-9274, are in clinical development. Although we expect to continue to generate revenue from sales of XPOVIO, there can be no assurance as to the amount or timing of any such revenue, and we expect to continue to incur significant expenses and operating losses. The net losses we incur may fluctuate significantly from quarter to quarter.

We anticipate that our expenses will continue to increase substantially as compared to prior periods as we continue to commercialize XPOVIO in the Unites States and engage in activities to prepare for the potential commercialization of additional indications for selinexor and the potential approval of our other drug candidates, including due to the impact of increased headcount, to support our clinical and commercialization activities, expanded infrastructure and increased insurance premiums.

We anticipate that our expenses will increase substantially if and as we:

- continue to commercialize XPOVIO in the United States and seek regulatory approval for XPOVIO outside of the United States;
- continue to grow our sales, marketing and distribution infrastructure during the commercialization of XPOVIO and any drug candidates for which we may obtain marketing approval, prior to or upon receiving marketing approval;
- continue our research and preclinical and clinical development of our drug candidates;
- initiate additional clinical trials for our drug candidates;
- seek marketing approvals for any of our drug candidates that successfully complete clinical trials;
- maintain, expand and protect our intellectual property portfolio;
- manufacture our drug candidates;
- hire additional clinical, quality control, scientific, commercial and management personnel;
- identify additional drug candidates;
- acquire or in-license other drugs and technologies;
- add operational, financial and management information systems and personnel, including personnel to support our drug development, any commercialization efforts and our other operations as a public company; and
- increase our product liability insurance coverage as we initiate and expand our commercialization efforts.

Our ability to become and remain profitable depends on our ability to commercialize a drug or drugs with significant market potential, either on our own or with a collaborator. While we began to generate revenue from the sales of XPOVIO in July 2019, there can be no assurance as to the amount or timing of any such revenue, and we may not achieve profitability for several years, if at all. This will require us to be successful in a range of challenging activities, including:

- successful launching of XPOVIO, including by further developing our sales force, marketing and distribution capabilities;
- achieving an adequate level of market acceptance and obtaining and maintaining coverage and adequate reimbursement from third-party payors for XPOVIO and any other drugs we commercialize;
- completing preclinical studies and clinical trials of our drug candidates;
- obtaining marketing approval for these drug candidates;
- manufacturing at commercial scale, marketing, selling and distributing XPOVIO or any drug candidates for which we may obtain marketing approval;
- maintaining regulatory and marketing approvals for XPOVIO and for any drug candidates for which we obtain marketing approval;
- establishing and managing any collaborations for the development, marketing and/or commercialization of our drug candidates;
- hiring and building a full commercial organization required for the marketing, selling and distribution for those drugs for which we obtain marketing approval; and
- obtaining, maintaining and protecting our intellectual property rights.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. Our expenses could increase if we are required by the FDA or other regulatory authorities to perform clinical trials and non-clinical studies in addition to those that have been conducted or are currently expected, or if there are any delays in the development of any of our drug candidates or the manufacture of any of our drug candidates.

XPOVIO is our only product that has been approved for sale and it has only been approved in the United States for the treatment of adult patients with RRMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. Our ability to become and remain profitable will depend, in part, on the timing and success of commercial sales of XPOVIO, which we commercially launched in the United States in July 2019. However, the successful commercialization of XPOVIO in the United States is subject to many risks. We are currently undertaking our first commercial launch with XPOVIO, and we may not be able to do so successfully. There are numerous examples of unsuccessful product launches and failures to meet expectations of market potential, including by pharmaceutical companies with more experience and resources than us. We do not anticipate our revenue from sales of XPOVIO alone will be sufficient for us to become profitable for several years, if at all.

We may never succeed in these activities and may never generate revenues that are significant or large enough to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business and/or continue our operations. A decline in the value of our company could also cause our stockholders to lose all or part of their investment.

The nature and length of our operating history may make it difficult for stockholders to evaluate the success of our business to date and to assess our future viability.

We were incorporated in 2008 and commenced operations in 2009. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, developing our platform, identifying potential drug candidates, conducting preclinical studies and early-phase and later-phase clinical trials of our drug candidates and establishing a commercial infrastructure to launch XPOVIO. We only recently launched XPOVIO and are still in the process of executing our commercial launch plan and, to date, have not generated significant revenue from the sale of XPOVIO. Consequently, any predictions stockholders make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a business with a short operating history, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

As we continue to build our business, we expect our financial condition and operating results may fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, stockholders should not rely upon the results of any particular quarterly or annual periods as indications of future operating performance.

We will need substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate our research and drug development programs or commercialization efforts.

We expect our expenses to increase in connection with our ongoing activities, particularly as we commercialize XPOVIO (selinexor) and continue the clinical trials of, and seek marketing approval and prepare for commercialization of, selinexor in additional indications and our other drug candidates. Our expenses have increased as we have begun commercializing XPOVIO, including costs associated with our sales force and increased marketing and distribution capabilities. If we obtain marketing approval for any drug candidates that we develop, we expect to incur significant additional commercialization expenses for such drug candidate to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of any collaborator that we may have at such time for any such drug candidate. Furthermore, we will continue to incur additional costs associated with operating as a public company, hiring additional personnel and expanding our facilities. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and drug development programs or any current or future commercialization efforts.

We expect that our existing cash, cash equivalents and investments will enable us to fund our current operating and capital expenditure plans for at least twelve months from the date of issuance of the financial statements contained in this Form 10-Q. Our future capital requirements will depend on many factors, including:

- our ability to successfully commercialize and sell XPOVIO in the United States;
- the cost of, and our ability to expand and maintain, the commercial infrastructure required to support the commercialization of XPOVIO and any other drug for which we receive marketing approval, including product sales, medical affairs, marketing and distribution;
- the progress and results of our current and planned clinical trials of selinexor;
- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our other drug candidates;

- the costs, timing and outcome of regulatory review of our drug candidates, including whether any additional clinical trials or other activities are required for approval or label expansion;
- our ability to establish and maintain collaborations on favorable terms;
- the success of any collaborations that we have entered into and may enter into with third parties;
- the extent to which we acquire or in-license other drugs and technologies;
- the costs of commercialization activities, including drug sales, marketing, manufacturing and distribution, for any of our drug candidates for which we receive marketing approval, and pre-commercialization costs for our drug candidates incurred prior to receiving any such marketing approval, including the costs and timing of establishing product sales, marketing, manufacturing and distribution capabilities that are not the responsibility of any collaborator that we may have at such time;
- the amount of revenue, if any, received from commercial sales of our drug candidates, assuming receipt of marketing approval;
- the terms and timing of any future collaborations, partnerships, licensing, marketing, distribution or other arrangements that we may establish; and
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Identifying potential drug candidates, conducting preclinical studies and clinical trials, seeking marketing approvals and commercializing products are time-consuming, expensive and uncertain processes that take years to complete. Although we commercially launched XPOVIO in July 2019, we do not anticipate that our revenue from product sales of XPOVIO will be sufficient for us to become profitable for several years, if at all. In addition, we may never generate the necessary data or results required to obtain marketing approval of our drug candidates. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. Adequate additional financing may not be available to us on acceptable terms, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate development activities for one or more of our drug candidates or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize XPOVIO or our drug candidates for which we obtain marketing approval.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.

Global credit and financial markets have experienced extreme disruptions over some of the past several years. Such disruptions have resulted, and could in the future result, in diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurance that any deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be compromised by economic downturns, a volatile business environment and unpredictable and unstable market conditions. If the equity and credit markets deteriorate, it may make any necessary equity or debt financing more difficult to secure, more costly or more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could harm our growth strategy, financial performance and stock price and could require us to delay or abandon plans with respect to our business, including clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers or other third parties with which we conduct business may not survive difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget.

Our indebtedness could limit cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the Notes.

We incurred $172.5 million of indebtedness as a result of the sale of the Notes and $75.0 million as a result of the initial closing pursuant to the Revenue Interest Financing Agreement, or Revenue Interest Agreement, that we entered into with HealthCare Royalty Partners III, L.P. and HealthCare Royalty Partners IV, L.P., or HCR, on September 14, 2019. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;

- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Notes, and our cash needs may increase in the future.

Servicing the Notes will require a significant amount of cash, and we may not have sufficient cash flow from our business to make payments on our indebtedness.

Our ability to pay the principal of or interest and additional interest, if any, on the Notes or to make cash payments in connection with any conversion of the Notes depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service the Notes or other future indebtedness and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring indebtedness or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance the Notes or other future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations, including the Notes.

We may not have the ability to raise the funds necessary to settle conversions of the Notes in cash, to repurchase the Notes for cash upon a fundamental change, to pay the redemption price for any Notes we redeem or to refinance the Notes, and any future debt we incur may contain limitations on our ability to pay cash upon conversion or repurchase of the Notes.

Holders may require us to repurchase their Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest and additional interest, if any. In addition, upon conversion, unless we elect to deliver solely shares of our common stock to settle conversions (other than paying cash in lieu of delivering any fractional share), we must satisfy the conversion in cash. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Notes, pay cash amounts due upon conversion or redemption of the Notes or refinance the Notes. In addition, our ability to repurchase the Notes, to pay cash upon conversion or redemption of the Notes or to refinance the Notes may be limited by law, regulatory authority or agreements governing any future indebtedness that we may incur. Our failure to repurchase notes at a time when the repurchase is required by the indenture governing the Notes or to pay cash upon conversion of the Notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness, if any. Moreover, the occurrence of a fundamental change under the indenture could constitute an event of default under any such agreements. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or to pay cash upon conversion of the Notes.

The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the Notes is triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal amount of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results.

In May 2008, the Financial Accounting Standards Board, or FASB, issued FASB Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement), which has subsequently been codified as Accounting Standards Codification 470-20, Debt with Conversion and Other Options, or ASC 470-20. Under ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer’s economic interest

cost. The effect of ASC 470-20 on the accounting for the Notes is that the equity component is required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheet at the issuance date, and the value of the equity component would be treated as debt discount for purposes of accounting for the debt component of the Notes. As a result, we will be required to record a greater amount of non-cash interest expense as a result of the amortization of the discounted carrying value of the Notes to their face amount over the term of the Notes. We will report a larger net loss in our financial results because ASC 470-20 will require interest to include both the amortization of the debt discount and the instrument's coupon interest rate, which could adversely affect our future financial results, the market price of our common stock and the trading price of the Notes.

In addition, under certain circumstances, convertible debt instruments (such as the Notes) that may be settled entirely or partly in cash are currently eligible to be accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion of the Notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of the Notes exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of the Notes, then our diluted earnings per share would be adversely affected.

Furthermore, if any of the conditions to the convertibility of the Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Notes as a current, rather than a long-term, liability. This reclassification could be required even if no holders convert their Notes and could materially reduce our reported working capital.

Our Revenue Interest Agreement with HCR contains various covenants and other provisions, which, if violated, could result in the acceleration of payments due under such agreement.

On September 14, 2019, we entered into the Revenue Interest Agreement with HCR. Pursuant to the Revenue Interest Agreement, we are required to comply with various covenants relating to the conduct of our business and the commercialization of XPOVIO. In addition, the Revenue Interest Agreement includes customary events of default upon the occurrence of enumerated events, including non-payment of revenue interests, failure to perform certain covenants and the occurrence of insolvency proceedings, specified judgments, specified cross-defaults or specified revocations, withdrawals or cancellations of regulatory approval for XPOVIO. Upon the occurrence of an event of default, HCR may accelerate payments due under the Revenue Interest Agreement up to $138.8 million, less the aggregate of all of the payments made to date. Upon the occurrence of specified material adverse events or the material breach of specified representations and warranties, which will not be considered events of default, HCR may elect to terminate the Revenue Interest Agreement and require us to make payments necessary for HCR to receive $75 million, less the aggregate of all of the payments made to date, plus a specified annual rate of return. In the event that we are unable to make such payment, then HCR may be able to foreclose on the collateral that was pledged to HCR, which consists of all of our present and future assets relating to XPOVIO. Any such foreclosure remedy would significantly and adversely affect us and could result in us losing our interest in such assets.

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

Until such time, if ever, as we can generate substantial revenues from the sale of drugs, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and/or licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of common stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. For example, during the term of the Revenue Interest Agreement, we cannot make any voluntary or optional cash payment or prepayment on our existing convertible debt and cannot enter into any new debt without the consent of HCR.

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

Risks Related to Our Dependence on Third Parties

We depend on third parties for certain aspects of the development, marketing and/or commercialization of our drug candidates and plan to enter into additional collaborations. If those collaborations are not successful, we may not be able to capitalize on the market potential of these drug candidates.

We intend to maintain our existing collaborations and will continue to seek additional third-party collaborators for certain aspects of the development, marketing and/or commercialization of our drug candidates. For example, we have entered into license arrangements with Ono Pharmaceutical Co., Ltd. and Antengene Therapeutics Limited, and plan to continue to seek to enter into additional license relationships, for marketing and commercialization of selinexor for other geographies outside the United States. In addition, we intend to seek one or more collaborators to aid in the further development, marketing and/or commercialization of our other SINE compounds for indications outside of oncology. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. In connection with any such arrangements with third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development, marketing and/or commercialization of our drug candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our drug candidates pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected or in compliance with applicable regulatory requirements;
- collaborators may not pursue development, marketing and/or commercialization of our drug candidates or may elect not to continue or renew development, marketing or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our drugs or drug candidates if the collaborators believe that competitive drugs are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- a collaborator with marketing and distribution rights to one or more drugs may not commit sufficient resources to the marketing and distribution of such drug or drugs;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of drug candidates, might lead to additional responsibilities for us with respect to drug candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our drugs or drug candidates or that result in costly litigation or arbitration that diverts management's attention and resources of our company;
- we may lose certain valuable rights under circumstances identified in any collaboration arrangement that we enter into, such as if we undergo a change of control;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development, marketing and/or commercialization of the applicable drug candidates;
- collaborators may learn about our discoveries and use this knowledge to compete with us in the future; and
- the number and type of our collaborations could adversely affect our attractiveness to collaborators or acquirers.

Collaboration agreements may not lead to development or commercialization of drug candidates in the most efficient manner, or at all. If our collaborations do not result in the successful development and commercialization of products or if one of our collaborators terminates its agreement with us, we may not receive any future milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of our product candidates could be delayed and we may need additional resources to develop product candidates. All of the risks relating to product development, regulatory approval and commercialization described in this Quarterly Report on Form 10-Q also apply to the activities of our collaborators.

If we are unable to establish and maintain our agreements with third parties to distribute XPOVIO to patients, our results of operations and business could be adversely affected.

We rely on third parties to commercially distribute XPOVIO to patients. For example, we have contracted with a limited number of specialty pharmacies and specialty distributors to sell and distribute XPOVIO. The use of specialty pharmacies and specialty distributors involves certain risks, including, but not limited to, risks that these organizations will:

- not provide us accurate or timely information regarding their inventories, the number of patients who are using XPOVIO or serious adverse reactions, events and/or product complaints regarding XPOVIO;
- not effectively sell or support XPOVIO or communicate publicly concerning XPOVIO in a manner that is contrary to FDA rules and regulations;
- reduce their efforts or discontinue to sell or support or otherwise not effectively sell or support XPOVIO;
- not devote the resources necessary to sell XPOVIO in the volumes and within the time frames that we expect;
- be unable to satisfy financial obligations to us or others; or
- cease operations.

Any such events may result in decreased product sales and lower product revenue, which would harm our results of operations and business.

If we are not able to maintain our existing collaborations or establish additional collaborations as we currently plan, we may have to alter our development and commercialization plans and our business could be adversely affected.

Our drug development programs and the commercialization of our drug candidates for which we receive marketing approval will require substantial additional cash to fund expenses. As noted above, we expect to maintain our existing collaborations and collaborate with additional pharmaceutical and biotechnology companies for the development of our drug candidates and the commercialization of our drugs or the potential commercialization of our drug candidates.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside of the United States, the potential market for the subject drug candidate, the costs and complexities of manufacturing and delivering such drug candidate to patients, the potential of competing drugs, the existence of uncertainty with respect to our ownership of intellectual property, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative drug candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our drug candidate.

We may also be restricted under then-existing collaboration agreements from entering into future agreements on certain terms with potential collaborators.

Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such drug candidate, reduce or delay its development program or one or more of our other development programs, delay the commercialization of a drug or a drug candidate or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms, or at all. If we do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our drug candidates or bring them to market and generate revenue from sales of drugs.

We rely on some third parties as we conduct our clinical trials and some aspects of our research and preclinical studies, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research or testing.

We rely on some third parties, such as contract research organizations, clinical data management organizations, medical institutions and clinical investigators, as we conduct our clinical trials. We currently rely and expect to continue to rely on third parties to conduct some aspects of our research and preclinical studies. Any of these third parties may terminate their engagements with us at any time. If we need to enter into alternative arrangements, it would delay our drug development activities.

Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as Good Clinical Practices, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. The European Medicines Agency, or EMA, also requires us to comply with comparable standards. Regulatory authorities ensure compliance with these requirements through periodic inspections of trial sponsors, principal investigators and trial sites. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements. If we or any of the third parties that we rely on in connection with our clinical trials fail to comply with applicable requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, EMA or other comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with such requirements. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our drug candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our drug candidates. In such an event, our financial results and the commercial prospects for our drug candidates could be harmed, our costs could increase and our ability to generate revenues could be delayed, impaired or foreclosed.

We also expect to rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of such third parties could delay clinical development or marketing approval of our drug candidates or commercialization of our drugs, producing additional losses and depriving us of potential revenue from sales of drugs.

We rely on third parties to conduct investigator-sponsored clinical trials of selinexor and our other drug candidates. Any failure by a third party to meet its obligations with respect to the clinical development of our drug candidates may delay or impair our ability to obtain regulatory approval for selinexor and our other drug candidates.

We rely on academic and private non-academic institutions to conduct and sponsor clinical trials relating to selinexor and our other drug candidates. We do not control the design or conduct of the investigator-sponsored trials, and it is possible that the FDA or non-U.S. regulatory authorities will not view these investigator-sponsored trials as providing adequate support for future clinical trials, whether controlled by us or third parties, for any one or more reasons, including elements of the design or execution of the trials or safety concerns or other trial results.

Such arrangements will provide us certain information rights with respect to the investigator-sponsored trials, including access to and the ability to use and reference the data, including for our own regulatory filings, resulting from the investigator-sponsored trials. However, we do not have control over the timing and reporting of the data from investigator-sponsored trials, nor do we own the data from the investigator-sponsored trials. If we are unable to confirm or replicate the results from the investigator-sponsored trials or if negative results are obtained, we would likely be further delayed or prevented from advancing further clinical development of our drug candidates. Further, if investigators or institutions breach their obligations with respect to the clinical development of our drug candidates, or if the data proves to be inadequate compared to the first-hand knowledge we might have gained had the investigator-sponsored trials been sponsored and conducted by us, then our ability to design and conduct any future clinical trials ourselves may be adversely affected.

Additionally, the FDA or non-U.S. regulatory authorities may disagree with the sufficiency of our right of reference to the preclinical, manufacturing or clinical data generated by these investigator-sponsored trials, or our interpretation of preclinical, manufacturing or clinical data from these investigator-sponsored trials. If so, the FDA or non-U.S. regulatory authorities may require us to obtain and submit additional preclinical, manufacturing, or clinical data before we may initiate our planned trials and/or may not accept such additional data as adequate to initiate our planned trials.

We contract with third parties for the manufacture of our drug candidates for preclinical studies and clinical trials and expect to continue to do so in connection with the commercialization of XPOVIO and for clinical trials and commercialization of any drug candidates that we develop and commercialize. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or drugs or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not have any manufacturing facilities or personnel. We do not currently have nor do we plan to build internal infrastructure or capability to manufacture XPOVIO or our drug candidates for use in the conduct of our clinical trials or for commercial supply. We currently rely, and expect to continue to rely, on third-party manufacturers for the manufacture of our drug candidates for preclinical studies and clinical trials under the guidance of members of our organization. We have engaged third-party manufacturers for drug substance and drug product services. We do not have a long term supply agreement with any of these third-party manufacturers, and we purchase our required drug supplies on a purchase order basis.

We currently rely, and expect to continue to rely, on third-party manufacturers or third-party collaborators for the manufacture of commercial quantities of any drug candidate that we commercialize following marketing approval. Reliance on third-party manufacturers entails risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible failure of the third party to manufacture our drugs or drug candidates according to our schedule, or at all, including if the third-party manufacturer gives greater priority to the supply of other drugs over our drugs and drug candidates, or otherwise does not satisfactorily perform according to the terms of the manufacturing agreement;
- equipment malfunctions, power outages or other general disruptions experienced by our third-party manufacturers to their respective operations and other general problems with a multi-step manufacturing process;
- the possible misappropriation or disclosure by the third party or others of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

We have engaged a third-party contract manufacturer for the commercial production of XPOVIO and intend to do the same for any drug candidate that is approved by any regulatory agency. This process is difficult and time consuming and we may face competition for access to manufacturing facilities, as there are a limited number of contract manufacturers operating under current Good Manufacturing Practices, or cGMPs, that are capable of manufacturing our drug candidates. Consequently, we may not be able to reach agreement with third-party manufacturers on satisfactory terms, which could delay our commercialization.

Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside of the United States. Facilities used by our third-party manufacturers must be inspected by the FDA after we submit an NDA and before potential approval of the drug candidate. Similar regulations apply to manufacturers of our drug candidates for use or sale in foreign countries. We do not control the manufacturing process and are completely dependent on our third-party manufacturers for compliance with the applicable regulatory requirements for the manufacture of our drug candidates. If our manufacturers cannot successfully manufacture material that conforms to the strict regulatory requirements of the FDA and any applicable foreign regulatory authority, they will not be able to secure the applicable approval for their manufacturing facilities. If these facilities are not approved for commercial manufacture, we may need to find alternative manufacturing facilities, which could result in delays in obtaining approval for the applicable drug candidate as alternative qualified manufacturing facilities may not be available on a timely basis or at all. In addition, our manufacturers are subject to ongoing periodic unannounced inspections by the FDA and corresponding state and foreign agencies for compliance with cGMPs and similar regulatory requirements. Failure by any of our manufacturers to comply with applicable cGMPs or other regulatory requirements could result in sanctions being imposed on us or the contract manufacturer, including fines, injunctions, civil penalties, delays, suspensions or withdrawals of approvals, operating restrictions,

interruptions in supply and criminal prosecutions, any of which could significantly and adversely affect supplies of our drug candidates and have a material adverse impact on our business, financial condition and results of operations. Any drugs that we may develop may compete with other drug candidates and drugs for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Any performance failure on the part of our existing or future manufacturers could delay clinical development, marketing approval or commercialization. If our current contract manufacturers cannot perform as agreed, we may be required to replace those manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our drug candidates or drugs, we may incur added costs and delays in identifying and qualifying any such replacement.

Our current and anticipated future dependence upon others for the manufacture of XPOVIO or any drug candidates that we develop may adversely affect our future profit margins and our ability to commercialize any drugs that receive marketing approval on a timely and competitive basis.

Risks Related to Regulatory Approval and Marketing of Our Product Candidates and Other Legal Compliance Matters

Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us from obtaining approvals for the commercialization of some or all of our drug candidates. As a result, we cannot predict when or if we or any of our collaborators will obtain marketing approval to commercialize a drug candidate.

The research, testing, manufacturing, labeling, approval, selling, marketing, promotion and distribution of drugs are subject to extensive regulation by the FDA and comparable foreign regulatory authorities, whose laws and regulations may differ from country to country. We are not permitted to market our drug candidates in the United States or in other countries until we or any of our collaborators receive approval of an NDA from the FDA or marketing approval from applicable regulatory authorities outside of the United States. In July 2019, the FDA approved XPOVIO (selinexor) in combination with dexamethasone for the treatment of adult patients with RRMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody. This indication is approved under accelerated approval based on response rate. Continued approval for this indication may be contingent upon verification and description of clinical benefit in a confirmatory trial. The ongoing, randomized Phase 3 BOSTON study evaluating selinexor in combination with Velcade® (bortezomib) and low-dose dexamethasone will serve as the confirmatory trial. In addition, we submitted a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) in January 2019 with a request for conditional approval of selinexor as a treatment for patients with heavily pretreated multiple myeloma based on the results of the STORM study. During March 2019, the EMA had inspectors conduct a Good Clinical Practices (GCP) inspection at our headquarters, which was also attended by the FDA, as well as inspections of two clinical sites that participated in Part 2 of the STORM study. While we did not receive any findings from the FDA, in May 2019, the EMA inspectors provided us a written inspection report seeking our responses to various questions and findings. We promptly addressed the questions and findings in the inspection report and submitted proposals to the EMA's Committee for Medicinal Products for Human Use (CHMP). In September 2019, we received the Day 180 List of Outstanding Issues from CHMP, which identified two issues requiring resolution. First, CHMP requested that we reconfirm the IRC adjudicated response rate to justify a positive benefit-risk assessment and, second, CHMP requested that we address the findings from the GCP inspection and our corrective measures taken to justify that the clinical trial data are of sufficient quality to support a benefit-risk assessment. We are currently working with CHMP to address both topics and expect to receive a decision on the application in early 2020. We have not submitted any other application for, or received any marketing approval of, any of our drug candidates in the United States or in any other jurisdiction. We have limited experience in conducting and managing the clinical trials necessary to obtain marketing approvals, including FDA approval of an NDA. The process of obtaining marketing approvals, both in the United States and abroad, is a lengthy, expensive and uncertain process. It may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the drug candidates involved.

In addition, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted drug application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical studies, clinical trials or other studies and testing. In addition, varying interpretations of the data obtained from preclinical studies and clinical trials could delay, limit or prevent marketing approval of a drug candidate. Any marketing approval we or any of our collaborators ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved drug not commercially viable.

Any delay in obtaining or failure to obtain required approvals could materially adversely affect our ability or that of any of our collaborators to generate revenue from the particular drug candidate, which likely would result in significant harm to our financial position and adversely impact our stock price.

Since XPOVIO received accelerated approval by the FDA, we must still comply with post-approval development and regulatory requirements to maintain that approval and, if we fail to do so, FDA could withdraw its approval of XPOVIO, which would lead to substantially lower revenues.

For drugs granted accelerated approval, the FDA typically requires post-marketing confirmatory trials to evaluate the anticipated effect on irreversible morbidity or mortality or other clinical benefit. These confirmatory trials must be completed with due diligence. As a condition of the accelerated approval of XPOVIO, we are required to (i) complete and submit a final report with full datasets from the BOSTON study following completion of the study, (ii) conduct a randomized phase 2 clinical trial of selinexor plus dexamethasone with two different doses of selinexor that are lower than 80 mg on days 1 and 3 of each week, in a similar patient population for which XPOVIO is indicated (which we plan to conduct outside the United States), (iii) conduct a hepatic impairment trial with selinexor in patients with cancer and (iv) conduct a drug interaction trial with selinexor in patients to evaluate the effect of co-administration of a strong CYP3A4 inhibitor on the pharmacokinetics of selinexor.

The FDA may withdraw approval of a product candidate approved under the accelerated approval pathway if, for example, the trial required to verify the predicted clinical benefit of our product candidate fails to verify such benefit or does not demonstrate sufficient clinical benefit to justify the risks associated with the drug. The FDA may also withdraw approval if other evidence demonstrates that our product candidate is not shown to be safe or effective under the conditions of use, we fail to conduct any required post approval trial of our product candidate with due diligence or we disseminate false or misleading promotional materials relating to our product candidate. Similar risks to those described above are also applicable to any application that we have submitted or may submit to the EMA to support conditional approval of selinexor to treat heavily pretreated multiple myeloma, relapsed/refractory DLBCL, or any other cancer indication.

There can be no assurance that the BOSTON study conducted as part of our post-marketing obligations will confirm that the surrogate marker used for accelerated approval of XPOVIO will eventually show an adequate correlation with clinical outcomes. If the BOSTON study fails to show such adequate correlation, we may not be able to maintain our previously granted marketing approval of XPOVIO.

Our failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad, and any approval we are granted for our product candidates in the United States would not assure approval of product candidates in foreign jurisdictions.

In order to market and sell our drugs in the European Union and many other jurisdictions, we and our current or future collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The marketing approval process outside of the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside of the United States, it is required that the drug be approved for reimbursement before the drug can be approved for sale in that country. We and our collaborators may not obtain approvals from regulatory authorities outside of the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside of the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

Additionally, on June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the European Union, commonly referred to as Brexit. On March 29, 2017, the United Kingdom formally notified the European Union of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. The United Kingdom had a period of a maximum of two years from the date of its formal notification to negotiate the terms of its withdrawal from, and future relationship with, the European Union. If no formal withdrawal agreement can be reached between the United Kingdom and the European Union, then it is expected that the United Kingdom's membership of the European Union would automatically terminate on the deadline, which was initially March 29, 2019. That deadline has been extended to October 31, 2019 to allow the parties to negotiate a withdrawal agreement, which has proven to be extremely difficult to date. Discussions between the United Kingdom and the European Union will continue to focus on withdrawal issues and transition agreements. However, limited progress to date in these negotiations and ongoing uncertainty within the United Kingdom Government and Parliament sustains the possibility of the United Kingdom leaving the European Union without a withdrawal agreement and associated transition period in place, which is likely to cause significant market and economic disruption.

Since a significant proportion of the regulatory framework in the United Kingdom is derived from European Union directives and regulations, the withdrawal could materially impact the regulatory regime with respect to the approval of our product candidates in the United Kingdom or the European Union. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, would prevent us from commercializing our product candidates in the United Kingdom and/or the European Union and restrict our ability to generate revenue and achieve and sustain profitability. If any of these outcomes occur, we may be forced to restrict or delay efforts to seek regulatory approval in the United Kingdom and/or European Union for our product candidates, which could significantly and materially harm our business.

We may seek approval from the FDA or comparable non-U.S. regulatory authorities to use accelerated development pathways for our product candidates, including for selinexor in diffuse large B-cell lymphoma. If we are not able to use such pathways, we may be required to conduct additional clinical trials beyond those that we contemplate and that would increase the expense of obtaining, and delay the receipt of, necessary marketing approvals, if we receive them at all. In addition, even if we are able to use an accelerated approval pathway, it may not lead to expedited approval of our product candidates, or approval at all.

Under the Federal Food, Drug and Cosmetic Act, or FDCA, and implementing regulations, the FDA may grant accelerated approval to a product candidate to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies, upon a determination that the product has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a drug. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. Prior to seeking such accelerated approval, we will continue to seek feedback from the FDA and otherwise evaluate our ability to seek and receive such accelerated approval.

We intend to use the data from the SADAL study to support an NDA request that the FDA consider granting accelerated approval for selinexor in relapsed and/or refractory diffuse large B-cell lymphoma, or DLBCL, and work with the FDA to determine the appropriate timeline for the submission of the NDA. In November 2018, the FDA granted fast track designation to selinexor for the treatment of patients that have relapsed and/or refractory DLBCL after at least two prior multi-agent therapies and who are ineligible for transplantation, including high dose chemotherapy with stem cell rescue. While the FDA agreed that the trial design and indication appear appropriate for accelerated approval, they reiterated to us in their feedback that the availability of accelerated approval will depend on the trial results and available therapies at the time of regulatory action. The FDA also has reiterated to us that it recommends, in general, a randomized trial with a progression-free survival endpoint as an initial registration approach and, for DLBCL, recommended two randomized trials that isolate the treatment effect of selinexor for a DLBCL indication. In addition, as we experienced with our NDA based on the results of Part 2 of the STORM study, the FDA has noted tolerability and dose optimization as review matters. Although we believe that our SADAL study presents an opportunity for us to request that the FDA grant accelerated approval for selinexor in relapsed and/or refractory DLBCL, there can be no assurance that the FDA will grant such approval, whether on an accelerated basis, or at all.

There can also be no assurance that the FDA will agree with our surrogate endpoints or intermediate clinical endpoints, or that we will decide to pursue or submit any additional NDAs for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that, after feedback from FDA, we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, for any submission of an application for accelerated approval or application under another expedited regulatory designation, there can be no assurance that such submission or application will be accepted for filing or that any expedited development, review or approval will be granted on a timely basis, or at all.

A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidates, or withdrawal of a product candidate, would result in a longer time period until commercialization of such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

A fast track designation or breakthrough therapy status by the FDA is not assured and, in any event, may not actually lead to a faster development or regulatory review or approval process and, moreover, would not assure FDA approval of our product candidates.

We may be eligible for fast track designation or breakthrough therapy status for product candidates that we develop. If a product is intended for the treatment of a serious or life-threatening disease or condition and the product demonstrates the potential to address unmet medical needs for this disease or condition, the product sponsor may apply for FDA fast track designation. Additionally, a product candidate may be designated as a breakthrough therapy if it is intended, either alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may

demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. The FDA has broad discretion whether or not to grant these designations, so even if we believe a particular product candidate is eligible for such designation or status, the FDA could decide not to grant it. Moreover, even if we do receive such a designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures and there is no assurance that our product candidate will be approved by the FDA.

In April 2018, the FDA granted fast track designation to selinexor for the treatment of patients with multiple myeloma who have received at least three prior lines of therapy that include regimens comprised of an alkylating agent, a glucocorticoid, Velcade® (bortezomib), Kyprolis® (carfilzomib), Revlimid® (lenalidomide), Pomalyst® (pomalidomide) and Darzalex® (daratumumab) and whose disease is refractory to at least one proteasome inhibitor (Velcade or Kyprolis), one immunomodulatory agent (Revlimid or Pomalyst), glucocorticoids and to Darzalex, as well as to the most recent therapy. In addition, in November 2018, the FDA granted fast track designation to selinexor for the treatment of patients that have relapsed and/or refractory DLBCL after at least two prior multi-agent therapies and who are ineligible for transplantation, including high dose chemotherapy with stem cell rescue. However, even with these fast track designations, we may not experience a faster development process, review or approval compared to conventional FDA procedures and there is no assurance that selinexor will be approved by the FDA for additional indications. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

Priority review designation by the FDA may not lead to a faster regulatory review or approval process and, in any event, does not assure FDA approval of our product candidate.

If the FDA determines that a product candidate offers major advances in treatment or provides a treatment where no adequate therapy exists, the FDA may designate the product candidate for priority review. A priority review designation means that the FDA's goal to review an application is six months, rather than the standard review period of ten months. The FDA has broad discretion with respect to whether or not to grant priority review status to a product candidate, so even if we believe a particular product candidate is eligible for such designation or status, the FDA may decide not to grant it. Moreover, a priority review designation does not necessarily mean a faster regulatory review process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures. For example, in connection with our NDA for XPOVIO, in March 2019, the FDA extended the Prescription Drug User Fee Act (PDUFA) action date by three months following our submission of additional, existing clinical information as an amendment to the NDA, which resulted in a nine-month review cycle. Receiving priority review from the FDA does not guarantee approval within the six-month review cycle or thereafter.

We may not be able to obtain orphan drug exclusivity for our product candidates.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs and biologics for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug or biologic intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same product for that time period. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a product no longer meets the criteria for orphan drug designation or if the product is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition.

Even if we obtain orphan drug exclusivity from the FDA for a product, as we have for XPOVIO as a treatment for patients with heavily pretreated multiple myeloma and selinexor in acute myeloid leukemia and DLBCL, that exclusivity may not effectively protect the product from competition because different products can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve a different product for the same condition if the FDA concludes that the later product is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

On August 3, 2017, Congress passed the FDA Reauthorization Act of 2017, or FDARA. FDARA, among other things, codified the FDA's pre-existing regulatory interpretation, to require that a drug sponsor demonstrate the clinical superiority of an orphan drug that is otherwise the same as a previously approved drug for the same rare disease in order to receive orphan drug exclusivity. The new legislation reverses prior precedent holding that the Orphan Drug Act unambiguously requires that the FDA recognize the orphan exclusivity period regardless of a showing of clinical superiority. The FDA may further reevaluate the Orphan Drug Act and its regulations and policies. We do not know if, when, or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies, our business could be adversely impacted.

Even if we or any of our collaborators obtain marketing approvals for our drug candidates, the terms of approvals and ongoing regulation of our drugs may limit how we, or they, manufacture and market our drugs, which could materially impair our ability to generate revenue.

Once marketing approval has been granted, an approved drug and its manufacturer and marketer are subject to ongoing review and extensive regulation. We and our collaborators must therefore comply with requirements concerning advertising and promotion for XPOVIO or for any of our drug candidates for which we or they obtain marketing approval. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the drug's approved labeling. Thus, we and our collaborators may not be able to promote any drugs we develop for indications or uses for which they are not approved.

In addition, manufacturers of approved drugs and those manufacturers' facilities are required to comply with extensive FDA requirements, including ensuring that quality control and manufacturing procedures conform to cGMPs, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. We, our contract manufacturers, our collaborators and their contract manufacturers could be subject to periodic unannounced inspections by the FDA to monitor and ensure compliance with cGMPs.

Accordingly, assuming we or our current or future collaborators receive marketing approval for one or more of our drug candidates, we, and our collaborators, and our and their contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control.

If we and our collaborators are not able to comply with post-approval regulatory requirements, we and our collaborators could have the marketing approvals for our drugs withdrawn by regulatory authorities, and our or our collaborators' ability to market any future drugs could be limited, which could adversely affect our ability to achieve or sustain profitability. Further, the cost of compliance with post-approval regulations may have a negative effect on our operating results and financial condition.

XPOVIO and any of our drug candidates for which we or our collaborators obtain marketing approval in the future could be subject to post-marketing restrictions or withdrawal from the market, and we and our collaborators may be subject to substantial penalties if we, or they, fail to comply with regulatory requirements or if we, or they, experience unanticipated problems with our drugs following approval.

XPOVIO and any of our drug candidates for which we or our collaborators obtain marketing approval in the future, as well as the manufacturing processes, post-approval studies and measures, labeling, advertising and promotional activities for such drug, among other things, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a drug candidate is granted, the approval may be subject to limitations on the indicated uses for which the drug may be marketed or to the conditions of approval, including the requirement to implement a Risk Evaluation and Mitigation Strategy, which could include requirements for a restricted distribution system.

The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a drug. The FDA and other agencies, including the Department of Justice, or the DOJ, closely regulate and monitor the post-approval marketing and promotion of drugs to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use, and if we or our collaborators do not market any of our drug candidates for which we, or they, receive marketing approval for only their approved indications, we, or they, may be subject to warnings or enforcement action for off-label marketing. Violation of the FDCA and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations or allegations of violations of federal and state health care fraud and abuse laws and state consumer protection laws. In addition, later discovery of previously unknown AEs or other problems with our drugs or their manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- litigation involving patients taking our drug;
- restrictions on such drugs, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a drug;

- restrictions on drug distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the drugs from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of drugs;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- damage to relationships with any potential collaborators;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of drugs;
- drug seizure; or
- injunctions or the imposition of civil or criminal penalties.

Under the Cures Act and the Trump Administration's regulatory reform initiatives, the FDA's policies, regulations and guidance may be revised or revoked and that could prevent, limit or delay regulatory approval of our product candidates, which would impact our ability to generate revenue.

In December 2016, the 21st Century Cures Act, or Cures Act, was signed into law. The Cures Act, among other things, is intended to modernize the regulation of drugs and spur innovation, but its ultimate implementation is unclear. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. For example, certain policies of the Trump Administration may impact our business and industry. Namely, the Trump Administration has taken several executive actions, including the issuance of a number of executive orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine regulatory and oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. An under-resourced FDA could result in delays in the FDA's responsiveness or in its ability to review submissions or applications, issue regulations or guidance, or implement or enforce regulatory requirements in a timely fashion or at all. In January 2017, President Trump issued an executive order, applicable to all executive agencies including the FDA, which requires that for each notice of proposed rulemaking or final regulation to be issued in fiscal year 2017, the agency shall identify at least two existing regulations to be repealed, unless prohibited by law. These requirements are referred to as the "two-for-one" provisions. This executive order includes a budget neutrality provision that requires the total incremental cost of all new regulations in the 2017 fiscal year, including repealed regulations, to be no greater than zero, except in limited circumstances. For fiscal years 2018 and beyond, the executive order requires agencies to identify regulations to offset any incremental cost of a new regulation and approximate the total costs or savings associated with each new regulation or repealed regulation. In interim guidance issued by the Office of Information and Regulatory Affairs within OMB in February 2017, the administration indicates that the "two-for-one" provisions may apply not only to agency regulations, but also to significant agency guidance documents. In addition, on February 24, 2017, President Trump issued an executive order directing each affected agency to designate an agency official as a "Regulatory Reform Officer" and establish a "Regulatory Reform Task Force" to implement the two-for-one provisions and other previously issued executive orders relating to the review of federal regulations. It is difficult to predict how these various requirements will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose constraints on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

Current and future legislation may increase the difficulty and cost for us and any collaborators to obtain marketing approval and commercialize our drug candidates and affect the prices we, or they, may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could, among other things, prevent or delay marketing approval of our drug candidates, restrict or regulate post-approval activities and affect our ability, or the ability of any collaborators, to profitably sell or

commercialize XPOVIO or any drug candidate for which we, or they, obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we, or any collaborators, may receive for any approved drugs.

Among the provisions of the Patient Protection and Affordable Care Act, or ACA, of potential importance to our business, including, without limitation, our ability to commercialize and the prices we may obtain for any of our drug candidates that are approved for sale, are the following:

- an annual, non-deductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the civil False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (and 70% starting January 1, 2019) point-of-sale discounts off negotiated prices to eligible beneficiaries during their coverage gap period, as a condition for a manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report certain financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include the Budget Control Act of 2011, which, among other things, led to aggregate reductions to Medicare payments to providers of up to 2% per fiscal year that started in April 2013 and, due to subsequent legislative amendments, will stay in effect through 2027 unless additional Congressional action is taken, and the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for XPOVIO and for any of our product candidates for which we may obtain regulatory approval or the frequency with which XPOVIO or any such product candidate is prescribed or used. Further, there have been several recent U.S. congressional inquiries and proposed state and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products.

We expect that these healthcare reforms, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for XPOVIO or any other approved product and/or the level of reimbursement physicians receive for administering any approved product we might bring to market. Reductions in reimbursement levels may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors.

Some of the provisions of the ACA have yet to be implemented, and there have been judicial and Congressional challenges to certain aspects of the ACA, as well as recent efforts by the Trump Administration to repeal or replace certain aspects of the ACA. Since January 2017, President Trump has signed two executive orders and other directives designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017, or the Tax Act, includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate". On January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers

based on market share, and the medical device excise tax on non-exempt medical devices. The Bipartisan Budget Act of 2018, among other things, amends the ACA, effective January 1, 2019, to close the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole". In July 2018, the Centers for Medicare and Medicaid Services, or CMS, published a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas ruled that the individual mandate is an inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. The Trump Administration has recently represented to the Court of Appeals considering this judgment that it does not oppose the lower court's ruling. On July 10, 2019, the Court of Appeals for the Fifth Circuit heard oral argument in this case. In those arguments, the Trump Administration argued in support of upholding the lower court decision. Litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results.

The Trump Administration has also taken executive actions to undermine or delay implementation of the ACA. In January 2017, President Trump signed an executive order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. In October 2017, the President signed a second executive order allowing for the use of association health plans and short-term health insurance, which may provide fewer health benefits than the plans sold through the ACA exchanges. At the same time, the Trump Administration announced that it will discontinue the payment of cost-sharing reduction, or CSR, payments to insurance companies until Congress approves the appropriation of funds for such CSR payments. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under the ACA. A bipartisan bill to appropriate funds for CSR payments was introduced in the Senate, but the future of that bill is uncertain. Further, in July 2018 following a federal district court decision from New Mexico, the Administration announced that it would be freezing payments to insurers under the ACA to cover sicker patients until it or Congress can address the appropriate methodology for calculating and making such payments. It remains to be seen how this action will affect the implementation of the ACA.

We will continue to evaluate the effect that the ACA and its possible repeal and replacement could have on our business. It is possible that repeal and replacement initiatives, if enacted into law, could ultimately result in fewer individuals having health insurance coverage or in individuals having insurance coverage with less generous benefits. While the timing and scope of any potential future legislation to repeal and replace ACA provisions is uncertain in many respects, it is also possible that some of the ACA provisions that generally are not favorable for the research-based pharmaceutical industry could also be repealed along with ACA coverage expansion provisions. Accordingly, such reforms, if enacted, could have an adverse effect on anticipated revenue from XPOVIO or from product candidates that we may successfully develop and for which we may obtain marketing approval and may affect our overall financial condition and ability to develop or commercialize product candidates.

Further, there have been several recent U.S. congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, the Trump administration's budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. While any proposed measures will require authorization through additional legislation to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

Specifically, there have been several recent U.S. congressional inquiries and proposed federal and proposed and enacted state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, Congress and the current administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. For example, on May 11, 2018, the current administration issued a plan to lower drug prices. Under this blueprint for action, the current administration indicated that the Department of Health and Human Services, or HHS, will take steps to end the gaming of regulatory and patent processes by drug makers to unfairly protect monopolies, advance biosimilars and generics to boost price competition, evaluate the inclusion of prices in drug makers' ads to enhance price competition, speed access to and lower the cost of new drugs by clarifying policies for sharing information between insurers and drug makers, avoid excessive pricing by relying more on value-based pricing by expanding outcome-based payments in Medicare and Medicaid, work to give Medicare Part D plan sponsors more negotiation power with drug makers, examine which Medicare Part B drug prices could be negotiated by Medicare Part D plans, improve the design of the Medicare Part B Competitive Acquisition Program, update Medicare's drug-pricing dashboard to increase transparency, prohibit Medicare Part D contracts that include "gag rules" that prevent pharmacists from informing patients when they could pay less out-of-pocket by not using insurance,

and require that Medicare Part D plan members be provided with an annual statement of plan payments, out-of-pocket spending, and drug price increases. More recently, on January 31, 2019, the HHS Office of Inspector General proposed modifications to the federal anti-kickback statute discount safe harbor for the purpose of reducing the cost of drug products to consumers which, among other things, if finalized, will affect discounts paid by manufacturers to Medicare Part D plans, Medicaid managed care organizations and pharmacy benefit managers working with these organizations.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing.

Moreover, legislative and regulatory proposals have also been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical drugs. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our drug candidates, if any, may be. In addition, increased scrutiny by the Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us and any collaborators to more stringent drug labeling and post-marketing testing and other requirements.

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

Healthcare providers, physicians and third party payors will play a primary role in the recommendation and prescription of any drugs for which we obtain marketing approval. Our future arrangements with third party payors, healthcare providers and physicians may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any drugs for which we obtain marketing approval. These include the following:

- **Anti-Kickback Statute**—the federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation or arranging of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;

- **False Claims Act**—the federal False Claims Act imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented false or fraudulent claims for payment by a federal healthcare program or making a false statement or record material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government, with potential liability including mandatory treble damages and significant per-claim penalties, currently set at $5,500 to $11,000 per false claim;
- **HIPAA**—the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters, and, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms and technical safeguards, with respect to maintaining the privacy, security and transmission of individually identifiable health information;
- **Transparency Requirements**—federal laws require applicable manufacturers of covered drugs to report payments and other transfers of value to physicians and teaching hospitals; and
- **Analogous State and Foreign Laws**—analogous state and foreign fraud and abuse laws and regulations, such as state anti-kickback and false claims laws, can apply to sales or marketing arrangements and claims involving healthcare items or services and are generally broad and are enforced by many different federal and state agencies as well as through private actions.

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not pre-empted by HIPAA, thus complicating compliance efforts.

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

The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the European Union. The provision of benefits or advantages to physicians is governed by the national anti-bribery laws of European Union Member States, such as the UK Bribery Act 2010. Infringement of these laws could result in substantial fines and imprisonment.

Payments made to physicians in certain European Union Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual European Union Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the European Union Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

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

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Globally, virtually every jurisdiction in which we operate has established its own data security and privacy frameworks with which we must comply. For example, the collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the European Union, including personal health data, is subject to the EU General Data Protection Regulation, or the GDPR, which took effect across all member states of the European Economic Area, or EEA, in May 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain

measures when engaging third-party processors. The GDPR increases our obligations with respect to clinical trials conducted in the EEA by expanding the definition of personal data to include coded data and requiring changes to informed consent practices and more detailed notices for clinical trial subjects and investigators. In addition, the GDPR also imposes strict rules on the transfer of personal data to countries outside the European Union, including the United States and, as a result, increases the scrutiny that clinical trial sites located in the EEA should apply to transfers of personal data from such sites to countries that are considered to lack an adequate level of data protection, such as the United States. The GDPR also permits data protection authorities to require destruction of improperly gathered or used personal information and/or impose substantial fines for violations of the GDPR, which can be up to four percent of global revenues or 20 million Euros, whichever is greater, and it also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR provides that European Union member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data.

Given the breadth and depth of changes in data protection obligations, preparing for and complying with the GDPR's requirements is rigorous and time intensive and requires significant resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data collected in the European Union. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal information from our clinical trials, could require us to change our business practices and put in place additional compliance mechanisms, may interrupt or delay our development, regulatory and commercialization activities and increase our cost of doing business, and could lead to government enforcement actions, private litigation and significant fines and penalties against us and could have a material adverse effect on our business, financial condition or results of operations.

Similar actions are either in place or under way in the United States. There are a broad variety of data protection laws that are applicable to our activities, and a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. The Federal Trade Commission and state Attorneys General all are aggressive in reviewing privacy and data security protections for consumers. New laws also are being considered at both the state and federal levels. For example, the California Consumer Privacy Act—which goes into effect in 2020—is creating similar risks and obligations as those created by GDPR, though the Act does exempt certain information collected as part of a clinical trial subject to the Federal Policy for the Protection of Human Subjects (the Common Rule). Many other states are considering similar legislation. A broad range of legislative measures also have been introduced at the federal level. Accordingly, failure to comply with federal and state laws (both those currently in effect and future legislation) regarding privacy and security of personal information could expose us to fines and penalties under such laws. There also is the threat of consumer class actions related to these laws and the overall protection of personal data. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our reputation and our business.

Our employees, independent contractors, consultants and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading, which could cause significant liability for us and harm our reputation.

We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, consultants and vendors. Misconduct by these partners could include intentional failures to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, provide accurate information to the FDA or comparable foreign regulatory authorities, comply with manufacturing standards, comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, report financial information or data accurately or disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. This could include violations of HIPAA, other U.S. federal and state law, and requirements of non-U.S. jurisdictions, including the GDPR. We are also exposed to risks in connection with any insider trading violations by employees or others affiliated with us. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws, standards, regulations, guidance or codes of conduct. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

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

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

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

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Laws and regulations governing any international operations we may have in the future may preclude us from developing, manufacturing and selling certain drug candidates outside of the United States and require us to develop and implement costly compliance programs.

We are subject to numerous laws and regulations in each jurisdiction outside the United States in which we operate. The creation, implementation and maintenance of international business practices compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required.

The FCPA prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring us to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the DOJ. The Securities and Exchange Commission, or SEC, is involved with enforcement of the books and records provisions of the FCPA.

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. Our expansion outside of the United States, has required, and will continue to require, us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain drugs and drug candidates outside of the United States, which could limit our growth potential and increase our development costs. The failure to comply with laws governing international business practices may result in substantial penalties, including suspension or debarment from government contracting. Violation of the FCPA can result in significant civil and criminal penalties. Indictment alone under the FCPA can lead to suspension of the right to do business with the U.S. government until the pending claims are resolved. Conviction of a violation of the FCPA can result in long-term disqualification as a government contractor. The termination of a government contract or relationship as a result of our failure to satisfy any of our obligations under laws governing international business practices would have a negative impact on our operations and harm our reputation and ability to procure government contracts. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

Governments outside of the United States tend to impose strict price controls, which may adversely affect our revenues from the sales of drugs, if any.

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

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including in recent months, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, in our operations as a public company, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent protection for our drug candidates and other discoveries, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize drugs and other discoveries similar or identical to ours, and our ability to successfully commercialize our drug candidates and other discoveries may be adversely affected.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our proprietary drug candidates and other discoveries. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel drug candidates and other discoveries that are important to our business. To date, 69 patents have issued that relate to XPO1 inhibitors, including composition of matter patents for selinexor, verdinexor and eltanexor in the United States, and their use in targeted therapeutics. In addition, 11 patents have issued that relate to our PAK4/NAMPT inhibitors, including two composition of matter patents for KPT-9274 in the United States and its use in targeted therapeutics. We cannot be certain that any other patents will issue with claims that cover any of our key drug candidates or other discoveries or drug candidates.

The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our drug candidates or other discoveries, or which effectively prevent others from commercializing competitive drugs and discoveries. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

The laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, in some foreign jurisdictions, our ability to secure patents based on our filings in the United States may depend, in part, on our ability to timely obtain assignment of rights to the invention from the employees and consultants who invented the technology. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

Assuming the other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside of the United States, the first to file a patent application is entitled to the patent. In March 2013, the United States transitioned to a first-inventor-to-file system in which, assuming the other requirements for patentability are met, the first inventor to file a patent application is entitled to the patent. We may be subject to a third-party preissuance submission of prior art to the U.S. Patent and Trademark Office, or become involved in opposition, derivation, revocation, reexamination, or post-grant or *inter partes* review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our discoveries or drugs and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize drugs without infringing third-party patent rights.

Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative discoveries or drugs in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical discoveries and drugs, or limit the duration of the patent protection of our discoveries and drug candidates. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drugs similar or identical to ours.

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

Competitors or commercial supply companies or others may infringe our patents and other intellectual property rights. For example, we are aware of third parties selling a version of our lead product candidate for research purposes, which may infringe our intellectual property rights. To counter such infringement, we may advise such companies of our intellectual property rights, including, in some cases, intellectual property rights that provide protection for our lead product candidates, and demand that they stop infringing those rights. Such demand may provide such companies the opportunity to challenge the validity of certain of our intellectual property rights, or the opportunity to seek a finding that their activities do not infringe our intellectual property rights. We may also be required to file infringement actions, which can be expensive and time-consuming. In an infringement proceeding, a defendant may assert and a court may agree with a defendant that a patent of ours is invalid or unenforceable, or may refuse to stop the other party from using the intellectual property at issue. An adverse result in any litigation could put one or more of our patents at risk of being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

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

Our commercial success depends upon our ability and the ability of any current and future collaborators to develop, manufacture, market and sell XPOVIO and our drug candidates and use our proprietary technologies without infringing the proprietary rights of third parties. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our drug candidates and technology, including interference proceedings before the U.S. Patent and Trademark Office. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. No litigation asserting such infringement claims is currently pending against us, and we have not been found by a court of competent jurisdiction to have infringed a third party's intellectual property rights. If we are found to infringe or think there is a risk we may be found to infringe, a third party's intellectual property rights, we could be required or choose to obtain a license from such third party to continue developing, marketing and selling our drugs, drug candidates and technology. However, we may not be able to obtain any required license on commercially reasonable terms, or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same intellectual property licensed to us. We could be forced, including by court order, to cease commercializing the infringing intellectual property or drug or to cease using the infringing technology. In addition, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our drug candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Although we have no knowledge of any such claims being alleged to date, if such claims were to arise, litigation may be necessary to defend against any such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

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

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to the United States Patent and Trademark Office, or USPTO, and various foreign patent offices at various points over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we rely on our outside counsel to pay these fees when due. Additionally, the USPTO and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply with such provisions, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on our business.

If we do not successfully extend the term of patents covering our drug candidates under the Hatch-Waxman Amendments and similar foreign legislation, our business may be materially harmed.

Depending upon the timing, duration and conditions of FDA marketing approval, if any, of our drug candidates, one or more of our U.S. patents may be eligible for patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent term extension of up to five years for one patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. The total patent term, including the extension period, may not exceed 14 years following FDA approval. Accordingly, the length of the extension, or the ability to even obtain an extension, depends on many factors.

In the United States, only a single patent can be extended for each qualifying FDA approval, and any patent can be extended only once and only for a single product. Laws governing analogous patent term extensions in foreign jurisdictions vary widely, as do laws governing the ability to obtain multiple patents from a single patent family. Because both selinexor and verdinexor are protected by a single family of patents and applications, we may not be able to secure patent term extensions for both of these drug candidates in all jurisdictions where these drug candidates are approved, if ever.

If we are unable to obtain a patent term extension for a drug candidate or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that drug candidate, if any, in that jurisdiction will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue could be materially reduced.

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

In addition to seeking patents for our drugs, drug candidates and other discoveries, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. To the extent that we are unable to timely enter into confidentiality and invention or patent assignment agreements with our employees and consultants, our ability to protect our business through trade secrets and patents may be harmed. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside of the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. To the extent inventions are made by a third party under an agreement that does not grant us an assignment of their rights in inventions, we may choose or be required to obtain a license.

Not all of our trademarks are registered. Failure to secure those registrations could adversely affect our business.

As of November 1, 2019, five of our trademarks, including XPOVIO, are registered in the United States. We also have 9 pending intent-to-use applications in the United States, six of which have been allowed, meaning that we can perfect our registration when we have commenced use in commerce. Outside the United States, we have registrations in the European Union for seven trademarks (potential drug names for selinexor) and pending applications for two others. Applications for the same nine trademarks were filed in 15 other jurisdictions, some of which have also proceeded to registration. Applications for one of those marks (XPOVIO) have been filed in 14 additional jurisdictions, and applications for three of those marks (NEXPOVIO, XPOVI and XPOVIE) have been filed in 20 additional jurisdictions. We have also filed trademark applications for XPOVIO in Katakana in Japan, Hangul in South Korea and Chinese characters in Taiwan. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties than we otherwise would, which could adversely affect our business. During trademark registration proceedings in the United States and foreign jurisdictions, we may receive rejections. We are given an opportunity to respond to those rejections, but we may not be able to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings.

In addition, any proprietary name we propose to use with our key drug candidates in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. The FDA typically conducts a review of proposed drug names, including an evaluation of potential for confusion with other drug names. If the FDA objects to any of our proposed proprietary drug names for any of our drug candidates, if approved, we may be required to expend significant additional resources in an effort to identify a suitable proprietary drug name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA.

Risks Related to Employee Matters and Managing Growth

Our future success depends on our ability to retain our Chief Executive Officer, our President and Chief Scientific Officer and other key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on Michael Kauffman, M.D., Ph.D., our Chief Executive Officer, and Sharon Shacham, Ph.D., M.B.A., our President and Chief Scientific Officer, as well as the other principal members of our management and scientific teams. Although we have entered into formal employment agreements with Drs. Kauffman and Shacham, these agreements do not prevent them from terminating their employment with us at any time. We do not maintain “key person” insurance for any of our executives or other employees. The loss of the services of any of our key employees could impede the achievement of our research, development, commercialization and other business objectives.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

Drs. Kauffman and Shacham are married to each other. The separation or divorce of the couple in the future could adversely affect our business.

Dr. Kauffman, our Chief Executive Officer and member of our board of directors, and Dr. Shacham, our President and Chief Scientific Officer, are married to each other. They are two of our executive officers and are a vital part of our operations. If they were to become separated or divorced or could otherwise not amicably work with each other, one or both of them may decide to cease his or her employment with us or it could negatively impact our working environment. Alternatively, their work performance may not be satisfactory if they become preoccupied with issues relating to their personal situation. In these cases, our business could be materially harmed.

We have expanded and expect to continue to expand our development, regulatory and sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We have experienced and expect to continue to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of drug development, clinical operations, regulatory affairs, sales, marketing and distribution. To manage our current and anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing such growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

Our business and operations may be materially adversely affected in the event of computer system failures or security breaches, and the costs and consequences of implementing data protection measures could be significant.

Despite the implementation of security measures, our internal computer systems, and those of our contract research organizations and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, cyber attacks, natural disasters, fire, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our reputation or competitive position could be damaged, and the further development and commercialization of our drug candidates could be delayed or halted. We may also be vulnerable to cyber attacks by hackers, or other malfeasance. This type of breach of our cybersecurity may compromise our confidential information and/or our financial information and adversely affect our business or result in legal proceedings. In addition, the cost and operational consequences of implementing further data protection measures could be significant. Moreover, because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate security measures.

Risks Related to Our Common Stock

Our executive officers, directors and principal stockholders maintain the ability to control all matters submitted to stockholders for approval.

As of September 30, 2019, our executive officers, directors and a small number of stockholders own more than a majority of our outstanding common stock. As a result, if these stockholders were to choose to act together, they would be able to control all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire.

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

Provisions in our corporate charter and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that not all members of the board are elected at one time;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from the board;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of the holders of at least 75% of the votes that all our stockholders would be entitled to cast to amend or repeal certain provisions of our charter or bylaws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

An active trading market for our common stock may not be sustained.

Although our common stock is listed on The Nasdaq Global Select Market, an active trading market for our shares may not be sustained. If an active market for our common stock does not continue, it may be difficult for you to sell shares of our common stock without depressing the market price for the shares, or at all. An inactive trading market for our common stock may also impair our ability to raise capital to continue to fund our operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

If securities analysts do not continue to publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. There can be no assurance that analysts will provide favorable coverage or continue to cover us. If one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

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

Our stock price has been and is likely to be volatile and may fluctuate substantially. For example, since January 1, 2015, our common stock has traded at prices per share as high as $38.47 and as low as $3.92. On October 29, 2019, the closing sale price of our common stock on The Nasdaq Global Select Market was $11.52 per share. The stock market in general and the market for pharmaceutical and biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including:

- our success in launching and commercializing XPOVIO;

- the success of competitive drugs or technologies;
- results of clinical trials of our drug candidates or those of our competitors;
- our success in commercializing our drug candidates, if and when approved;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to the commercial launch of XPOVIO and clinical development programs for any of our drug candidates;
- the results of our efforts to discover, develop, acquire or in-license additional drug candidates or drugs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this "Risk Factors" section.

Securities litigation or other litigation could result in substantial damages and may divert management's time and attention from our business.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. We are a target of this type of litigation. See Part II, Item 1, "Legal Proceedings" in this Quarterly Report on Form 10-Q for information concerning securities litigation recently initiated against us and certain of our executive officers and directors and certain other defendants. We may become the target of additional securities litigation in the future. For example, we may face additional securities class action litigation or other litigation if we fail to successfully launch and commercialize XPOVIO, or if we cannot obtain regulatory approvals for, or if we otherwise fail to successfully commercialize and launch, our drug candidates. The outcome of litigation is necessarily uncertain, and we could be forced to expend significant resources in the defense of such suits, and we may not prevail. Monitoring and defending against legal actions is time-consuming for our management and detracts from our ability to fully focus our internal resources on our business activities. In addition, we may incur substantial legal fees and costs in connection with any such litigation. We have not established any reserves for any potential liability relating to any such potential lawsuits. It is possible that we could, in the future, incur judgments or enter into settlements of claims for monetary damages. We currently maintain insurance coverage for some of these potential liabilities. Other potential liabilities may not be covered by insurance, insurers may dispute coverage or the amount of insurance may not be enough to cover damages awarded. In addition, certain types of damages may not be covered by insurance, and insurance coverage for all or certain forms of liability may become unavailable or prohibitively expensive in the future. A decision adverse to our interests on one or more legal matters or litigation could result in the payment of substantial damages, or possibly fines, and could have a material adverse effect on our reputation, financial condition and results of operations.

We have broad discretion in the use of our cash and cash equivalents and may not use them effectively.

Our management has broad discretion to use our cash and cash equivalents to fund our operations and could spend these funds in ways that do not improve our results of operations or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our common stock to decline and delay the development of our drug candidates. Pending their use to fund our operations, we may invest our cash and cash equivalents in a manner that does not produce income or that loses value.

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

As a public company, we incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and rules subsequently implemented by the SEC and Nasdaq have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management

and other personnel devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs and have made some activities more time-consuming and costly especially since we are no longer an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, and are no longer able to take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are "emerging growth companies" and that were applicable to us prior to January 1, 2019.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us, on an annual basis, to review and evaluate our internal controls. To maintain compliance with Section 404, we are required to document and evaluate our internal control over financial reporting, which has been both costly and challenging. We will need to continue to dedicate internal resources, continue to engage outside consultants and follow a detailed work plan to continue to assess and document the adequacy of internal control over financial reporting, continue to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. There is a risk that in the future neither we nor our independent registered public accounting firm will be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

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

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

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. We had 62,705,481 shares outstanding as of September 30, 2019. Of such shares, at least 7.8 million shares are eligible for sale in the public market under Rule 144 of the Securities Act of 1933, as amended, or the Securities Act, subject to the volume limitations and other conditions of Rule 144. The holders of these shares may at any time decide to sell their shares in the public market. We have also registered all shares of common stock that we may issue under our equity compensation plans. As a result, these shares can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates, to the extent applicable.

Our ability to use our net operating loss carryforwards and tax credit carryforwards to offset future taxable income may be subject to certain limitations.

Under the provisions of the Internal Revenue Code of 1986, as amended, or the Code, our net operating loss and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service (and state tax authorities under relevant state tax rules). In addition, as a result of the Tax Act, for U.S. federal income tax purposes, the use of net operating loss carryforwards arising in taxable years beginning after December 31, 2017 is limited to 80% of our taxable income in any future taxable year, although such losses may be carried forward indefinitely. It is uncertain how various states will respond to the Tax Act. Furthermore, the use of net operating loss and tax credit carryforwards may become subject to an annual limitation under Sections 382 and 383 of the Code, respectively, and similar state provisions in the event of certain cumulative changes in the ownership interest of significant shareholders in excess of 50 percent over a three-year period. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of a company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. Our company has completed several financings since its inception which resulted in an ownership change under Sections 382 and 383 of the Code. In addition, future changes in our stock ownership, some of which are outside of our control, could result in ownership changes in the future. For these reasons, we may not be able to use some or all of our net operating loss and tax credit carryforwards, even if we attain profitability.

The comprehensive tax reform bill could adversely affect our business and financial condition.

The Tax Act significantly revises the Internal Revenue Code of 1986, as amended. The Tax Act, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 34% to a flat rate of 21%, limitation of the tax deduction for net interest expense to 30% of adjusted earnings (except for certain small businesses),

limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely), one time taxation of offshore earnings at reduced rates regardless of whether they are repatriated, elimination of U.S. tax on foreign earnings (subject to certain important exceptions), immediate deductions for certain new investments instead of deductions for depreciation expense over time, and modifying or repealing many business deductions and credits. Notwithstanding the reduction in the corporate income tax rate, the overall impact of the new federal tax law is uncertain and our business and financial condition could be adversely affected. In addition, it is uncertain how various states will respond to the Tax Act.

Item 6. Exhibits.

Exhibit Number	Description of Exhibit	File Number	Form	Incorporated by Reference			Provided Herewith
				Date of Filing		Exhibit Number	
10.1		Annual Bonus Plan of the Registrant.	8-K	001-36167	August 6, 2019	10.1	
10.2*		Revenue Interest Financing Agreement, dated September 14, 2019, between the Registrant and HealthCare Royalty Partners III, L.P. and HealthCare Royalty Partners IV, L.P.					X
31.1		Certification of principal executive officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
31.2		Certification of principal financial officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
32.1		Certification of principal executive officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2		Certification of principal financial officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS		Inline XBRL Instance Document	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document				
101.SCH		Inline XBRL Schema Document					X
101.CAL		Inline XBRL Calculation Linkbase Document					X
101.DEF		Inline XBRL Definition Linkbase Document					X
101.LAB		Inline XBRL Label Linkbase Document					X
101.PRE		Inline XBRL Presentation Linkbase Document					X
104		Cover Page Interactive Data File	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)				

* Certain portions of this exhibit (indicated by "[***]") have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KARYOPHARM THERAPEUTICS INC.

Date: November 4, 2019

By: /s/ MICHAEL KAUFFMAN

Michael Kauffman, M.D., Ph.D.
Chief Executive Officer
(Principal executive officer)

Date: November 4, 2019

By: /s/ MICHAEL MASON

Michael Mason
Senior Vice President,
Chief Financial Officer and Treasurer
(Principal financial and accounting officer)

Exhibit 10.2

Portions of this Exhibit have been redacted because they are both (i) not material and (ii) would be competitively harmful if publicly disclosed. Information that was omitted has been noted in this document with a placeholder identified by the mark "[***]".

REVENUE INTEREST FINANCING AGREEMENT

between

KARYOPHARM THERAPEUTICS INC.,
as the Company,

and

HEALTHCARE ROYALTY PARTNERS III, L.P. AND
HEALTHCARE ROYALTY PARTNERS IV, L.P.,
collectively as Investor

Dated September 14, 2019

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MISCELLANEOUS

REVENUE INTEREST FINANCING AGREEMENT

This REVENUE INTEREST FINANCING AGREEMENT (this "Agreement") dated as of September 14, 2019 (the "Effective Date") is between KARYOPHARM THERAPEUTICS INC., a Delaware corporation (the "Company"), and HEALTHCARE ROYALTY PARTNERS III, L.P. and HEALTHCARE ROYALTY PARTNERS IV, L.P. Each of the Company and any Investor are referred to in this Agreement as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, the Company has developed Selinexor (as defined in Section 1.1.) for the purposes of sale in the Territory (including in the United States under the trademark XPOVIO™); and

WHEREAS, the Company desires to secure financing from the Investor, and the Investor has indicated its willingness to provide financing, upon and subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties set forth herein, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINED TERMS AND RULES OF CONSTRUCTION

Section 1.1 Defined Terms. The following terms, as used herein, shall have the following respective meanings:

"Acquired Debt" means Indebtedness (1) of a Person existing at the time such Person becomes a Subsidiary through the acquisition of the Equity Interests in such Subsidiary, (2) assumed in connection with the acquisition of assets from such Person or (3) of a Person at the time such Person merges or amalgamates with or into or consolidates or otherwise combines with the Company or any Subsidiary, in each case, so long as (i) such Indebtedness was not incurred in connection with, or in anticipation or contemplation of, such Person becoming a Subsidiary or such acquisition, merger, amalgamation or consolidation, as the case may be, (ii) the property acquired (or the property of the Person acquired) in such acquisition, merger, amalgamation or consolidation, as the case may be, is used or useful in the same or a related line of business as the Company and its Subsidiaries were engaged in on the Initial Closing Date (or any reasonable extensions or expansions thereof), (iii) the Investor Representative shall have received such items as may be necessary or desirable for the Investor Representative to have a first priority security interest in such Equity Interests or property constituting the Collateral pursuant to the terms of this Agreement, (iv) no Special Termination Event, Default or Event of Default shall have occurred and be continuing or would result from such acquisition, merger, amalgamation or consolidation, as the case may be, and (v) the Company shall deliver to the

Investor Representative within 90 days of the consummation of such acquisition, merger, amalgamation or consolidation, as the case may be, pro forma financial statements for the Company and its Subsidiaries after giving effect to such acquisition, merger, amalgamation or consolidation, as the case may be, for the twelve month period ending as of the most recent fiscal quarter end in a form reasonably satisfactory to the Investor Representative. Acquired Debt shall be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, amalgamation, consolidation or other combination.

"Acquisition" means, with respect to any Person, the acquisition by such Person, in a single transaction or in a series of related transactions, of (a) assets of another Person which constitute all or substantially all of the assets of such Person, or of any division, line of business or other business unit of such Person, (b) at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise, (c) one or more Acquisition Products or a Person or division, line of business or other business unit of another Person holding an Acquisition Product(s), or (d) IP Rights of a Person or division, line of business or other business unit of another Person holding such IP Rights.

"Acquisition Product" means any product or service developed, manufactured, marketed, offered for sale, promoted, sold, tested, used or otherwise distributed by a Person other than the Company or any of its Subsidiaries.

"Additional Amounts" has the meaning set forth in Section 3.1(h).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of securities entitled to elect the Board of Directors or management board, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative to the foregoing.

"Annual Net Revenues" means, with respect to any Calendar Year, the aggregate amount of worldwide Net Revenues in the Territory for that Calendar Year.

"Applicable Law" means, with respect to any Person, all Laws, rules, regulations and orders of Governmental Authorities applicable to such Person or any of its properties or assets.

"Applicable Tiered Percentage" means the percentage based on the applicable portion of Annual Net Revenues and the Investment Amount, as set forth in the chart below, and calculated as follows: (a) if only the First Investment Amount is funded pursuant to Section 2.1(a), the percentage set forth in the applicable row of column 1, or (b) if the Second

Investment Amount is also funded pursuant to Section 2.1(b), the percentage set forth in the applicable row of column 2:

Payment Tiers based on Annual Net Revenues	**1. Only the First Investment Amount is funded pursuant to Section 2.1(a)**	**2. If the Second Investment Amount is also funded pursuant to Section 2.1(b),**
A. Portion of Annual Net Revenues less than or equal to $250,000,000	7.0%	13.875%
B. Portion of Annual Net Revenues exceeding $250,000,000 and less than or equal to $500,000,000	2.625%	5.25%
C. Portion of Annual Net Revenues in excess of $500,000,000	1.000%	1.50%

provided that if the cumulative Selinexor U.S. Net Sales with respect to [***] exceed $[***], then (i) each of the percentages set forth in the rows A and B of column 1 and column 2 shall be decreased by [***]% for each Calendar Quarter, starting with the first Calendar Quarter of [***], and (ii) the Payment Tier applicable to the portion of the Annual Net Revenues in excess of $[***] in row C of column 1 and column 2 will no longer be applicable, starting with the first Calendar Quarter of [***].

"Approved Patent Rights" and "Approved Trademarks" have the respective meanings set forth in Section 6.6.

"Audited Financial Statements" means the audited consolidated balance sheet of the Company and its Subsidiaries for the fiscal year ended December 31, 2018, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Company and its Subsidiaries, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

"Bankruptcy Event" means the occurrence of any of the following in respect of a Person: (a) such Person shall generally not, shall be unable to, or an admission in writing by such Person of its inability to, pay its debts as they come due or a general assignment by such Person for the benefit of creditors; (b) the filing of any petition or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of such Person or its debts under any Applicable Law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization, examination, relief of debtors or other similar Applicable Law now

or hereafter in effect, or seeking, consenting to or acquiescing in the entry of an order for relief in any case under any such Applicable Law, or the appointment of or taking possession by a receiver, trustee, custodian, liquidator, examiner, assignee, sequestrator or other similar official for such Person or for any substantial part of its property; (c) corporate or other entity action taken by such Person to authorize any of the actions set forth in clause (a) or clause (b) above; or (d) without the consent or acquiescence of such Person, the commencement of an action seeking entry of an order for relief or approval of a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar Applicable Law, or the filing of any such petition against such Person, or, without the consent or acquiescence of such Person, the commencement of an action seeking entry of an order appointing a trustee, custodian, receiver or liquidator of such Person or of all or any substantial part of the property of such Person, in each case where such petition or order shall remain unstayed or shall not have been stayed or dismissed within 90 days from entry thereof.

"Board of Directors" means (a) with respect to a company or corporation, the board of directors of the company or corporation or any committee thereof duly authorized to act on behalf of such board, (b) with respect to a partnership, the Board of Directors of the general partner of the partnership, (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof, and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by Applicable Law to remain closed.

"Businesses" means, at any time, a collective reference to the businesses operated by the Company and its Subsidiaries at such time.

"Calendar Quarter" means, for the first calendar quarter, the period beginning on the Initial Closing Date and ending on the last day of the calendar quarter in which the Initial Closing Date falls, and thereafter each successive period of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31.

"Calendar Year" means (a) for the first such Calendar Year the period beginning on the Initial Closing Date and ending on December 31 of the year in which the Initial Closing Date occurs, (b) for each year of the Payment Term thereafter, each successive period beginning on January 1 and ending twelve (12) consecutive calendar months later on December 31, and (c) for the last year of the Payment Term, the period beginning on January 1 of the year in which this Agreement expires or terminates and ending on the effective date of expiration or termination of this Agreement.

"Cash Equivalents" means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided, that, the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any domestic commercial bank of recognized

standing having capital and surplus in excess of $500,000,000 or (ii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than 365 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within twelve months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company or recognized securities dealer having capital and surplus in excess of $500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) Investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least $500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

"CDA" means the Confidentiality Agreement dated as of July 18, 2018 by and between HealthCare Royalty Management, LLC and the Company.

"CFC" means any Foreign Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957(a) of the Internal Revenue Code.

"Change of Control" means the occurrence of any of the following events:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of Equity Interests representing 50% or more of the aggregate ordinary voting power in the election of the Board of Directors of the Company represented by the issued and outstanding Equity Interests of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) provided, however, that (x) a person shall not be deemed beneficial owner of, or to own beneficially, (A) any securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's Affiliates until such tendered securities are accepted for purchase or exchange thereunder, or (B) any securities if such beneficial ownership (i) arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act, and (ii) is not also then reportable on Schedule 13D (or any successor schedule) under the Exchange Act and (y) a transaction will not be deemed to involve a change of control under this clause (a) if (A) the Company becomes a direct or indirect wholly owned subsidiary of a holding company and (B)(i) the direct or indirect holders of the voting Equity Interests of such

holding company immediately following that transaction are the same as the holders of the Company's voting Equity Interests immediately prior to that transaction and each holder holds the same percentage of voting Equity Interests of such holding company as such holder held of the Company's voting Equity Interests immediately prior to that transaction or (ii) the Company's voting Equity Interests outstanding immediately prior to such transaction are converted into or exchanged for, a majority of the voting Equity Interests of such holding company immediately after giving effect to such transaction; or

(b) during any period of twelve (12) consecutive months, a majority of the members of the Board of Directors of the Company cease to be composed of individuals (i) who were members of that Board of Directors on the first day of such period, (ii) whose election, appointment or nomination to that Board of Directors was approved by individuals referred to in clause (i) above constituting at the time of such election, appointment or nomination at least a majority of that Board of Directors (either by a specific vote or by approval of the proxy statement of the Company in which such member was named as a nominee for election as a director, without objection to such nomination) or (iii) whose election or nomination to that Board of Directors was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election, appointment or nomination at least a majority of that Board of Directors;

(c) any "change of control", "fundamental change" or any comparable term shall occur under the Permitted Debt Facility Document; or

(d) the Company or any of its Subsidiaries grants or transfers the right to Commercialize Selinexor to any Person in the United States other than to the Company or any of its Subsidiaries.

"Closing" has the meaning set forth in Section 8.1.

"Closing Date" means the Initial Closing Date or Subsequent Closing Date, as applicable.

"Collateral" means all of each Grantor's right, title and interest in, to and under, any assets relating to Selinexor whether now owned or hereafter acquired, including, without limitation:

(a) the Material Contracts (including, without limitation, the License Agreements) and any other contracts relating to Selinexor to which such Grantor is a party;

(b) the IP Rights relating to Selinexor;

(c) gross revenues of the Company and its Subsidiaries with respect to Selinexor;

(d) the Lockbox Account, the Collection Account and all rights (contractual and otherwise and whether constituting accounts, contract rights, financial assets, cash, investment property or general intangibles) arising under, connected with or in any way related to the Collection Account and the Lockbox Account and

(e) all of the Equity Interests in the Guarantors;

(f) to the extent that any Subsidiary that owns any portion of any asset relating to Selinexor is organized as a Massachusetts Securities Corporation, all of the Equity Interests in such Subsidiary;

(g) to the extent that any Subsidiary that owns any portion of any asset relating to Selinexor is an Excluded Subsidiary, 100% of the non-voting Equity Interests (if any) and 65% of its voting Equity Interests in such Excluded Subsidiary;

(h) any assets directly relating to Selinexor that may be acquired by any Grantor after the Initial Closing Date; and

(i) all proceeds resulting from the assets described in each of the foregoing clauses.

For the avoidance of doubt, "Collateral" does not include the Company's product candidates verdinexor, KPT-9274 and eltanexor.

"Collection Account" means the Deposit Account established and maintained at any Depositary Bank solely for the purpose of receiving remittance of proceeds of accounts and royalty receivables of the Company arising from sales of the Included Product or Other Royalty Payments and disbursement thereof as provided herein, and any successor Collection Account entered into in accordance with Section 3.2(d).

"Commercialization" means, on a country-by-country basis, any and all activities with respect to the manufacture, distribution, marketing, detailing, promotion, selling and securing of reimbursement of the Included Product in accordance with the Product Plans in a country after Marketing Authorization for the Included Product in that country has been obtained, which shall include, as applicable, post-marketing approval studies, post-launch marketing, promoting, detailing, marketing research, distributing, customer service, selling the Included Product, importing, exporting or transporting the Included Product for sale, and regulatory compliance with respect to the foregoing, in each case in accordance with the Product Plans. When used as a verb, "Commercialize" means to engage in Commercialization.

"Commercially Reasonable and Diligent Efforts" means, with respect to the efforts to be expended with respect to any Included Product in any country or regulatory jurisdiction, such efforts and resources normally used by a reasonably prudent company in the biotechnology industry of a size and product portfolio comparable, and with similar resources available, to the Company and its Affiliates with the marketing, sale and product development and research plans similar to the Product Plans in the biopharmaceutical industry, taken as a whole, in such applicable country or jurisdiction, with respect to a pharmaceutical product for which substantially the same Regulatory Approval is held as for such Included Product, which pharmaceutical product is owned or licensed in the same manner as such Included Product, which pharmaceutical product is at a similar stage in its product life and of similar market and profit potential as such Included Product, taking into account efficacy, safety, approved labeling, the competitiveness of alternative products in such country or jurisdiction, pricing/reimbursement for the pharmaceutical product in such country or jurisdiction relative to

other countries and jurisdictions, the intellectual property and regulatory protection of the pharmaceutical product in such country or jurisdiction, the regulatory structure in such country or jurisdiction and the profitability of the pharmaceutical product in such country or jurisdiction, all as measured by the facts and circumstances in existence at the time such efforts are due.

"Company" has the meaning set forth in the preamble.

"Company Account" means an account established for the benefit of Company that is not subject to the Deposit Agreement.

"Company Indemnification Obligations" has the meaning set forth in Section 10.1.

"Company Indemnified Party" has the meaning set forth in Section 10.2.

"Company Party" means any of the Company, the Guarantors and the Pledged Subsidiaries.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C.

"Confidential Information" means any and all technical and non-technical non-public information provided by either Party to the other (including, without limitation, the reports provided pursuant to Section 3.4 and any notices or other information provided pursuant to Section 6.3), either directly or indirectly, and including any materials prepared on the basis of such information, whether in graphic, written, electronic or oral form, and marked or identified at the time of disclosure as confidential, or which by its context would reasonably be deemed to be confidential, including without limitation information relating to a Party's technology, products and services, and any business, financial or customer information relating to a Party. The existence and terms of this Agreement shall be deemed the Confidential Information of both Parties. For clarity, this Agreement shall supersede the CDA and the CDA shall cease to be of any force and effect following the execution of this Agreement; provided, however, that all information falling within the definition of "Confidential Information" set forth in the CDA shall also be deemed Confidential Information disclosed pursuant to this Agreement, and the use and disclosure of such Confidential Information following the date of this Agreement shall be subject to the provisions of Article IX.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Copyright License" means any agreement, whether written or oral, providing for the grant of any right to use any Work under any Copyright.

"Copyrights" means (a) all proprietary rights afforded Works pursuant to Title 17 of the United States Code, including, without limitation, all rights in mask works, copyrights and original designs, and all proprietary rights afforded such Works by other countries for the full term thereof (and including all rights accruing by virtue of bilateral or international treaties and

conventions thereto), whether registered or unregistered, including, but not limited to, all applications for registration, renewals, extensions, reversions or restorations thereof now or hereafter provided for by Law and all rights to make applications for registrations and recordations, regardless of the medium of fixation or means of expression, which are owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to; and (b) all copyright rights under the copyright Laws of the United States and all other countries for the full term thereof (and including all rights accruing by virtue of bilateral or international copyright treaties and conventions), whether registered or unregistered, including, but not limited to, all applications for registration, renewals, extensions, reversions or restorations of copyrights now or hereafter provided for by Law and all rights to make applications for copyright registrations and recordations, regardless of the medium of fixation or means of expression, which are owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Deposit Account" means a "deposit account" (as defined in Article 9 of the Uniform Commercial Code), investment account or other account in which funds are held or invested to or for the credit or account of any Party.

"Deposit Agreement" means the deposit account control agreement entered into by the Depositary Bank, the Investor Representative and the Company (and any Permitted Debt Creditors, if applicable), which shall be in form and substance reasonably acceptable to the Investor Representative and the Company, as amended, supplemented or otherwise modified from time to time and any replacements thereof.

"Depositary Bank" means Bank of America, N.A. or such other bank or financial institution approved by the Investor Representative and the Company, including any successor Depositary Bank appointed pursuant to Section 3.2(d).

"Designated Jurisdiction" means any country, territory or region to the extent that such country, territory or region is the subject of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction or any issuance by any Subsidiary of its Equity Interests other than to a Grantor) of any property included in the Collateral (or owned by any Pledged Subsidiary and relating to Selinexor) by any Company Party or any Affiliate of the Company, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding the following (collectively, the "Permitted Transfers"): (a) the sale, lease, license,

transfer or other disposition of inventory in the ordinary course of business, (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out property no longer used or useful in the conduct of Business of the Company and its Affiliates, (c) any sale, lease, license, transfer or other disposition of property to any Company Party; provided, that, if the transferor of such property is a Company Party (i) the transferee thereof must be a Company Party or (ii) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 7.2, (d) the abandonment or other disposition of IP Rights that are not material or are no longer used or useful in any material respect in the Business of the Company and its Affiliates, (e) licenses, sublicenses, leases or subleases (other than relating to IP Rights, in each case) granted to third parties in the ordinary course of business and not interfering with the Business of the Company and its Affiliates, (f) any Involuntary Disposition or any sale, lease, license or other disposition of property (other than, for the avoidance of doubt, IP Rights) in settlement of, or to make payment in satisfaction of, any property or casualty insurance, (g) dispositions of cash and Cash Equivalents, in each case, in the ordinary course of business, (h) dispositions consisting of the sale, transfer, assignment or other disposition of unpaid and overdue accounts receivable in connection with the collection, compromise or settlement thereof in the ordinary course of business and not as part of a financing transaction, (i) Permitted Licenses, (j) to the extent constituting Permitted Liens, (k) sales, leases, licenses, transfers or other dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such sale, lease, license, transfer or other disposition are promptly applied to the purchase price of similar replacement property, (l) the sale, transfer, issuance or other disposition of a de minimis number of shares of the Equity Interests of a Foreign Subsidiary of a Company Party in order to qualify members of the governing body of such Subsidiary if required by Applicable Law, (m) dispositions of property the aggregate net book value of which does not exceed $5,000,000 during the term of this Agreement; and (n) the sale, lease, license, transfer or other disposition of any asset among non-Company Parties. It is understood and agreed that, notwithstanding anything to the contrary set forth in this definition, in no event shall a "Permitted Transfer" include any license of any Included Product included in the Collateral or owned by any Pledged Subsidiary and relating to Selinexor (or any IP Rights associated therewith) other than Permitted Licenses.

"Disputes" has the meaning set forth in Section 4.10(e).

"Disqualified Capital Stock" means any Equity Interests that (i) by its terms, (ii) by the terms of any security into which it is convertible or for which it is exchangeable, or (iii) by contract or otherwise, is, or upon the happening of any event or passage of time would be, required to be redeemed, or is redeemable at the option of the holder thereof, in any such case on or prior to the date that is 91 days after the Legal Maturity Date; provided that only the portion of Equity Interests (or portion of security into which it is convertible or for which it is exchangeable) which is, or upon the happening of any event or passage of time would be, required to be redeemed, or is redeemable at the option of the holder thereof, on or prior to such date will be deemed to be Disqualified Capital Stock; and provided further that if such Equity Interests are issued to any plan for the benefit of directors, managers, employees, officers or consultants of the Company or its Subsidiaries or by any such plan to such directors, managers, employees, officers or consultants, such Equity Interests shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Company or its Subsidiaries in

order to satisfy applicable statutory or regulatory obligations. Notwithstanding the preceding sentence, any Equity Interests that would constitute Disqualified Capital Stock solely because the holders thereof have the right to require the redemption or repurchase of such Equity Interests upon the occurrence of a Change of Control, fundamental change or an asset sale will not constitute Disqualified Capital Stock if the "asset sale," "fundamental change" or "Change of Control" provisions applicable to such Equity Interests provide that the issuer thereof will not redeem or repurchase any such Equity Interests pursuant to such provisions prior to all other Obligations (other than contingent indemnification obligations for which no claim has been asserted) having been irrevocably paid in full in cash.

"Dollar" or the sign "$" means United States dollars.

"Domain Names" means all domain names and URLs that are registered and/or owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Domestic Subsidiary" means any Subsidiary that is organized under the Laws of the United States, any state of the United States or the District of Columbia.

"Drug Application" means a New Drug Application or an Abbreviated New Drug Application, as those terms are defined in the FDCA and the FDA regulations promulgated thereunder, for any Included Product, as appropriate, in each case of the Company or any Subsidiary.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, the United Kingdom, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member, membership or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan, (b) the withdrawal of the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, (c) a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) by the Company or any ERISA Affiliate from a Multiemployer Plan, (d) the filing by the plan administrator of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination under Sections 4041 of ERISA, (e) the institution by the PBGC of proceedings under Section 4042 of ERISA to terminate a Pension Plan, (f) the determination that any Multiemployer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA or is insolvent, within the meaning of Section 4245 of ERISA, or has been terminated, within the meaning of Section 4041A of ERISA, (g) the determination that any Pension Plan is at at-risk status within the meaning of Section 303 of ERISA, or (h) the imposition of any liability pursuant to Sections 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA upon the Company or any ERISA Affiliate.

"Event of Default" has the meaning set forth in Section 11.1.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Foreign Subsidiary" means (a) any CFC and (b) any Subsidiary of a CFC.

"Excluded Liabilities and Obligations" has the meaning set forth in Section 2.2.

"Excluded Subsidiary" means (a) any Excluded Foreign Subsidiary and (b) any Foreign Subsidiary Holding Company, in each case, in respect of which either (a) the pledge of all of the Equity Interests of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Company, with the consent of the Investor Representative, be reasonably expected to result in material adverse tax consequences to any Company Party.

"Excluded Taxes" means (i) Taxes imposed on or measured by the Investor's net income, however denominated, franchise (and similar) Taxes imposed in lieu of net income Taxes, and branch profits taxes (or any similar taxes), in each case, imposed by any jurisdiction as a result of the Investor being organized in or having its principal office in such jurisdiction, or as a result of any other present or former connection between the Investor and such jurisdiction other than any connections arising from executing, delivering, being a party to, engaging in any

transactions pursuant to, performing its obligations under, receiving payments under, or enforcing this Agreement, (ii) Taxes attributable to the failure of the Investor to deliver any documentation reasonably requested by the Company that the Investor is legally eligible to deliver, and (iii) any U.S. federal withholding Taxes.

"Existing Convertible Notes" means the Company's 3.00% Convertible Senior Notes due 2025 issued under the Indenture, dated October 16, 2018, by and between the Company and Wilmington Trust, National Association, (the "Indenture") as the same may be amended, supplemented, restated or refinanced.

"Existing Partnership Agreements" means (a) that certain License Agreement by and between the Company and Antengene Therapeutics Limited, dated May 23, 2018, and (b) that certain License Agreement by and between the Company and Ono Pharmaceutical Co., Ltd., dated October 11, 2017.

"Existing Selinexor Material Contracts" means the Material Contracts relating to Selinexor set forth on Schedule 4.12(a) as of the Effective Date, and any replacement therefor.

"FDA" means the U.S. Food and Drug Administration or any successor agency or authority thereto.

"Final Payment Amount" means as of any date of determination, the amount equal to the Hard Cap less the aggregate of all of the payments made to the Investor Representative prior to such date.

"First Investment Amount" has the meaning set forth in Section 2.1(a).

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Foreign Subsidiary Holding Company" means any Subsidiary that has no material assets other than directly or indirectly owned Equity Interests in one or more CFCs or other Foreign Subsidiary Holding Companies.

"GAAP" means generally accepted accounting principles in effect as the standard financial accounting guidelines in the United States from time to time (consistently applied and on a basis consistent with the accounting policies, practices, procedures, valuation methods and principles used in preparing the Company's financial statements), and any successor thereto; provided that if a transition in such generally accepted accounting principles would substantively change the recognition of revenue with respect to Net Revenues (as currently defined) and its calculation as set forth this Agreement, then the Parties shall mutually agree to amendments to this Agreement in order to cause the amount of Revenue Interests as determined after giving effect to such transition in generally accepted accounting principles to be substantially the same as the amount of Revenue Interests as determined under generally accepted accounting principles in effect as the standard financial accounting guidelines in the United States as of the Effective Date.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state, local or otherwise, and any agency,

authority (including supranational authority), commission, instrumentality, regulatory body, court, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including each Patent Office, the FDA and any other government authority in any jurisdiction.

"Governmental Licenses" means all authorizations issuing from a Governmental Authority, including the FDA, based upon or as a result of applications to and requests for approval from a Governmental Authority for the right to manufacture, import, store, market, promote, advertise, offer for sale, sell, use and/or otherwise distribute a Included Product, which are owned by or licensed to the Company or any Subsidiary, acquired by the Company or any Subsidiary via assignment, purchase or otherwise or that the Company or any Subsidiary is authorized or granted rights under or to.

"Grantors" means the Company and the Guarantors.

"Guarantors" means (i) each Subsidiary (other than the Excluded Subsidiaries) that own any portion of the Collateral as of the Initial Closing Date and (ii) any other Subsidiary of the Company that executes and delivers a Joinder Agreement pursuant to Section 6.1.

"Guaranty" means a customary guaranty dated as of the Initial Closing Date executed in favor of the Investor Representative, for the benefit of the Investor, by the Company and each of the Guarantors, as amended or modified from time to time in accordance with the terms hereof.

"Hard Cap" means one hundred eighty five percent (185%) of the Investment Amount.

"Hedging Agreements" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Included Product" means any pharmaceutical or biological composition containing Selinexor, including the product currently trademarked in the United States as XPOVIO™, and any other products that may be developed or marketed by the Company or any

of its Subsidiaries. For clarity, references in this Agreement to "an" Included Product or to "the" Included Product refer to any Included Product.

"Included Product Payment Amount" means, for each Calendar Quarter, an amount equal to the Applicable Tiered Percentage multiplied by the Quarterly Net Revenues for such Calendar Quarter. For clarity, the Applicable Tiered Percentage used to calculate the Included Product Payment Amount for a given Calendar Quarter will be based on the aggregate Net Revenues in the Territory billed or invoiced in such Calendar Quarter and all prior Calendar Quarters in the applicable Calendar Year. The Included Product Payment Amount for each Quarterly Payment Date shall be determined in a manner consistent with the example of such calculation set forth in Exhibit D.

"Indebtedness" of any Person means (a) any obligation of such Person for borrowed money, (b) any obligation of such Person evidenced by a bond, debenture, note or other similar instrument, (c) any obligation of such Person to pay the deferred purchase price of property or services (except (i) trade accounts payable that arise in the ordinary course of business, (ii) payroll liabilities and deferred compensation, and (iii) any purchase price adjustment, royalty, earnout, milestone payments, contingent payment or deferred payment of a similar nature incurred in connection with any license, lease, contract research and clinic trial arrangements or acquisition), (d) any obligation of such Person as lessee under a capital lease (under GAAP as in effect on the date hereof), (e) any obligation of such Person to purchase securities or other property that arises out of or in connection with the sale of the same or substantially similar securities or property, (f) any non-contingent obligation of such Person to reimburse any other Person in respect of amounts paid under a letter of credit or other guaranty issued by such other Person, (g) any Indebtedness of others secured by a Lien on any asset of such Person, and (h) any Indebtedness of others guaranteed by such Person; provided that intercompany loans among the Company and its Affiliates shall not constitute Indebtedness.

"Indemnified Taxes" means all Taxes imposed on or with respect to any payment made by or on account of any obligation of the Company under this Agreement, other than Excluded Taxes.

"Initial Closing Date" has the meaning set forth in Section 8.1(a).

"Intellectual Property" means all intellectual property, including but not limited to patents, patent applications, trademarks, trademark applications and know-how, necessary for the sale, manufacture, use, importation or marketing of the Included Product that is owned or controlled (and if controlled, only to the extent of control) by the Company as of the Closing Date and during term of this Agreement.

"Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation

or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect (without duplication) to all subsequent reductions in the amount of such Investment as a result of (x) any dividend, distribution, interest payment, return of capital, repayment or other payment or disposition thereof (valued at its fair market value at the time of such sale) or (y) any cancellation of any Investment in the form of a guarantee without payment therefor by such guarantor, in each case, not to exceed the original amount, or fair market value, of such Investment

"Investment Amount" means the aggregate of the First Investment Amount and if funded pursuant to Section 2.1(b), the Second Investment Amount.

"Investor" or "Investors" means the Persons identified as an "Investor" on the signature pages hereto and their successors and assigns.

"Investor Account" means such account as designated by the Investor Representative to the Company in writing from time to time.

"Investor Indemnification Obligations" has the meaning set forth in Section 10.2.

"Investor Indemnified Party" has the meaning set forth in Section 10.1.

"Investor Representative" means HealthCare Royalty Management, LLC, as agent for the Investor.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Party or any of its Subsidiaries.

"IP Rights" means, collectively, all Copyrights, all Copyright Licenses, all Domain Names, all Drug Applications, all Other Intellectual Property, all Other IP Agreements, all Patents, all Patent Licenses, all Patent Rights, all Proprietary Databases, all Proprietary Software, all Trademarks, all Trademark Licenses, all Trade Secrets, all Websites, all Website Agreements and all Regulatory Approvals, in each case, which are owned or controlled by, issued or licensed to, licensed by, or hereafter acquired or licensed by, the Company, including (but not limited to) the items listed on Schedule 4.10.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit F executed and delivered by each Subsidiary in accordance with the provisions of Section 6.1.

"Knowledge" means, with respect to the Company, (a) for purposes of Article IV, the knowledge, after due inquiry, as of the date of this Agreement, of any of the officers of the Company identified on Schedule 1.1, and (b) for all other purposes of this Agreement, the

knowledge, after due inquiry, as of a specified time, of any of the officers of the Company identified on Schedule 1.1 or any successor to any such officer holding the same or substantially similar officer position at such time.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case, whether or not, having the force of law.

"Legal Maturity Date" means the date that is the twelve (12) year anniversary of the Initial Closing Date.

"License Agreement" means (i) each agreement identified on Schedule 6.8 as of the Effective Date and (ii) any New License Agreements, which may be added to Schedule 6.8.

"Licensee" means, with respect to the Included Product, a Third Party to whom the Company or any Affiliate of the Company has granted a license or sublicense to any Third Party to develop, have developed, make, have made, seek Regulatory Approvals for, distribute, use, have used, import, sell, offer to sell, have sold or otherwise Commercialize such Included Product under the applicable License Agreement. As used in this Agreement "Licensee" includes any Third Party to whom the Company or any Affiliate of the Company has granted the right (or any Third Party to whom any such Third Party has granted the right) to distribute the Included Product.

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

"Lockbox Account" means the Deposit Account established and maintained at any Depositary Bank solely for the purpose of receiving remittance of proceeds of accounts and royalty receivables of the Company arising from sales of the Included Product or Other Royalty Payments and disbursement thereof as provided herein, and any successor Lockbox Account entered into in accordance with Section 3.2(d).

"Loss" means any actual loss, assessment, award, cause of action, claim, charge, cost, expense (including reasonable expenses of investigation and reasonable attorneys' fees), fine, judgment, liability, obligation or penalty; provided, however that Loss shall not include any lost profits or revenue or consequential, punitive, special or incidental damages except (a) the amount of any Revenue Interests that are not received by Investor Representative due to failure by any Third Party to make payment thereof (other than resulting from any matter described in Section 10.1(a), (b), (c) or (d)) and (b) any lost profits or revenue or consequential, punitive, special or incidental damages awarded or payable by Investor to a Third Party in connection with

a claim or action for which the Company is required to indemnify Investor pursuant to Section 10.1.

"Marketing Authorization" means, with respect to the Included Product, the Regulatory Approval required by Applicable Law to sell the Included Product in a country or region, including, to the extent required by Applicable Law for the sale of the Included Product, all pricing approvals and government reimbursement approvals.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the business, assets, properties, liabilities or financial condition of the Company and its Subsidiaries taken as a whole, (b) a material impairment of the rights and remedies of the Investor under any Transaction Document to which it is a party or a material impairment in the perfection or priority of the Investor's security interests in the Collateral, (c) an impairment of the ability of the Company Parties (taken as a whole) to perform their respective obligations under the Transaction Documents that could reasonably be expected to have a material adverse effect on the business, assets, properties, liabilities or financial condition of the Company and its Subsidiaries taken as a whole, (d) a material adverse effect upon the legality, validity, binding effect or enforceability against any Company Party of any Transaction Document to which it is a party or (e) an adverse effect (other than any de minimis effect) on the timing, amount or duration of amounts payable in respect of the Revenue Interests in accordance with the Transaction Documents or the right of the Investor to receive the Revenue Interests.

"Material Contract Counterparty" means a counterparty to any Material Contract.

"Material Contracts" means each contract or other agreement to which the Company or any of its Subsidiaries is a party, and that is material to the marketing, sale, distribution, supply or production (including manufacturing, packaging or labeling) of the Included Product (including, without limitation, all waivers, amendments, supplements and other modifications thereto).

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any "employee benefit plan" (as defined in Section 3(3) of ERISA) that is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Revenues" means the Net Sales, Other Royalty Payments and any other payments made in lieu of the sale of any Included Product (to the extent such payments are not included in the Net Sales or Other Royalty Payments) recognized as revenue by the Company and its Subsidiaries in accordance with GAAP.

"Net Sales" means, with respect to the Included Product, the gross amount billed or invoiced or otherwise recognized as revenue by the Company and its Subsidiaries in accordance with GAAP in respect of sales or other dispositions of the Included Product in the Territory by the Company, its Affiliates or Licensees (or any permitted assignee or transferee hereunder) (but not including sales to an Affiliate or Licensee unless the Affiliate or Licensee is the ultimate end user of the Included Product; provided that for purposes of this Net Sales

definition, a Third-Party distributor to which the Company has sold Included Product for no less than wholesale value shall be considered an "end user", and sales by such distributor to any Third Parties shall not be included in Net Sales), less the following deductions to the extent included in the gross amount billed or invoiced in respect of sales or other dispositions of the Included Product or otherwise recognized as revenue by the Company and its Subsidiaries in accordance with GAAP: (a) rebates, credits or allowances actually granted for damaged or defective products, returns or rejections of Included Products or recalls, or for retroactive price reductions and billing errors; (b) normal and customary trade, cash, quantity and other customary discounts, allowances and credits (including chargebacks) given to Third Parties in the ordinary course of business; (c) excise taxes, sales taxes, duties, VAT taxes and other taxes to the extent imposed upon and paid with respect to the sales price, and a pro rata portion of pharmaceutical excise taxes imposed on sales of pharmaceutical products as a whole and not specific to Included Products (such as those imposed by the U.S. Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, as amended) (and excluding in each case national or local taxes based on income); (d) freight, postage, shipping and shipping insurance expense and other transportation charges directly related to the distribution of the Included Product; (e) distribution services agreement fees and other similar amounts allowed or paid to Third Party distributors, including specialty distributors of the Included Product, (f) rebates made with respect to sales paid for by any Governmental Authority, their agencies and purchasers and reimbursers, managed health care organizations, or to trade customers; (g) the portion of administrative fees paid during the relevant time period to group purchasing organizations or pharmaceutical benefit managers relating to the Included Product; (h) any invoiced amounts that are not collected by the Company, its Affiliates or Licensees, including bad debts; and (i) any customary or similar payments to the foregoing (a) – (h) that apply to the sale or disposition of pharmaceutical products.

In the case of any sale or other disposal for value, such as barter or counter-trade, of an Included Product, or part thereof, other than in an arm's length transaction exclusively for cash, Net Sales shall be calculated as above on the value of the non-cash consideration received or the fair market price (if higher) of such Included Product in the country of sale or disposal, as determined in accordance with GAAP.

"New License Agreement" means any partnership agreement, license agreement or similar agreement entered into by the Company, pursuant to which the Company or an Affiliate of the Company has granted a license or sublicense to any Third Party to develop, have developed, make, have made, seek Regulatory Approvals for, distribute, use, have used, import, sell, offer to sell, have sold or otherwise Commercialize such Included Product.

"Obligations" means all liabilities, obligations, covenants and duties of any the Company Parties arising under this Agreement or any other Transaction Document or otherwise with respect to the payment of the Hard Cap and the obligations of the Company to pay any interest accrued on any unpaid Revenue Interests or the Final Payment Amount and reimburse or indemnify the Investor for any Losses incurred by the Investor in connection with the enforcement of its rights under this Agreement.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Intellectual Property" means all worldwide intellectual property rights, industrial property rights, proprietary rights and common-law rights, whether registered or unregistered, which are not otherwise included in Confidential Information, Copyrights, Copyright Licenses, Domain Names, Governmental Licenses, Other IP Agreements, Patents, Patent Licenses, Trademarks, Trademark Licenses, Proprietary Databases, Proprietary Software, Websites, Website Agreements and Trade Secrets, including, without limitation, all rights to and under all new and useful algorithms, concepts, data (including all clinical data relating to a Included Product), databases, designs, discoveries, inventions, know-how, methods, processes, protocols, chemistries, compositions, formulas, show-how, software (other than commercially available, off-the-shelf software that is not assignable in connection with a Change of Control), specifications for Included Products, techniques, technology, trade dress and all improvements thereof and thereto, in each of the foregoing cases, which is owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Other IP Agreements" means any agreement, whether written or oral, providing for the grant of any right under any Proprietary Database, Proprietary Software, Trade Secret and/or any other IP Right, to the extent that the grant of any such right is not otherwise the subject of a Copyright License, Trademark License, Patent License or Website Agreement.

"Other Royalty Payments" means, without duplication, any partnership distributions, royalty payments, upfront payments, milestone payments or similar payments or any other amounts payable by the Licensees to the Company or its Affiliates under or in respect of the applicable License Agreement or any other amounts or proceeds arising from the applicable License Agreement other than: (a) payments by Licensees for payment or reimbursement of expenses, including patent prosecution, defense, enforcement or maintenance expenses in respect of any intellectual property or IP Rights; (b) the fair market value of payments received by Company from a Licensee for any debt and/or equity securities or instruments issued by Company, or payments for an acquisition of all or substantially all of its assets that include the assignment of this Agreement; (c) funds received from a Licensee as a reimbursement of expenses for bona fide research and development of products (including payments for FTEs, clinical development and manufacturing expenses); and (d) currently unrecognized revenue from any cash payments received on or before the Initial Closing Date under lease agreements in effect as of the Initial Closing Date.

"Patent License" means any agreement, whether written or oral, providing for the grant of any right under any Patent.

"Patent Office" means the applicable patent office, including the United States Patent and Trademark Office and any comparable foreign patent office, for any Patents.

"Patent Rights" means any Patents that are owned or controlled by the Company that claim or cover the Included Product.

"Patents" means all letters patent and patent applications in the United States and all other countries (and all letters patent that issue therefrom or from an application claiming priority therefrom) and all reissues, reexaminations, extensions, renewals, divisions and continuations (including continuations-in-part and continuing prosecution applications) thereof, for the full term thereof.

"Payment Term" means the time period commencing on the Initial Closing Date and expiring on the date upon which the Investor Representative has received in full (i) cash payments in respect of the Revenue Interests totaling, in the aggregate, the Hard Cap and (ii) any other Obligations payable by the Company under this Agreement.

"Pension Plan" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is maintained or is contributed to by the Company and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to minimum funding standards under Section 412 of the Internal Revenue Code.

"Permits" means licenses, Governmental Licenses, certificates, accreditations, Regulatory Approvals, other authorizations, registrations, permits, consents, clearances and approvals required in connection with the conduct of the Company's or any Subsidiary's Business or to comply with any Applicable Laws, and those issued by state governments for the conduct of the Company's or any Subsidiary's Business.

"Permitted Convertible Notes" means (1) the Existing Convertible Notes, or (2) any Permitted New Convertible Notes.

"Permitted Convertible Notes Creditors" means the lenders or holders of Permitted Convertible Notes.

"Permitted Debt" means any of the following Indebtedness of the Company and its Subsidiaries (which, for purposes of determining whether such Indebtedness exceeds any maximum amount provided in the applicable clause below, shall be calculated on a consolidated basis with respect to the Company and its Subsidiaries):

(a) the Indebtedness of the Company and its Subsidiaries in respect of any Permitted Debt Facility;

(b) Indebtedness under the Transaction Documents;

(c) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(d) Guarantees of the Company and its Subsidiaries in respect of Indebtedness and other obligations of the Company and any Subsidiary otherwise permitted hereunder;

(e) Indebtedness incurred by the Company or its Subsidiaries consisting of (i) the financing of the payment of insurance premiums (ii) take or pay obligations contained in supply agreements, in each case, in the ordinary course of business or consistent with past practice, (iii) deferred compensation or equity based compensation to current or former officers, directors, consultants, advisors or employees thereof, in each case in the ordinary course of business and (iv) customer deposits and advance payments received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice;

(f) Indebtedness owed to any Person providing worker's compensation, health, disability or other employee benefits or property, casualty or liability insurance to the Company or any Subsidiary incurred in connection with such Person providing such benefits or insurance pursuant to customary reimbursement or indemnification obligations to such Person;

(g) Indebtedness in respect of performance, indemnity, bid, stay, customs, appeal, replevin and surety bonds, performance and completion guarantees and other similar bonds or guarantees, trade contracts, government contracts and leases, in each case, incurred in the ordinary course of business but excluding guaranties with respect to any obligations for borrowed money;

(h) Indebtedness arising from (i) the honoring by a bank or other financial institution of a check, draft, or similar instrument drawn against insufficient funds in the ordinary course of business or other cash management services in the ordinary course of business; provided that such Indebtedness is extinguished within 5 Business Days of notification to the Company of its incurrence and (ii) Treasury Management Arrangements;

(i) (i) Indebtedness of the Company or any Subsidiary of the Company supported by a letter of credit issued pursuant to any Permitted Debt Facility in an amount not in excess of the stated amount of such letter of credit, and (ii) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business; provided, that, the aggregate outstanding amount of such letters of credit issued under clause (ii) above shall not exceed $2,500,000 at any time outstanding;

(j) judgments, decrees, attachments or awards (to the extent that they would be deemed Indebtedness) that do not constitute an Event of Default under Section 11.1(f);

(k) Indebtedness in the form of (i) guarantees of loans and advances to officers, directors, consultants, managers and employees, in an aggregate amount not to exceed $2,500,000 at any one time outstanding, and (ii) reimbursements owed to officers,

directors, managers, consultants and employees of the Company or any Subsidiary for business expenses of the Company or any Subsidiary;

(l) Indebtedness consisting of obligations to make payments to current or former officers, directors and employees of the Company or any of its Subsidiaries, their respective estates, spouses or former spouses with respect to the cancellation, purchase or redemption of Equity Interests of the Company or any of its Subsidiaries to the extent such cancellation, purchase or redemption is permitted under Section 7.7;

(m) Acquired Debt; provided that the aggregate outstanding amount of all of the Acquired Debt shall not exceed $10,000,000 at any one time outstanding;

(n) to the extent constituting Indebtedness, the grant of any indefeasible right of use or similar arrangements, including put rights granted in connection therewith;

(o) the incurrence by the Company or any Subsidiary of Indebtedness arising from agreements providing for indemnification, holdback, earnout, adjustment of purchase price, working capital adjustments or similar obligations, or guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Company or any Subsidiary pursuant to such agreements, in any case incurred in connection with the disposition or acquisition of any Business or assets of the Company or any Subsidiary or Equity Interests of a Subsidiary that is permitted under this Agreement; provided that the aggregate outstanding amount of such Indebtedness shall not exceed $2,500,000 at any time outstanding;

(p) Indebtedness consisting of capitalized lease obligations and purchase money Indebtedness, in each case incurred to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made; provided, that, (i) the total of all such Indebtedness for all such Persons taken together shall not exceed an aggregate principal amount of $2,500,000 at any one time outstanding, (ii) such Indebtedness when incurred shall not exceed the purchase price of (or the repair, improvement or constructions costs for) the asset(s) financed and (iii) no such Indebtedness shall be refinanced, renewed or extended for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing, renewal or extension;

(q) Indebtedness in respect of Hedging Agreements; provided, that, such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view”;

(r) Indebtedness incurred to refinance the Permitted Debt set forth in any of clauses (a) through (e); provided that the type and amount of such refinancing Indebtedness is permitted under such clause;

(s) Indebtedness secured by Liens of any of the types described under clauses (c), (d) and (g) of the definition of Permitted Liens, but only to the extent of the Indebtedness related thereto;

(t) other unsecured Indebtedness not otherwise permitted under clauses (a) through (s) inclusive of this definition in an aggregate outstanding principal amount not to exceed at any time $5,000,000; and

(u) the Indebtedness set forth on Schedule 4.15(b).

"Permitted Debt Creditors" means the lenders or noteholders, and any administrative agent, collateral agent, security agent or similar agent under any Permitted Debt Facility.

"Permitted Debt Facility" means the unsecured credit facility provided under the Permitted Convertible Notes.

"Permitted Debt Facility Documents" means the documents relating to the Permitted Convertible Notes set forth on Schedule 4.15(a), which shall be amended in connection with the issuance of the Permitted New Convertible Notes.

"Permitted Licenses" means, collectively, (a) licenses of over-the-counter software that is commercially available to the public, (b) non-exclusive and exclusive licenses for the use of the intellectual property of the Company or any of its Subsidiaries entered into in the ordinary course of business in the Territory, (c) licenses of XPOVIO™ or any other Included Product that comprises a portion of the Collateral outside the United States; provided, that, with respect to each such license described in clause (b) or (c), (i) no Special Termination Event, Default or Event of Default has occurred or is continuing at the time of entry into such license, (ii) the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment from the Company or its Affiliates to a Third Party of any intellectual property that, at the time of execution of such license, comprises a portion of the Collateral or the assets of the Pledged Subsidiaries relating to Selinexor, and do not restrict the ability of the Company or any of its Subsidiaries, as applicable, to pledge, grant a Lien on or assign or otherwise transfer such intellectual property (in each case other than customary non-assignment provisions that restrict the assignability of the license but do not otherwise restrict the ability of the Company or any Subsidiary (as applicable) to pledge, grant a Lien on or assign any such intellectual property), (iii) in the case of any exclusive license, (A) the Company delivers to the Investor Representative a copy of the final executed exclusive license promptly upon consummation thereof, subject to reasonable redaction to comply with obligations of confidentiality, and (B) may be exclusive in respects other than Territory and may be exclusive as to Territory only as to geographical areas outside of the United States, and (iv) all Other Royalty Payments that are payable to the Company or any of its Subsidiaries thereunder are paid to the Collection Account; (d) any license granted to any Third Party for the manufacture of any

Included Product or otherwise granted to a vendor or service provider in order to provide services for the benefit of the Company or its Affiliates; and (e) any sponsored research or similar agreement providing for the development of an Included Product that does not grant Commercialization rights to such Included Product. It is understood and agreed that, notwithstanding anything to the contrary set forth in this definition, in no event shall a "Permitted License" include any license to Commercialize Selinexor (or any IP Rights associated therewith) in the United States (or any state or other political subdivision thereof), and a "Permitted License" may include a nonexclusive license to a Third Party in the ordinary course of the Company's Business in the import, export, manufacture, make, use, sale, offer for sale, promotion or distribution of such Included Products so long as such nonexclusive license does not grant to any Third Party the right to sell, offer for sale, market or promote such Included Product on a royalty payment basis, profit sharing basis or any other similar payment structure.

"Permitted Liens" means:

(a) Liens created in favor of the Investor pursuant to the Transaction Documents;

(b) Liens incurred by the Investor;

(c) inchoate Liens for ad valorem property Taxes not yet delinquent;

(d) Liens in respect of property of the Company imposed by Applicable Law which were incurred in the ordinary course of Business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, distributors', wholesalers', materialmen's and mechanics' liens and other similar Liens arising in the ordinary course of Business and secure payment obligations (i) not then due, (ii) if due, not yet overdue by more than thirty (30) days, (iii) that if overdue by more than thirty (30) days, are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP or (iv) with respect to which the failure to make payment would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(e) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, insurance, surety bonds, or other obligations of a like nature or to secure the performance of letters of credit, banker's acceptances, bids, tenders, statutory obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business, other than any Lien imposed by ERISA which has resulted or would result in liability, together with any other Lien imposed by ERISA, in an aggregate amount in excess of $2,500,000;

(f) Liens for Taxes, assessments and governmental charges that are not delinquent or remain payable without any penalty or that are being contested in good faith and with due diligence by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;

(g) banker's liens for collection or rights of set off or similar rights and remedies as to Deposit Accounts or other funds maintained with depositary institutions; provided that such Deposit Accounts or funds are not established or deposited for the purpose of providing

collateral for any Indebtedness and are not subject to restrictions on access by the Company in excess of those required by applicable banking regulations;

(h) Liens on assets that do not constitute (i) Collateral or (ii) the assets of the Pledged Subsidiaries relating to Selinexor;

(i) Liens in favor of the Company or any Subsidiary;

(j) Liens on property or Equity Interests of another Person existing at the time such other Person becomes a Subsidiary of the Company; provided that such Liens were in existence prior to the contemplation of such merger, amalgamation or consolidation and do not extend to any assets other than those of the Person that becomes a Subsidiary of the Company; and provided further that such Liens were granted to secure repayment of Acquired Debt.

(k) Liens on property of a Person existing at the time of acquisition thereof by the Company or any Subsidiary of the Company; provided that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by the Company or the Subsidiary; and provided further that such Liens were granted to secure repayment of Acquired Debt.

(l) Liens on Equity Interests of Subsidiaries that are not (i) Guarantors or (ii) Pledged Subsidiaries;

(m) Liens existing on the date of this Agreement;

(n) Liens securing Indebtedness permitted to be incurred under clause (p) of the definition of "Permitted Debt" covering only the assets acquired with or financed by such Indebtedness; provided that individual financings provided by one lender may be cross collateralized to other financings provided by such lender or its Affiliates;

(o) customary Liens incurred in the ordinary course of business to secure obligations in respect of payment processing services, business credit card programs, and netting services, overdrafts and related liabilities arising from treasury, depositary and cash management services;

(p) Liens on insurance policies, premiums and proceeds thereof, or other deposits, to secure insurance premium financings with respect to unearned premiums and other liabilities to insurance carriers;

(q) Liens on specific items of inventory or other goods (and the proceeds thereof) of the Company securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(s) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(t) any interest or title of a lessor or licensor under any lease, sublease, license or sublicense entered into by the Company or any Subsidiary entered into in the ordinary course of its business;

(u) Liens on cash collateral securing hedging agreements entered into for bona fide hedging purposes in the ordinary course of business and not for speculative purposes; and

(v) survey exceptions, encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(w) (i) Liens securing or arising out of judgments, decrees, orders, awards or notices of lis pendens and associated rights related to litigation with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, or in respect of which the period within which such appeal or proceedings may be initiated shall not have expired, and Liens on litigation proceeds securing obligations to pay expenses incurred in connection with such litigation and (ii) Liens arising from judgments, decrees, attachments or awards that do not constitute an Event of Default under Section 11.1(g);

(x) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Subsidiary on deposit with or in possession of such bank;

(y) any interest or title of a lessor, licensor or sublicensor in the property subject to any lease, license or sublicense;

(z) Liens on equipment or inventory of the Company or any Subsidiary granted in the ordinary course of business to the Company's or such Subsidiary's supplier at which such equipment or inventory is located;

(aa) Liens arising from precautionary Uniform Commercial Code financing statements regarding operating leases or consignments and other precautionary UCC financing statements or similar filings;

(bb) Liens on any assets held by a trustee (i) under any indenture (including the Indenture) or other debt instrument where the proceeds of the securities issued thereunder are held in escrow pursuant to customary escrow arrangements pending the release thereof, and (ii) under any indenture pursuant to customary discharge, redemption or defeasance provisions;

(cc) Liens of (i) a collection bank arising under Section 4 210 of the Uniform Commercial Code (or any analogous statutory provision of applicable foreign Law) on items in the course of collection and which arise from general banking conditions, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff) and that are within the general parameters customary in the banking industry or arising pursuant to such banking institutions general terms and conditions; or

(dd) Liens on deposits or other amounts held in escrow to secure payments (contingent or otherwise) payable by the Company with respect to (i) the settlement, satisfaction, compromise or resolution or judgments, litigation, arbitration or other Disputes and (ii) any commercial contracts for manufacturing, production and other service arrangements entered into in the ordinary course of business.

"Permitted New Convertible Notes" means any unsecured Indebtedness of the Company in the form of convertible notes; provided that (i) such convertible notes shall not be guaranteed by any Subsidiary of the Company that is a Guarantor and any Subsidiary the Equity Interests of which are pledged to the Investor, (ii) such convertible notes matures after a date that is one year after the maturity date of the Existing Convertible Notes and (iii) the aggregate of the principal amounts of all of the outstanding convertible notes (after giving effect to the issuance of such convertible notes and the use of proceeds of the issuance of such convertible notes to redeem or repay Permitted Convertible Notes) does not exceed the greater of (x) $[***] million or (y) [***]% of the market capitalization of the Company (determined at the time of signing of the definitive agreement for the issuance of such convertible notes, after taking into account all of the outstanding convertible notes immediately after giving effect to the issuance of such convertible notes and the use of proceeds of the issuance of such convertible notes to redeem or repay Permitted Convertible Notes).

"Person" means any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or any other legal entity, including public bodies, whether acting in an individual, fiduciary or other capacity.

"Plan" means any "employee benefit plan" within the meaning of Section 3(3) of ERISA (including a Pension Plan) that is maintained for employees of the Company or, in the case of any Pension Plan, any ERISA Affiliate or to which the Company or, in the case of any Pension Plan, any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Pledged Subsidiaries" has the meaning set forth in Section 6.1.

"Product Plans" means the key marketing, sale and product development and research plans with respect to Selinexor set forth on Exhibit H.

"Proprietary Databases" means any material non-public proprietary database or information repository that is owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Proprietary Software" means any proprietary software (other than any software that is generally commercially available, off-the-shelf and/or open source) including, without limitation, the object code and source code forms of such software and all associated documentation, which is owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Purpose" has the meaning set forth in Section 9.1.

"Qualified Capital Stock" of any Person means any Equity Interests of such Person that are not Disqualified Capital Stock.

"Quarterly Net Revenues" means, with respect to any Calendar Quarter, the aggregate amount of Net Revenues in the Territory for that Calendar Quarter.

"Quarterly Payment Date" means each February 15, May 15, August 15 and November 15 following the end of the first Calendar Quarter after the Initial Closing Date (provided if any such date is not a Business Day, the Quarterly Payment Date shall be the next succeeding Business Day).

"Recipient" has the meaning set forth in Section 9.1.

"Regulatory Agency" means a Governmental Authority with responsibility for the approval of the marketing and sale of pharmaceuticals or other regulation of pharmaceuticals in any jurisdiction.

"Regulatory Approvals" means, collectively, all regulatory approvals, registrations, certificates, authorizations, permits and supplements thereto, as well as associated materials (including the product dossier) pursuant to which the Included Product may be marketed, sold and distributed in a jurisdiction, issued by the appropriate Regulatory Agency.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

"Responsible Officer" means the chief executive officer, president, chief financial officer, chief operating officer, senior vice president, general counsel, managing director, vice president of finance, treasurer, assistant treasurer or controller of a Company Party and, solely for purposes of the delivery of certificates pursuant to this Agreement, the secretary or any assistant secretary of a Company Party. Any document delivered hereunder that is signed by a Responsible Officer of a Company Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Company Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Company Party.

"Restricted Payment" means (a) any dividend or other distribution, direct or indirect, on account of any shares (or equivalent) of any class of Equity Interests of the Company or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of (i) any shares (or equivalent) of any class of Equity Interests of the Company or any of its Subsidiaries, now or hereafter outstanding or (ii) any call option on any shares (or equivalent) of any class of Equity Interests of the Company or any of its Subsidiaries (irrespective of whether such call option can be cash, net share or physically settled), (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Equity Interests of the Company or any of its Subsidiaries, now or hereafter outstanding and (d) any payment made in cash to the holders of Permitted Debt under the Permitted Debt Facility Documents in excess of the original principal (or notional) amount thereof, interest thereon and any fees due thereunder.

"Revenue Interests" means all of the Company's rights, title and interest in and to, free and clear of any and all Liens, that portion of the Annual Net Revenues of the Company in an amount equal to the Included Product Payment Amount for each Calendar Quarter during the Payment Term.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of McGraw-Hill Financial, Inc., and any successor thereto.

"Safety Notices" means any recalls, field notifications, market withdrawals, warnings, "dear doctor" letters, investigator notices, safety alerts or other notices of action issued or instigated by the Company, any Subsidiary or any Governmental Authority relating to an alleged lack of safety or regulatory compliance of the Included Products.

"Sale and Leaseback Transaction" means, with respect to any Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby the Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanction(s)" means any sanction administered or enforced by the United States government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission or any successor agency or authority thereto.

"Second Investment Amount" has the meaning set forth in Section 2.1(b).

"Securities Account" means a "securities account" (as defined in Article 8 of the Uniform Commercial Code) or other account to or for the credit or account of any Party to which a financial asset is or may be credited in accordance with an agreement under which the Person maintaining the account undertakes to treat the Person for whom the account is maintained as entitled to exercise the rights that comprise the financial asset.

"Security Agreement" means a customary security agreement dated as of the Initial Closing Date executed in favor of the Investor Representative, for the benefit of the Investor, by the Company and each of the Guarantors, as amended or modified from time to time in accordance with the terms hereof.

"Selinexor" means the compound described on Schedule 1.

"Selinexor Material Contracts" means any Material Contract relating to Selinexor.

"Selinexor U.S. Net Sales" means the Net Sales attributable to Selinexor in the United States.

"Set-off" means any set-off, off-set, reduction or similar deduction.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that would become an actual or matured liability.

"Special Maturity Payment Amount" means the amount calculated in accordance with Exhibit I.

"Special Termination Amount" means the amount calculated in accordance with Exhibit E.

"Special Termination Event" has the meaning set forth in Exhibit E.

"Subsequent Closing Date" has the meaning set forth in Section 8.1(b).

"Subsidiary" means with respect to any Person (a) any entity as to which such Person directly or indirectly owns outstanding voting securities with power to vote fifty percent (50%) or more of the outstanding Voting Stock of such entity or (b) any entity as to which fifty percent (50%) or more of its outstanding Voting Stock are directly or indirectly owned, controlled or held by such Person with power to vote such securities. As of the Effective Date, the Subsidiaries of the Company are set forth on Schedule 4.20.

"Tax" or "Taxes" means any U.S. federal, state, local or non-U.S. tax, levy, impost, duty, assessment or withholding or other similar fee, deduction or charge, including all excise, sales, use, value added, transfer, stamp, documentary, filing, recordation and other fees imposed by any taxing authority (and interest, fines, penalties and additions related thereto).

"Territory" means worldwide.

"Third Party" means any Person other than (a) the Company, (b) the Investor or (c) an Affiliate of either the Company or the Investor (as applicable).

"Third Party Claim" means any claim, action, suit or proceeding by a Third Party, excluding any lender, officer, directors, employee or agent or other representative of a Party, including any investigation by any Governmental Authority.

"Trade Secrets" means any data or information that is not commonly known by or available to the public, and which (a) derives economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other Persons who can obtain economic value from its disclosure or use, (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, and (c) which are owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Trademark License" means any agreement, written or oral, providing for the grant of any right to use any Trademark.

"Trademark Office" means the applicable trademark office, including the United States Patent and Trademark Office and any comparable foreign trademark office, for any Trademarks.

"Trademarks" means all statutory and common-law trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications to register in connection therewith, under the Laws of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, for the full term and all renewals thereof, which are owned by or licensed to the Company or any Subsidiary or with respect to which the Company or any Subsidiary is authorized or granted rights under or to.

"Transaction Documents" means this Agreement, the Security Agreement, the Guaranty, the Deposit Agreement and each Instruction to Payors.

"Treasury Management Arrangement" means any agreement or other arrangement governing the provision of treasury or cash management services, including Deposit Accounts, netting services, overdraft, credit or debit card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting, direct debit, cash concentration, trade finance services and other cash management services.

"U.S." or "United States" means the United States of America, its 50 states, each territory and possession thereof and the District of Columbia.

"UCC" means the Uniform Commercial Code as in effect from time to time in New York; provided, that, if, with respect to any financing statement or by reason of any provisions of Applicable Law, the perfection or the effect of perfection or non-perfection of the back-up security interest or any portion thereof granted pursuant to the Security Agreement is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of this Agreement and any financing statement relating to such perfection or effect of perfection or non-perfection.

"Under Performance Payments" has the meaning set forth in Section 3.1(b).

"Unused Amounts" has the meaning set forth in Section 7.7(k).

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Website Agreements" means all agreements between the Company and/or any Subsidiary and any other Person pursuant to which such Person provides any services relating to the hosting, design, operation, management or maintenance of any Website, including without limitation, all agreements with any Person providing website hosting, database management or maintenance or disaster recovery services to the Company and/or any Subsidiary and all agreements with any domain name registrar, as all such agreements may be amended, supplemented or otherwise modified from time to time.

"Websites" means all websites that the Company or any Subsidiary shall operate, manage or control through a Domain Name, whether on an exclusive basis or a nonexclusive basis, including, without limitation, all content, elements, data, information, materials, hypertext markup language (HTML), software and code, works of authorship, textual works, visual works, aural works, audiovisual works and functionality embodied in, published or available through each such website and all IP Rights in each of the foregoing.

"Work" means any work or subject matter that is subject to protection pursuant to Title 17 of the United States Code.

Section 1.2 Rules of Construction. Unless the context otherwise requires, in this Agreement:

(a) An accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP.

(b) Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders.

(c) The definitions of terms shall apply equally to the singular and plural forms of the terms defined.

(d) The terms “include”, “including” and similar terms shall be construed as if followed by the phrase “without limitation”.

(e) Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth herein or in any of the other Transaction Documents) and include any annexes, exhibits and schedules attached thereto.

(f) References to any Applicable Law shall include such Applicable Law as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) References to any Person shall be construed to include such Person’s successors and permitted assigns (subject to any restrictions on assignment, transfer or delegation set forth herein or in any of the other Transaction Documents), and any reference to a Person in a particular capacity excludes such Person in other capacities.

(h) The word “will” shall be construed to have the same meaning and effect as the word “shall”.

(i) The words “hereof”, “herein”, “hereunder” and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision hereof, and Article, Section and Exhibit references herein are references to Articles and Sections of, and Exhibits to, this Agreement unless otherwise specified.

(j) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding”.

(k) Where any payment is to be made, any funds are to be applied or any calculation is to be made under this Agreement on a day that is not a Business Day, unless this Agreement otherwise provides, such payment shall be made, such funds shall be applied and such calculation shall be made on the succeeding Business Day, and payments shall be adjusted accordingly.

(l) Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth herein or in any of the other Transaction Documents) and include any annexes, exhibits and schedules attached thereto.

ARTICLE II

REVENUE INTEREST FINANCING

Section 2.1 Investment Amount. Subject to the terms and conditions set forth herein, the Investor shall pay (or cause to be paid) to the Company, or the Company's designee, the following:

(a) on the Initial Closing Date, subject to satisfaction of the conditions set forth in Section 8.3(a), the sum of seventy five million Dollars ($75,000,000) (the "First Investment Amount"), in immediately available funds by wire transfer to an account designated in writing by the Company to the Investor Representative prior to the Initial Closing;

(b) on the Subsequent Closing Date, subject to the satisfaction of the conditions set forth in Section 8.2, the sum of seventy five million Dollars ($75,000,000) (the "Second Investment Amount"), in immediately available funds by wire transfer to an account designated in writing by the Company to the Investor Representative prior to the Subsequent Closing Date. The term "Investment Amount" shall thereafter be deemed amended to include the funds paid on the Subsequent Closing Date (i.e., an aggregate of one hundred fifty million Dollars ($150,000,000)); and

(c) In connection with the funding of the First Investment Amount on the Initial Closing Date, the Investor shall have the right to, at its option, fund the amount due under Section 2.1(a), on a net basis less the reimbursement owed by the Company pursuant to Section 8.3(a)(vi).

Section 2.2 No Assumed Obligations. Notwithstanding any provision in this Agreement or any other writing to the contrary, the Investor is not assuming any liability or obligation of the Company or any of the Company's Affiliates of whatever nature, whether presently in existence or arising or asserted hereafter. All such liabilities and obligations shall be retained by and remain liabilities and obligations of the Company or the Company's Affiliates, as the case may be (the "Excluded Liabilities and Obligations").

Section 2.3 Excluded Assets. The Investor does not, pursuant to any of the Transaction Documents, purchase, acquire or accept any assets or contract rights of the Company, or any other assets of the Company, other than its rights with respect to the Revenue Interests and, to the extent provided in the Transaction Documents, the Collateral. The Company has sole authority and responsibility for the research, development and Commercialization of Included Product.

ARTICLE III

PAYMENTS ON ACCOUNT OF THE REVENUE INTEREST FINANCING

Section 3.1 Payments on Account of the Revenue Interest Financing.

(a) In consideration of the Investor paying the Investment Amount hereunder, the Company shall pay the Revenue Interests to the Investor Representative as follows: On each Quarterly Payment Date, the Company shall pay the Revenue Interests to the Investor Representative for such Quarterly Payment Date until the earlier of (i) the date on which the Investor Representative has received payments equal to the Hard Cap or (ii) the Legal Maturity Date. If (A) the Investor Representative has not received payments equal to the Hard Cap by the Legal Maturity Date (after giving effect to any payments made on the Legal Maturity Date) and (B) no Special Termination Event, Default or Event of Default has occurred or is continuing, the Company shall pay the Special Maturity Payment Amount on the Legal Maturity Date. The Company shall have the right, at any time and from time to time, to make voluntary prepayments to the Investor Representative, and such payments shall be credited against the Hard Cap and the Under Performance Payments set forth in Section 3.1(b). This Agreement shall be in full force and effect until the Hard Cap and all other Obligations of the Company have been paid in full.

(b) If the Investor Representative has not received the multiple of the Investment Amount set forth below, during the period commencing on the Initial Closing Date and ending on the reference date set forth below, the Company shall, on the immediately succeeding Quarterly Payment Date, make a cash payment to the Investor Representative sufficient to gross the Investor Representative up to such minimum amount (the "Under Performance Payments"):

Minimum Multiple	**Reference Date**
0.65x	December 31, 2022
1.00x	December 31, 2024

(c) Upon the occurrence of a Change of Control, the Company shall immediately pay to the Investor Representative the Final Payment Amount and all of the other Obligations owed by the Company under this Agreement and other Transaction Documents.

(d) If the Special Termination Event has occurred and is continuing, the Investor Representative may, in its sole discretion, terminate this Agreement and notify the Company of its election to terminate this Agreement. In consideration for such termination, the Company shall pay the Special Termination Amount and any other unpaid Obligations to the Investor Representative within, in the case of clause (i) of the definition of Special Termination Event, [***] ([***]) days, and, in the case of clause (ii) of the definition of Special Termination Event, [***] ([***]) days, in each case, after receipt of such notice of the election to terminate this Agreement. The remedy set forth in this Section 3.1(d) shall be the Investor's and the Investor Representative's sole and exclusive remedy in the event of a Special Termination Event; provided, however, that to the extent the Special Termination Amount is not paid as aforesaid in full within such applicable period, for the avoidance of doubt, the failure to make such payment shall constitute an Event of Default under Section 11.1(a)(ii).

(e) Once the Investor Representative has received payments equal to the Hard Cap and all of the other Obligations owed by the Company under this Agreement and other Transaction Documents, (i) the Company shall have no further obligations to the Investor Representative with respect to the Revenue Interests, and Investor Representative will not be entitled to any additional payments in respect of Revenue Interests and (ii) the Transaction Documents shall terminate. Immediately upon termination of this Agreement pursuant to this Section 3.1(d) or (e), (A) all Liens on the Collateral granted to the Investor Representative pursuant to this Agreement and the other Transaction Documents shall automatically be released, without the delivery of any instrument or performance of any act by any Person, (B) the Company shall be permitted, and is hereby authorized to terminate any financing statement which has been filed pursuant to the Transaction Documents, and (C) the Investor and the Investor Representative shall execute and deliver to, or at the direction of, the Company, at the Company's sole cost and expense, all other releases and other documents as the Company shall reasonably request to evidence any such release.

(f) All Revenue Interests and any other Obligations required to be paid but not paid to the Investor on each Quarterly Payment Date shall bear interest at a rate of one percent (1.0%) per month from the due date until paid in full or, if less, the maximum interest rate permitted by Applicable Law. In addition, in the event that an Event of Default has occurred, and for so long as it is occurring, interest shall accrue on the Final Payment Amount that remains unpaid at a rate of one percent (1.0%) per month from the date on which Company receives notice from the Investor Representative of such Event of Default until the Final Payment Amount is paid in full or, if less, the maximum interest rate permitted by Applicable Law. Any such overdue payment shall, when made, be accompanied by, and credited first to, all interest so accrued.

(g) The Company shall deposit all amounts payable by the Company to the Investor Representative under this Agreement into the Investor Account, unless otherwise instructed by the Investor Representative.

(h) For all purposes of this Section 3.1, the amount of payments deemed received by the Investor shall (i) include any additional amounts payable to the Investor pursuant to Section 6.21(c)(3) ("Additional Amounts") and (ii) be computed net of any applicable tax withholding (including any tax withholding in respect of any Additional Amounts), other than any withholding in respect of Excluded Taxes.

Section 3.2 Lockbox Account; Collection Account; Collection Account Management.

(a) On or prior to the date that is fifteen (15) days following the Initial Closing Date, the Company shall enter into a Deposit Agreement with the Depositary Bank with respect to the Lockbox Account. The Company shall deliver instructions to all Licensees and account debtors (the "Instruction to Payors") with respect to any proceeds arising from sales of Selinexor by the Company or its **S**ubsidiaries in the United States and any Other Royalty Payments relating to Selinexor (which instruction shall be in form and substance reasonably satisfactory to the Investor Representative and identify each Investor as having a right to a receive a portion of such amounts, and a copy of which shall be delivered to the Investor

Representative promptly following delivery to such Licensee or account debtor) to remit such proceeds and Other Royalty Payments to the Lockbox Account, to the extent the Instruction to Payors was not sent to such Licensees and account debtors on or prior to the Initial Closing Date. To the extent any such proceeds are paid directly to the Company, the Company shall remit to the Lockbox Account all such amounts within fifteen (15) Business Days of its Knowledge of such receipt of any such funds. In addition, on or prior to the date that is fifteen (15) days following the Initial Closing Date, the Company shall establish with the Depositary Bank the Collection Account and enter into a Deposit Agreement with the Depositary Bank. The Company shall cause all of the funds on deposit in the Lockbox Account to be transferred to the Collection Account on a daily basis.

(b) With respect to any amounts that are deposited into the Collection Account on any day, so long as no Default or Event of Default has occurred and is continuing, (A) a minimum of 7% of such amounts shall remain in the Collection Account until the Quarterly Payment Date immediately following the date of such deposit and may not be transferred to the Company Account, except as otherwise permitted by this Section 3.2(b), and (B) any remaining amounts may be disbursed to the Company Account from time to time at the direction of the Company; provided that if the aggregate of funds to be retained in the Collection Account pursuant to clause (A) exceeds $7,000,000 on any date, such amount in excess of $7,000,000 may be disbursed to the Company Account at the direction of the Company on or after such date. The Company shall provide the Depositary Bank notice no more frequently than daily of such amount to be disbursed to the Company Account pursuant to this Section 3.2(b). During the Payment Term, on each Quarterly Payment Date, the Company shall instruct the Depositary Bank to disburse to the Investor Account an amount equal to the lesser of (x) the funds on deposit in the Collection Account and (y) the Revenue Interests for such Quarterly Payment Date. If the amount to be disbursed to the Investor Account on any Quarterly Payment Date pursuant to the preceding sentence is less than the Revenue Interests to which the Investor is entitled for the relevant Calendar Quarter, the Company shall pay the amount of such shortfall to the Investor Representative on such Quarterly Payment Date. If the amount of funds on deposit in the Collection Account on any Quarterly Payment Date exceeds the Revenue Interests for such Quarterly Payment Date, such excess amount may be transferred to the Company Account at the direction of the Company.

(c) If a Default or Event of Default has occurred and is continuing, no funds in the Collection Account shall be transferred to the Company Account, and the Investor Representative shall have the right to exercise all of its rights and remedies under Article XI, including, without limitation, directing the Depositary Bank to transfer all of the funds in the Collection Account to the Investor Representative until all of the Obligations owed by the Company under this Agreement and other Transaction Documents have been paid in full.

(d) During the Payment Term, the Company shall have no right to terminate the Lockbox Account or the Collection Account without the Investor Representative's prior written consent; provided that, without the Investor Representative's consent to the change of location of such accounts (provided such location is in the United States), the Company shall have the right from time to time to establish a replacement Lockbox Account or Collection Account with a replacement Depositary Bank, provided that such replacement Depositary Bank entered into a Deposit Agreement with respect to such replacement accounts effective no later

than the date of replacement. For purposes of this Agreement, any reference to the "Lockbox Account", "Collection Account", "Depositary Bank" or "Deposit Agreement" shall refer to such replacement Collection Account, Depositary Bank or Deposit Agreement, as the context requires.

Section 3.3 Mode of Payment/Currency Exchange. All payments made by a Party hereunder shall be made by deposit of U.S. Dollars by wire transfer in immediately available funds into the applicable account. With respect to sales outside the U.S., for the purpose of calculating Net Revenues for the purposes of determining the Revenue Interests payable under Section 3.1, Net Revenues shall be calculated, if pursuant to a License Agreement, in the currency set forth therein, or otherwise in the currency of sale, and then such amounts shall be converted into U.S. Dollars at the monthly rate of exchange utilized by the Company, in accordance with GAAP, fairly applied and as employed on a consistent basis throughout the Company's operations. Should the Company change its foreign currency translation methodology, the new methodology will be disclosed in writing to the Investor Representative prior to its implementation. For clarity, to the extent that the Company receives a payment from a Third Party in U.S. Dollars on which Revenue Interests are payable to Investor Representative under Section 3.1, the foregoing currency exchange rates shall not apply to such amount, and in particular the Company will have no obligation to re-calculate any currency conversion that was employed in connection with such Third Party payment.

Section 3.4 Included Product Payment Reports and Records Retention. On or prior to each Quarterly Payment Date, the Company shall deliver to the Investor Representative a written report of the amount of gross sales of the Included Product in each country during the applicable Calendar Quarter, an itemized calculation of Net Revenues and Other Royalty Payments on a country-by-country basis and a calculation of the amount of the Revenue Interests due under Section 3.1(a) in respect of the applicable Calendar Quarter, showing the Applicable Tiered Percentage applied thereto and a calculation of the Under Performance Payment (if any) pursuant to Section 3.1(b). For three (3) years after each sale of the Included Product made by the Company or any of its Affiliates, the Company shall keep (and shall ensure that its Affiliates shall keep) complete and accurate records of such sale in sufficient detail to confirm the accuracy of the applicable Revenue Interests paid pursuant to Section 3.1(a). The Company shall use commercially reasonable efforts to include, in each contract of the Company for the distribution, marketing or selling of Selinexor entered into on or after the Initial Closing Date, obligations reasonably appropriate to ensure that the counterparty to such contract shall furnish to the Company all information necessary for the Company to comply with this Section 3.4 and calculate the Revenue Interests that are payable as set forth in this Agreement.

Section 3.5 Audits.

(a) Upon the written request of the Investor Representative, and not more than once in each Calendar Year (so long as no Special Termination Event, Default or Event of Default has occurred and is continuing), the Company shall permit an independent certified public accounting firm of national prominence selected by the Investor Representative, and reasonably acceptable to the Company, to have access to and to review, during normal business hours and upon not less than thirty (30) days' prior written notice, the relevant documents and

records of the Company and its Subsidiaries as may reasonably be necessary to verify the accuracy and timeliness of the reports and payments (including calculation and payment of any Revenue Interest) made by the Company under this Agreement. Such review may cover the records for sales or other dispositions of the Included Product, Net Revenues, Other Royalty Payments and the aggregate amount of deposits into the Lockbox Account and the Collection Account in any Calendar Year ending no earlier than the first day of the previous Calendar Year. The accounting firm shall be permitted to prepare and disclose to the Investor Representative a written report stating only whether Revenue Interests paid to the Investor Representative hereunder and the reports provided by the Company relating to such Revenue Interests required hereunder are correct or incorrect and the specific details concerning any discrepancies. Notwithstanding the foregoing, after the occurrence and during the continuance of a Special Termination Event, Default or Event of Default, the Investor Representative shall have the right, as often, at such times and with such prior notice, as the Investor shall determine, in its reasonable discretion, to have an independent certified public accounting firm of national prominence selected by the Investor Representative review the relevant documents and records of the Company and its Subsidiaries.

(b) If such accounting firm reasonably concludes that any Revenue Interests were owed and were not paid when due during such period pursuant to the provisions of this Agreement, the Company shall pay any late or unpaid Revenue Interests within sixty (60) days after the date the Investor Representative delivers to the Company a notice including the accounting firm's written report and requesting such payment. If the amount of the underpayment (exclusive of interest accrued thereon pursuant to Section 3.1(a)) is greater than the lesser of (i) ten percent (10%) of the total amount actually owed for the period audited or (ii) one million dollars ($1,000,000), then the Company shall in addition (i) reimburse the Investor Representative for all reasonable costs and fees of the accounting firm related to such audit and (ii) pay interest accrued on such amount of the underpayment at a rate of one percent (1.0%) per month from the initial due date until paid in full or, if less, the maximum interest rate permitted by Applicable Law. In the event of overpayment, any amount of such overpayment shall be fully creditable against Revenue Interests payable for the immediately succeeding Calendar Quarter(s). The Investor Representative shall (i) treat all information that it receives under this Section 3.5 or under any License Agreement of the Company in accordance with the provisions of Article IX and (ii) cause its accounting firm to enter into a reasonably acceptable confidentiality agreement with the Company obligating such firm to retain all such information in confidence pursuant to such confidentiality agreement, in each case except to the extent necessary for the Investor Representative to enforce its rights under this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor Representative as of the Effective Date and as of the date of each Closing as follows:

Section 4.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the Laws of Delaware and has all powers and authority, and all licenses, permits, franchises, authorizations, consents and approvals of all

Governmental Authorities, required to own its property and conduct its business as now conducted. The Company is duly qualified to transact business and is in good standing in every jurisdiction in which such qualification or good standing is required by Applicable Law (except where the failure to be so qualified or in good standing would not result in a Material Adverse Effect).

Section 4.2 No Conflicts.

(a) None of the execution and delivery by the Company of any of the Transaction Documents to which the Company is party, the performance by the Company of the obligations contemplated hereby or thereby or the consummation of the transactions contemplated hereby or thereby will: (i) contravene, conflict with, result in a breach, violation, cancellation or termination of, constitute a default (with or without notice or lapse of time, or both) under, require prepayment under, give any Person the right to exercise any remedy (including termination, cancellation or acceleration) or obtain any additional rights under, or accelerate the maturity or performance of or payment under, in any respect, (A) any Applicable Law or any judgment, order, writ, decree, permit or license of any Governmental Authority to which the Company or any of its Subsidiaries or any of their respective assets or properties may be subject or bound, (B) any term or provision of any contract, agreement, indenture, lease, license, deed, commitment, obligation or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective assets or properties is bound or committed or (C) any term or provision of any of the organizational documents of the Company or any of its Subsidiaries, except in the case of clause (A) or (B) where any such event would not result in a Material Adverse Effect; or (ii) except as provided in any of the Transaction Documents to which it is party, result in or require the creation or imposition of any Lien on the Collateral or any assets of any Pledged Subsidiary relating to Selinexor (other than Permitted Liens).

(b) The Company has not granted, nor does there exist, any Lien on the Transaction Documents or the Collateral (other than Permitted Liens).

Section 4.3 Authorization. The Company has all powers and authority to execute and deliver, and perform its obligations under, the Transaction Documents to which it is party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of each of the Transaction Documents to which the Company is party and the performance by the Company of its obligations hereunder and thereunder have been duly authorized by the Company. Each of the Transaction Documents to which the Company is party has been duly executed and delivered by the Company. Each of the Transaction Documents to which the Company is party constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar Applicable Laws affecting creditors' rights generally, general equitable principles and principles of public policy.

Section 4.4 Ownership. Except as set forth on Schedule 4.4, the Grantors are the exclusive owners of the entire right, title (legal and equitable) and interest in, to and under the Collateral, free and clear of all Liens, other than Permitted Liens, and the Pledged Subsidiaries own their respective assets relating to Selinexor, free and clear of all Liens, other

than Permitted Liens. The Revenue Interests sold, assigned, transferred, conveyed and granted to the Investor on the Closing Date and the other Collateral have not been pledged, sold, assigned, transferred, conveyed or granted by the Company to any other Person. The Company has full right to sell, assign, transfer, convey and grant the Revenue Interests to the Investor. Upon the sale, assignment, transfer, conveyance and granting by the Company of the Revenue Interests to the Investor Representative, the Investor shall acquire good and marketable title to the Revenue Interests free and clear of all Liens, other than Permitted Liens, and shall be the exclusive owner of the Revenue Interests. The Company has not caused, and to the Knowledge of the Company no other Person has caused, the claims and rights of Investor created by any Transaction Document in and to the Revenue Interests, the Collateral and the assets of the Pledged Subsidiaries relating to Selinexor, in each case, to be subordinated to any creditor or any other Person.

Section 4.5 Governmental and Third Party Authorizations. The execution and delivery by the Company of the Transaction Documents to which the Company is party, the performance by the Company of its obligations hereunder and thereunder and the consummation of any of the transactions contemplated hereunder and thereunder (including the sale, assignment, transfer, conveyance and granting of the Revenue Interests to the Investor) do not require any consent, approval, license, order, authorization or declaration from, notice to, action or registration by or filing with any Governmental Authority or any other Person, except for applicable filings under U.S. securities laws, the filing of UCC financing statements and those previously obtained or made or to be obtained or made on the Closing Date.

Section 4.6 No Litigation. Except as set forth on Schedule 4.6, there is no action, suit, arbitration proceeding, claim, citation, summons, subpoena, investigation or other proceeding (whether civil, criminal, administrative, regulatory, investigative or informal, and including by or before a Governmental Authority) pending or, to the Knowledge of the Company, threatened by or against the Company or any of its Subsidiaries, at law or in equity, that (i) if adversely determined, would result in a Material Adverse Effect, or (ii) challenges or seeks to prevent or delay the consummation of any of the transactions contemplated by any of the Transaction Documents to which the Company is party.

Section 4.7 Solvency. The Company has determined that, and by virtue of its entering into the transactions contemplated by the Transaction Documents to which the Company is party and its authorization, execution and delivery of the Transaction Documents to which the Company is party, the Company's incurrence of any liability hereunder or thereunder or contemplated hereby or thereby is in its own best interests. Upon consummation of the transactions contemplated by the Transaction Documents and the application of the proceeds therefrom, (a) the fair saleable value of the Company's assets will be greater than the sum of its debts, liabilities and other obligations, including known contingent liabilities, (b) the present fair saleable value of the Company's assets will be greater than the amount that would be required to pay its probable liabilities on its existing debts, liabilities and other obligations, including known contingent liabilities, as they become absolute and matured, (c) the Company will be able to realize upon its assets and pay its debts, liabilities and other obligations, including known contingent obligations, as they mature, (d) the Company will not have unreasonably small capital with which to engage in its business and will not be unable to pay its debts as they mature, (e) the Company has not incurred, will not incur and does not have any

present plans or intentions to incur debts or other obligations or liabilities beyond its ability to pay such debts or other obligations or liabilities as they become absolute and matured, (f) the Company will not have become subject to any Bankruptcy Event and (g) the Company will not have been rendered insolvent within the meaning of any Applicable Law. No step has been taken or is intended by the Company or, to its Knowledge, any other Person to make the Company subject to a Bankruptcy Event.

Section 4.8 No Brokers' Fees. Except as set forth on Schedule 4.8, the Company has not taken any action that would entitle any person or entity to any commission or broker's fee in connection with the transactions contemplated by this Agreement.

Section 4.9 Compliance with Laws. Except as set forth on Schedule 4.9, none of the Company or any of its Subsidiaries (a) has violated or is in violation of, or, to the Knowledge of the Company, is under investigation with respect to or has been threatened to be charged with or been given notice of any violation of, any Applicable Law or any judgment, order, writ, decree, injunction, stipulation, consent order, permit or license granted, issued or entered by any Governmental Authority or (b) is subject to any judgment, order, writ, decree, injunction, stipulation, consent order, permit or license granted, issued or entered by any Governmental Authority, in each case, that would result in a Material Adverse Effect. Each of the Company and each Subsidiary of the Company is in compliance with the requirements of all Applicable Laws, a breach of any of which would result in a Material Adverse Effect.

Section 4.10 Intellectual Property Matters.

(a) Schedule 4.10 sets forth an accurate and complete list of all (i) Patent Rights existing as of the Effective Date, (ii) trade names, registered trademarks, registered service marks, and applications for trademark registration or service mark registration, in each case relating to the Included Product, (iii) registered Copyrights relating to the Included Product, and (iv) domain name registrations and websites relating to the Included Product, in each base with respect to clauses (i) through (iv) above, which exist as of the Effective Date. For each of such Collateral listed on Schedule 4.10, the Company has indicated (A) the jurisdictions in which such Patent Right is pending, allowed, granted or issued, (B) the patent number or patent serial number, (C) the scheduled expiration date of such Patent Rights, (D) the anticipated expiration date of the Patent that may issue from each pending patent application within the Collateral once issued and (E) the inventor(s) of such Patent Rights.

(b) Except as separately disclosed to Investor Representative, to the Knowledge of Company, each claim that has been issued or granted by the appropriate Patent Office included in the Patent Rights and that would be infringed by the manufacture, use or sale of the Included Product is valid and enforceable.

(c) To the Knowledge of Company, there are no unpaid maintenance or renewal fees payable by the Company to any Third Party that currently are overdue for any of the Patent Rights. To the Knowledge of Company, and except as would not result in a Material Adverse Effect, each individual associated with the filing and prosecution of the Patent Rights, including the named inventors of such Patent Rights, has complied in all material respects with all applicable duties of candor and good faith in dealing with any Patent Office, including any

duty to disclose to any Patent Office all information known by such inventors to be material to the patentability of each of the Patent Rights (including any relevant prior art), in each case, in those jurisdictions where such duties exist.

(d) Subsequent to the issuance of the Patent Rights, the Company has not filed any disclaimer or made or permitted any other voluntary reduction in the scope of any material Patent Rights, other than filing of a Terminal Disclaimer to address obviousness-type double patenting rejections in the normal course of patent prosecution. No allowable or allowed subject matter of the Patent Rights has been the subject of any interference, re-examination or opposition proceedings.

(e) There is no pending or, to the Knowledge of the Company, threatened opposition, interference, reexamination, injunction, claim, suit, action, citation, summons, subpoena, hearing, inquiry, investigation (by the International Trade Commission or otherwise), complaint, arbitration, mediation, demand, decree or other dispute, disagreement, proceeding, claim or inter partes review (other than standard patent prosecution before a Patent Office) (collectively, "Disputes") challenging the legality, validity, enforceability or ownership of any of the Patent Rights or that would result in any Set-off against the payments due to the Investor Representative under this Agreement. To the Knowledge of the Company, there are no Disputes by or with any Third Party against the Company involving the Included Product. The Patent Rights are not subject to any outstanding injunction, judgment, order, decree, ruling, change, settlement or other disposition of a Dispute.

(f) To the Knowledge of the Company, and except as separately disclosed to Investor Representative, there is no pending or threatened, and no event has occurred or circumstance exists that (with or without notice or lapse of time, or both) would result in or serve as a basis for any, action, suit or proceeding, or any investigation or claim, and the Company has not received any written notice of the foregoing, that claims that the manufacture, use, marketing, sale, offer for sale, importation or distribution of the Included Product as currently contemplated infringes on any Patent or other intellectual property rights of any other Person or constitutes misappropriation of any other Person's trade secrets or other intellectual property rights.

(g) To the Knowledge of the Company, there is no Third Party infringing any Patent Rights that would result in a Material Adverse Effect.

(h) The Patent Rights constitute all of the Patents owned or controlled by the Company or any of the Company's Affiliates necessary for the sale of the Included Product in the U.S., Japan and the European Union.

Section 4.11 Margin Stock. The Company is not engaged in the business of extending credit for the purpose of buying or carrying margin stock, and no portion of the Investment Amount shall be used by the Company for a purpose that violates Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time.

Section 4.12 Material Contracts.

(a) Schedule 4.12(a) hereto contains a list of the Material Contracts as of the date hereof. As of the date hereof, the Company has provided a true and complete copy of each of the Material Contracts to the Investor Representative.

(b) Except as separately disclosed in writing to Investor Representative referencing this Section 4.12(b), neither the Company nor any Material Contract Counterparty is in breach or default of any Material Contract and no circumstances or grounds exist that would, upon the giving of notice, the passage of time or both, give rise (i) to a claim by the Company or any Material Contract Counterparty of a breach or default of any Material Contract, or (ii) to a right of rescission, termination, revision, setoff, or any other rights, by any Person, in, to or under any Material Contract. The Company has not received from, or delivered to, any Material Contract Counterparty, any written notice alleging a breach or default under any Material Contract, which breach or default has not been cured as of the Closing Date.

(c) Each Material Contract is a valid and binding obligation of the Company and, to the Knowledge of the Company, of the applicable Material Contract Counterparty, enforceable against each of the Company and, to the Knowledge of the Company, each applicable Material Contract Counterparty in accordance with its terms, except as may be limited by general principles of equity (regardless of whether considered in a proceeding at law or in equity) and by applicable bankruptcy, insolvency, moratorium and other similar laws of general application relating to or affecting creditors' rights generally. The Company has not received any notice from any Material Contract Counterparty or any other Person challenging the validity or enforceability of any Material Contract. Neither the Company, nor to the Knowledge of the Company, any other Person, has delivered or intends to deliver any written notice to the Company or a Material Contract Counterparty challenging the validity or enforceability of any Material Contract.

Section 4.13 Bankruptcy. Neither the Company nor, to the Knowledge of the Company, any Material Contract Counterparty is contemplating or planning to commence any case, proceeding or other action relating to such Material Contract Counterparty's bankruptcy, insolvency, liquidation or dissolution or reorganization.

Section 4.14 Office Locations; Names.

(a) The chief place of business, the chief executive office and each office where each Grantor keeps its records regarding the Collateral are, as of the date hereof, each located at 85 Wells Avenue, Newton, MA 02459.

(b) No Company Party (or any predecessor by merger or otherwise) has, within the five (5) year period preceding the date hereof, had a name that differs from its name as of the date hereof.

Section 4.15 Permitted Debt. There is no Indebtedness incurred by the Company or any of its Subsidiaries other than the Permitted Debt. Schedule 4.15(a) hereto lists all of the Permitted Debt Facility Documents as of the date hereof, and true, complete and correct copies of the Permitted Debt Facility Documents have been provided to the Investor

Representative as of the date hereof. There is no default or event of default under the Permitted Debt Facility Documents.

Section 4.16 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present in all material respects the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (iii) show all material Indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries as of the date thereof, including material liabilities for Taxes, commitments and Indebtedness to the extent required by GAAP.

(b) The Interim Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present in all material respects the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, and (iii) show all material Indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries as of the date thereof, including material liabilities for Taxes, material commitments and Indebtedness to the extent required by GAAP, subject, in the case of clauses (i), (ii) and (iii) of this sentence, to the absence of footnotes and to normal year-end audit adjustments.

(c) From the date of the Audited Financial Statements to and including the Initial Closing Date, there has been no Disposition by any Company Party or any Subsidiary, or any Involuntary Disposition, of any material part of the business or property of any Company Party or any Subsidiary, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material to any Company Party or any Subsidiary, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Investor on or prior to the Initial Closing Date.

(d) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or would result in a Material Adverse Effect.

Section 4.17 No Default; No Special Termination Event.

(a) Neither any Company Party nor any Subsidiary is in default under or with respect to any Contractual Obligation that would result in a Material Adverse Effect.

(b) No Special Termination Event, Default or Event of Default has occurred and is continuing.

Section 4.18 Insurance. The properties of the Company and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Company or the applicable Subsidiary operates.

Section 4.19 ERISA Compliance.

(a) Except as would not, individually or in the aggregate, result in a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state Laws, and (ii) each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code, an application for such a letter is currently being processed by the Internal Revenue Service or is entitled to rely on the opinion or advisory letter issued by the Internal Revenue Service to the sponsor of a preapproved plan document and, to the Knowledge of the Company, nothing has occurred that would prevent, or cause the loss of, such tax-qualified status.

(b) There are no pending or, to the Knowledge of the Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would result in a Material Adverse Effect. The Company has not engaged in any prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan, in any case, that would result in a Material Adverse Effect.

(c) Except as would not result in a Material Adverse Effect, (i) no ERISA Event has occurred with respect to any Pension Plan, (ii) the Company and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, and (iii) neither the Company nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums due but not delinquent under Section 4007 of ERISA.

Section 4.20 Subsidiaries. Set forth on Schedule 4.20 is a complete and accurate list as of the date hereof of each Subsidiary of the Company, together with (a) jurisdiction of organization and (b) the percentage of the Equity Interests in such Subsidiary owned by the Company.

Section 4.21 Perfection of Security Interests in the Collateral. The Collateral Documents create valid security interests in, and Liens on, the Collateral purported to be covered thereby to the extent such security interests may be created pursuant to Article 9 of the UCC, which security interests and Liens will be, upon the timely and proper filings, deliveries, notations and other actions contemplated in the Collateral Documents perfected security interests and Liens (to the extent that such security interests and Liens can be perfected by such filings, deliveries, notations and other actions), prior to all other Liens other than Permitted Liens.

Section 4.22 Disclosure. The Company has disclosed to the Investor all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether written or oral) by or on behalf of any Company Party to the Investor in connection with the transactions contemplated hereby and the

negotiation of this Agreement or delivered hereunder or under any other Transaction Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that, with respect to financial projections, estimates, budgets or other forward-looking information, the Company Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time such information was prepared (it being understood that such information is as to future events and is not to be viewed as facts, is subject to significant uncertainties and contingencies, many of which are beyond the control of the Company and its Subsidiaries, that no assurance can be given that any particular projection, estimate, budget or forecast will be realized and that actual results during the period or periods covered by any such projections, estimate, budgets or forecasts may differ significantly from the projected results and such differences may be material).

Section 4.23 Sanctions Concerns; Anti-Corruption Laws; PATRIOT Act.

(a) Sanctions Concerns. No Company nor any Subsidiary, nor, to the Knowledge of the Company, any director, officer, employee, agent, Affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by, any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) Anti-Corruption Laws. The Company and its Subsidiaries have conducted their business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(c) PATRIOT Act. To the extent applicable, the Company and each Subsidiary is in compliance, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (ii) the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time.

Section 4.24 Compliance of Included Products.

(a) (i) The Company and its Subsidiaries possess all Permits, including Regulatory Approvals from the FDA and other Governmental Authorities required for the conduct of their business as currently conducted, except where the failure to so possess would not result in a Material Adverse Effect, and all such Permits are in full force and effect, except where the failure to be in full force and effect would not result in a Material Adverse Effect;

(ii) Except as set forth on Schedule 4.24(a), the Company and its Subsidiaries have not received any written communication from any Governmental Authority

regarding any failure to materially comply with any Laws, including any terms or requirements of any Regulatory Approval and, to the Knowledge of the Company, there are no facts or circumstances that are reasonably likely to give rise to any revocation, withdrawal, suspension, cancellation, material limitation, termination or adverse modification of any Regulatory Approval, in each case, except for any such event that, individually or in the aggregate, would not have a Material Adverse Effect;

(iii) None of the officers, directors, employees or, to the Company's Knowledge, Affiliates of the Company or any Subsidiary or any agent or consultant involved in any Drug Application, has been convicted of any crime or engaged in any conduct for which debarment is authorized by 21 U.S.C. Section 335a nor, to the Company's Knowledge, are any debarment proceedings or investigations pending or threatened against the Company or any Subsidiary or any of their respective officers, employees or agents;

(iv) None of the officers or directors, or, to the Company's Knowledge, employees or Affiliates of the Company or any Subsidiary or any agent or consultant has (A) made an untrue statement of material fact or fraudulent statement to any Regulatory Agency or failed to disclose a material fact required to be disclosed to a Regulatory Agency; or (B) committed an act, made a statement, or failed to make a statement that would provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Regulation 46191 (September 10, 1991);

(v) All applications, notifications, submissions, information, claims, reports and statistics and other data and conclusions derived therefrom, utilized as the basis for or submitted in connection with any and all requests for a Regulatory Approval from the FDA or other Governmental Authority relating to the Company or any Subsidiary, their business operations and Included Products, when submitted to the FDA or other Governmental Authority were true, complete and correct in all material respects as of the date of submission or any necessary or required updates, changes, corrections or modifications to such applications, submissions, information and data have been submitted to the FDA or other Governmental Authority;

(vi) Except as set forth on Schedule 4.24(a), all preclinical and clinical trials conducted by or on behalf of the Company and its Subsidiaries that have been submitted to any Governmental Authority, including the FDA and its counterparts worldwide, in connection with any request for a Regulatory Approval, are being or have been conducted in compliance in all material respects with the required experimental protocols and Applicable Laws;

(vii) All Included Products have since July 3, 2019 been manufactured, transported, stored and handled in all material respects in accordance with current good manufacturing practices applicable from time to time and Applicable Laws;

(viii) Neither the Company nor any Subsidiary has received any written notice that any Governmental Authority, including without limitation the FDA, the Office of the

Inspector General of HHS or the United States Department of Justice has commenced or threatened to initiate any action against the Company or a Subsidiary, any action to enjoin the Company or a Subsidiary, its officers, directors, employees, agents and Affiliates, from conducting its business at any facility owned or used by it or for any material civil penalty, injunction, seizure or criminal action that would result in a Material Adverse Effect;

(ix) Neither the Company nor any Subsidiary has received from the FDA, at any time since January 1, 2019, a Warning Letter, Form FDA-483, "Untitled Letter," or similar written correspondence or notice alleging violations of Laws and regulations enforced by the FDA, or any comparable correspondence from any other Governmental Authority with regard to any Included Product or the manufacture, processing, packaging or holding thereof, the subject of which communication is unresolved and if determined adversely to the Company or such Subsidiary would result in a Material Adverse Effect; and

(x) Since July 3, 2019, (A) there have been no Safety Notices, (B) to the Company's Knowledge, there are no unresolved material product complaints with respect to Selinexor, in each case would result in a Material Adverse Effect, and (C) to the Company's knowledge, there are no facts that would result in (1) a material Safety Notice with respect to Selinexor, (2) a material change in the labeling of Selinexor, or (3) a termination or suspension of marketing of Selinexor.

(b) (i) All of the Included Products that exist as of the date hereof are listed on Schedule 4.24(b);

(ii) Since July 3, 2019, the operation of the Business of the Company and its Subsidiaries with respect to each Included Product, including the manufacture, import, marketing, promotion, sale, labeling, and distribution of the Included Products, has been in compliance with all Permits and Applicable Laws, except where a failure to so comply would not result in a Material Adverse Effect;

(iii) Without limiting the generality of Section 4.24(a)(i) and (ii) above, with respect to any Included Product being tested or manufactured by the Company and its Subsidiaries, as of the date hereof, to the Company's Knowledge, neither the Company nor any Subsidiary has received any written notice from any applicable Governmental Authority, including the FDA, that such Governmental Authority is conducting an investigation or review of (A) the Company and its Subsidiaries' (or any third party contractors therefor) manufacturing facilities and processes for manufacturing such Included Product or the marketing and sales of such Included Product, in each case which have identified any material deficiencies or violations of Laws or the Permits related to the manufacture, marketing and/or sales of such Included Product that would result in a Material Adverse Effect, or (B) any such Regulatory Approval that would result in a revocation or withdrawal of such Regulatory Approval, nor has any such Governmental Authority issued any order or recommendation stating that the development, testing, manufacturing, marketing or sales of such Included Product by the Company and its

Subsidiaries should cease or that such Included Product should be withdrawn from the marketplace; and

(iv) Between July 3, 2019 and the date hereof, neither the Company nor any Subsidiary of the Company has experienced any significant failures in the manufacturing of any Included Product for commercial sale that has had or would result in, if such failure occurred again, a Material Adverse Effect.

Section 4.25 Labor Matters. There are no existing or, to the Knowledge of the Company, threatened strikes, lockouts or other labor Disputes involving the Company or any Subsidiary that, individually or in the aggregate, would result in a Material Adverse Effect. Except as would not, individually or in the aggregate, result in a Material Adverse Effect, hours worked by and payments of compensation made by the Company and its Subsidiaries to their respective employees are not in violation of the Fair Labor Standards Act or any other Applicable Law, rule or regulation dealing with such matters.

Section 4.26 EEA Financial Institution. Neither the Company nor any of its Subsidiaries is an EEA Financial Institution.

Section 4.27 Taxes. The Company and each of its Subsidiaries has (A) filed all Tax returns and reports required by to have been filed by it (including in its capacity as a withholding agent), (B) paid all Taxes required to be paid by it (including in its capacity as a withholding agent), and (C) provided adequate accruals, charges and reserves in accordance with GAAP in their applicable financial statements in respect of all Taxes not yet due and payable, except, in each case, (i) any such Taxes that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP or (ii) any failure that would not result, individually or in the aggregate, in a Material Adverse Effect.

Section 4.28 Data Privacy. The Company has not experienced any breach of security of unauthorized access by third parties of any Personal Information in its possession, custody, or control that could reasonably be expected to result in a Material Adverse Effect.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

Each Investor hereby represents and warrants separately (and not jointly) to the Company as of the Effective Date and the date of each Closing as follows:

Section 5.1 Organization. Such entity is a Delaware limited partnership duly organized, validly existing and in good standing under the Laws of its state of formation and has all powers and authority, and all licenses, permits, franchises, authorizations, consents and approvals of all Governmental Authorities, required to own its property and conduct its business as now conducted.

Section 5.2 No Conflicts. None of the execution and delivery by such entity of any of the Transaction Documents to which it is party, the performance by it of the obligations contemplated hereby or thereby or the consummation of the transactions contemplated hereby or thereby will contravene, conflict with, result in a breach, violation, cancellation or termination of, constitute a default (with or without notice or lapse of time, or both) under, require prepayment under, give any Person the right to exercise any remedy (including termination, cancellation or acceleration) or obtain any additional rights under, or accelerate the maturity or performance of or payment under, in any respect, (i) any Applicable Law or any judgment, order, writ, decree, permit or license of any Governmental Authority to which such entity or any of its assets or properties may be subject or bound, (ii) any term or provision of any contract, agreement, indenture, lease, license, deed, commitment, obligation or instrument to which such entity is a party or by which such entity or any of its assets or properties is bound or committed or (iii) any term or provision of any of the organizational documents of such entity, except in the case of clause (i) where any such event would not result in a material adverse effect on the ability of such entity to consummate the transactions contemplated by the Transaction Documents.

Section 5.3 Authorization. Such entity has all powers and authority to execute and deliver, and perform its obligations under, the Transaction Documents to which it is party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of each of the Transaction Documents to which such entity is party, and the performance by it of its obligations hereunder and thereunder, have been duly authorized by it. Each of the Transaction Documents to which such entity is party has been duly executed and delivered by it. Each of the Transaction Documents to which such entity is party constitutes the legal, valid and binding obligation of it, enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar Applicable Laws affecting creditors' rights generally, general equitable principles and principles of public policy.

Section 5.4 Governmental and Third Party Authorizations. The execution and delivery by such entity of the Transaction Documents to which it is party, the performance by it of its obligations hereunder and thereunder and the consummation of any of the transactions contemplated hereunder and thereunder do not require any consent, approval, license, order, authorization or declaration from, notice to, action or registration by or filing with any Governmental Authority or any other Person, except as described in Section 4.5.

Section 5.5 No Litigation. There is no action, suit, arbitration proceeding, claim, citation, summons, subpoena, investigation or other proceeding (whether civil, criminal, administrative, regulatory, investigative or informal and including by or before a Governmental Authority) pending or, to the knowledge of such entity, threatened by or against such entity, at law or in equity, that challenges or seeks to prevent or delay or which, if adversely determined, would prevent or delay the consummation of any of the transactions contemplated by any of the Transaction Documents to which it is party.

Section 5.6 No Brokers' Fees. Such entity has not taken any action that would entitle any person or entity to any commission or broker's fee in connection with the transactions contemplated by this Agreement.

Section 5.7 Funds Available. As of the date hereof, such entity has sufficient funds on hand to satisfy its obligations to pay the Investment Amount due and payable on the Initial Closing Date and has sufficient funds under commitment to it to satisfy its obligations to pay the Investment Amount due and payable on the Subsequent Closing Date. Such entity acknowledges and agrees that its obligations under this Agreement are not contingent on obtaining financing.

Section 5.8 Access to Information. Such entity acknowledges that it has (a) reviewed such documents and information relating to the Revenue Interests, the Collateral and the Included Products and (b) had the opportunity to ask such questions of, and to receive answers from, representatives of the Company, in each case, as it deemed necessary to make an informed decision to purchase, acquire and accept the Revenue Interests in accordance with the terms of this Agreement. Such entity has such knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the risks and merits of purchasing, acquiring and accepting the Revenue Interests in accordance with the terms of this Agreement.

Section 5.9 Tax Status. Such entity is a Unites States person as such term is defined in Section 7701(a)(30) of the Internal Revenue Code.

ARTICLE VI

AFFIRMATIVE COVENANTS

The Parties hereto covenant and agree as follows:

Section 6.1 Collateral Matters; Guarantors.

(a) On or prior to the Initial Closing Date, each of the Company and the Guarantors shall enter into the Security Agreement, pursuant to which the Company and the Guarantors shall grant to the Investor Representative, a continuing security interest of first priority in all of their respective right, title and interest in, to and under the Collateral, whether now or hereafter existing, and any and all "proceeds" thereof (as such term is defined in the UCC), in each case, for the benefit of the Investor as security for the prompt and complete payment and performance of the Obligations. Pursuant to the Security Agreement, the Company shall pledge (x) all of its Equity Interests in the Guarantors, (y) to the extent that any Subsidiary organized as a Massachusetts Securities Corporation owns any portion of the assets listed in the definition of "Collateral", all of its Equity Interests in such Subsidiary organized as a Massachusetts Securities Corporation and (z) to the extent that any Excluded Subsidiary owns any portion of the assets listed in the definition of "Collateral," all of its equity interests in such Excluded Subsidiary (provided that no more than 100% of the non-voting Equity Interests of such Excluded Subsidiary (if any) and 65% (or such greater amount that would not reasonably be expected to result in any material adverse tax consequences to any Company Party) of the voting Equity Interests of such Excluded Subsidiary shall be required to be pledged) (such Subsidiaries referred to in clauses (y) and (z), the "Pledged Subsidiaries"), in each case, to the Investor Representative for the benefit of the Investor to secure the Obligations. In addition, each Guarantor shall enter into the Guaranty, pursuant to which each Guarantor shall guarantee the prompt performance of the Obligations. The Company shall cause any Subsidiary (other than

any Excluded Subsidiary) that may acquire or own any portion of the Collateral after the Initial Closing Date to enter into a Joinder Agreement to become a party to the Guaranty as Guarantor and to the Security Agreement as Grantor.

(b) The Company authorizes and consents to the Investor filing, including with the Secretary of State of the State of Delaware, one or more UCC financing statements (and continuation statements with respect to such financing statements when applicable) or other instruments and notices, in such manner and in such jurisdictions as in the Investor's determination may be necessary or appropriate to evidence the purchase, acquisition and acceptance by the Investor of the Revenue Interests hereunder and to perfect and maintain the perfection of the Investor's ownership in the Revenue Interests and the security interest in the Revenue Interests granted by each Grantor to the Investor pursuant to the Security Agreement; provided that the Investor will provide the Company with a reasonable opportunity to review any such financing statements (or similar documents) prior to filing and the collateral identified in any such financing shall be limited to a legally sufficient description of the "Collateral" as defined herein and proceeds and products thereof. For greater certainty, the Investor will not file this Agreement in connection with the filing of any such financing statements (or similar documents) but may file a summary or memorandum of this Agreement if required under Applicable Laws providing for such filing. For sake of clarification, the foregoing statements in this Section 6.1 shall not bind either Party regarding the reporting of the transactions contemplated hereby for GAAP or SEC reporting purposes.

Section 6.2 Update Meetings. During the Payment Term, but subject to Section 10.4, the Investor Representative shall be entitled to a quarterly update call or meeting (at the Investor Representative's election, in person, via teleconference or videoconference or at a location reasonably designated by the Company) to discuss (i) the reports delivered by the Company pursuant to Section 3.4, (ii) certain topics or documents listed on Schedule 6.2, (iii) the progress of sales and product development and marketing efforts made by the Company pursuant to the Product Plans, (iv) the status and the historical and potential performance of the Included Product, (iv) any regulatory developments and/or (v) such other matters that the Investor deems appropriate. Any information disclosed by either Party during such update meetings or calls or provided to the Investor Representative pursuant to its request shall be considered "Confidential Information" of the disclosing Party subject to the terms of Article IX. Notwithstanding the foregoing, after the occurrence and during the continuance of a Special Termination Event, Default or an Event of Default, the Investor Representative shall have the right, as often, at such times and with such prior notice, as the Investor Representative shall determine, in its reasonable discretion, to have such update meetings at the Company's headquarters or inspect any records and operations of the Company and its Affiliates.

Section 6.3 Notices.

(a) To the extent permitted by Applicable Law, promptly after receipt by the Company of notice of any action, suit, claim, demand, Dispute, investigation, arbitration or other proceeding (commenced or threatened) involving the Included Product included in the Collateral or owned by any Pledged Subsidiary and relating to Selinexor, the transactions contemplated by any Transaction Document, or to the Revenue Interests, the Company shall, subject to any confidentiality obligations to any Third Party, (i) inform the Investor Representative in writing of

the receipt of such notice and the substance thereof and (ii) if such notice is in writing, furnish the Investor Representative with a copy of such notice and any related materials with respect thereto reasonably requested by the Investor Representative, and if such notice is not in writing, furnish to the Investor Representative a written summary describing in reasonable detail the contents thereof.

(b) To the extent permitted by Applicable Law, promptly following receipt by the Company of any written notice, claim or demand challenging the legality, validity, enforceability or ownership of any of the IP Rights included in the Collateral or owned by the Pledged Subsidiaries and relating to Selinexor or pursuant to which any Third Party commences or threatens any action, suit or other proceeding against the Company and relating to the Included Product included in the Collateral or owned by the Pledged Subsidiaries and relating to Selinexor, the Company shall subject to any confidentiality obligation to any Third Party, (i) inform the Investor Representative in writing of such receipt and (ii) furnish the Investor Representative with a copy of such notice, claim or demand, or if such notice is not in writing, furnish to the Investor Representative a written summary describing in reasonable detail the contents thereof.

(c) The Company shall promptly (and in any event within ten (10) Business Days) provide Investor Representative with copies of any material information, reports and notices if the contents of such information, report or notice would, individually or in the aggregate, result in a Material Adverse Effect.

(d) The Company shall provide the Investor Representative with prompt written notice after the Company has Knowledge of any of the following: (i) the occurrence of a Bankruptcy Event in respect of the Company or any Material Contract Counterparty to any Selinexor Material Contract (or to the extent it would result in a Material Adverse Effect, any Material Contract Counterparty to any other Material Contract); (ii) any material breach or default by the Company of or under any covenant, agreement or other provision of any Transaction Document; (iii) any representation or warranty made by the Company in any of the Transaction Documents or in any certificate delivered to the Investor pursuant to this Agreement shall prove to be untrue, inaccurate or incomplete in any material respect on the date as of which made; or (iv) any change, effect, event, occurrence, state of facts, development or condition that would result in a Material Adverse Effect.

(e) The Company shall promptly notify the Investor Representative of the occurrence of a Change of Control.

(f) The Company shall notify the Investor Representative in writing not less than 10 days prior to any change in, or amendment or alteration of, any Company Party's (i) legal name, (ii) form of legal entity or (iii) jurisdiction of organization,

(g) The Company shall promptly (and in any event, within ten (10) Business Days) notify the Investor Representative of the Company's Knowledge of any ERISA Event.

(h) The Company shall promptly (and in any event, within five (5) Business Days or within one (1) Business Day if any Indebtedness under the Permitted Debt Facility

Documents has been accelerated) notify the Investor of the occurrence of any material default or event of default under the Permitted Debt Facility Documents.

(i) The Company shall promptly (and in any event, within ten (10) days) notify the Investor of (i) the termination of any Selinexor Material Contract other than upon its scheduled termination date; (ii) the receipt by any Company Party or any of its Affiliates from a counterparty asserting a default by the Company or any of its Subsidiaries under any Selinexor Material Contract where such alleged default, if accurate would permit such counterparty to terminate such Selinexor Material Contract; (iii) the entering into of any new Selinexor Material Contract by a Company Party or any Affiliate; or (iv) any material amendment to a Selinexor Material Contract in any manner adverse to the Investor.

(j) The Company shall promptly notify the Investor Representative of the occurrence of a Special Termination Event, Default or Event of Default.

(k) The Company shall promptly notify the Investor Representative of the occurrence of any event with respect to the assets of the Company or any Affiliates of the Company that could reasonably be expected to result in a Material Adverse Effect.

Each notice pursuant to this Section 6.1(a) through (k) shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action the applicable Company Party has taken and proposes to take with respect thereto. Such statement shall set forth what action the applicable Company Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.3(h), Section 6.3(i) or Section 6.3(j) shall describe with particularity any and all provisions of this Agreement and any other Transaction Document that have been breached.

Section 6.4 Public Announcement.

(a) As soon as reasonably practicable following the date hereof, one or both of the Parties shall issue a mutually agreed to press release substantially in the applicable form attached hereto as Exhibit A. Except as required by Applicable Law (including disclosure requirements of the SEC, the Nasdaq Global Market or any other stock exchange on which securities issued by a Party or its Affiliates are traded) or for statements that are materially consistent with all or any portion of a previously approved public disclosure, neither Party shall make any other public announcement concerning this Agreement or the subject matter hereof without the prior written consent of the other, which shall not be unreasonably withheld, conditioned or delayed. In the event of a required public announcement, to the extent practicable under the circumstances, the Party making such announcement shall provide the other Party (which in the case of the Investor, shall be the Investor Representative) with a copy of the proposed text of such announcement sufficiently in advance of the scheduled release to afford such other Party a reasonable opportunity to review and comment upon the proposed text.

(b) The Parties shall coordinate in advance with each other in connection with the filing of this Agreement (including proposed redaction of certain provisions of this Agreement) with the SEC, the Nasdaq Global Market or any other stock exchange or Governmental Authority on which securities issued by a Party or its Affiliate are traded, and

each Party shall use reasonable efforts to seek confidential treatment for the terms of this Agreement proposed to be redacted, if any; provided that each Party shall ultimately retain control over what information to disclose to the SEC, the Nasdaq Global Market or any other stock exchange or Governmental Authority, as the case may be, and provided further that the Parties shall use their reasonable efforts to file redacted versions with any Governmental Authorities which are consistent with redacted versions previously filed with any other Governmental Authorities. Other than such obligation, neither Party (nor its Affiliates) shall be obligated to consult with or obtain approval from the other Party with respect to any filings to the SEC, the Nasdaq Global Market or any other stock exchange or Governmental Authority. For clarity, once a public announcement or other disclosure is made by a Party in accordance with this Section 6.4, then no further consent or compliance with this Section 6.4 shall be required for any substantially similar disclosure thereafter.

Section 6.5 Further Assurances.

(a) The Company shall promptly, upon the reasonable request of the Investor, at the Company's sole cost and expense, (a) execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Transaction Documents or otherwise deemed by the Investor reasonably necessary or desirable for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except as permitted by the applicable Transaction Document, or obtain any consents or waivers as may be necessary or appropriate in connection therewith; (b) deliver or cause to be delivered to the Investor from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Investor and the Investor shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Transaction Documents; and (c) upon the exercise by the Investor of any power, right, privilege or remedy pursuant to any Transaction Document which requires any consent, approval, registration, qualification or authorization of any Governmental Authority execute and deliver all applications, certifications, instruments and other documents and papers that the Investor may require. In addition, the Company shall promptly, at its sole cost and expense, execute and deliver to the Investor such further instruments and documents, and take such further action, as the Investor may, at any time and from time to time, reasonably request in order to carry out the intent and purpose of this Agreement and the other Transaction Documents to which it is a party and to establish and protect the rights, interests and remedies created, or intended to be created, in favor of the Investor hereby and thereby.

(b) The Company and the Investor shall cooperate and provide assistance as reasonably requested by the other Party hereto, at the expense of such other Party hereto (except as otherwise set forth herein), in connection with any litigation, arbitration, investigation or other proceeding (whether threatened, existing, initiated or contemplated prior to, on or after the date hereof) to which the other Party hereto, any of its Affiliates or controlling persons or any of their respective officers, directors, equityholders, controlling persons, managers, agents or employees is or may become a party or is or may become otherwise directly or indirectly affected or as to which any such Persons have a direct or indirect interest, in each case relating to any Transaction Document, the transactions contemplated herein or therein or the Revenue Interests but in all

cases excluding any litigation brought by the Company (for itself or on behalf of any the Company Indemnified Party) against the Investor or brought by the Investor (for itself or on behalf of any Investor Indemnified Party) against the Company.

(c) Each Party shall comply with all Applicable Laws with respect to the Transaction Documents and the Revenue Interests except where any non-compliance would not result in a Material Adverse Effect.

Section 6.6 IP Rights.

(a) The Company and its Subsidiaries shall, at their sole expense, prepare, execute, deliver and file any and all agreements, documents or instruments which are necessary and/or desirable to (i) use commercially reasonable efforts to prosecute and maintain the material Patent Rights and Trademarks, in each case, relating to an Included Product for which the Company has obtained Regulatory Approval (the "Approved Patent Rights" and "Approved Trademarks", respectively), in the United States, Europe and Japan; and (ii) use commercially reasonable efforts to defend or assert such material Approved Patent Rights and Approved Trademarks against commercially significant infringement or interference by any other Persons, and against any claims of invalidity or unenforceability, in the United States, Europe and Japan (including by bringing any legal action for infringement or defending any counterclaim of invalidity or action of a Third Party for declaratory judgment of non-infringement or non-interference). The Company shall keep the Investor informed of all of such actions as well as actions in other countries and jurisdictions, and the Investor shall have the opportunity to consult with the Company with respect thereto, and the Company shall consider all of the Investor's comments in good faith. This subsection (a) shall apply only with respect to material Intellectual Property owned by the Company or its Subsidiaries or, to the extent that the Company or any Subsidiary has prosecution, maintenance and/or enforcement rights with respect thereto, licensed by the Company or its Subsidiaries.

(b) The Company and its Subsidiaries shall use commercially reasonable efforts to prosecute all pending Patent applications within the material Approved Patent Rights for which it is an owner (or otherwise has rights to prosecute such Patent Rights) consistent with standards in the pharmaceutical industry (as applicable) for similarly situated entities.

(c) The Company shall, and shall cause each Subsidiary to:

(i) take reasonable measures to protect the proprietary nature of material and confidential IP Rights included in the Collateral or owned by any Pledged Subsidiary and relating to Selinexor and to maintain in confidence all Trade Secrets and confidential information compromising a part thereof;

(ii) not disclose and use commercially reasonable efforts to prevent any distribution or disclosure by others (including their employees and contractors) of any item that contains or embodies material and confidential IP Rights included in the Collateral or owned by any Pledged Subsidiary and relating to Selinexor; and

(iii) take reasonable physical and electronic security measures to prevent disclosure of any item that contains or embodies material and confidential IP Rights included in the Collateral or owned by any Pledged Subsidiary and relating to Selinexor.

(d) The Company and its Subsidiaries shall use commercially reasonable efforts to cause each individual associated with the filing and prosecution of the Patent Rights material to the conduct of the Business of the Company and its Subsidiaries to comply in all material respects with all applicable duties of candor and good faith in dealing with any Patent Office, including any duty to disclose to any Patent Office all information known by such individual to be material to patentability of each such Patent, in those jurisdictions where such duties exist.

Section 6.7 Existence. The Company shall (a) preserve and maintain its existence, (b) preserve and maintain its rights, franchises and privileges unless failure to do any of the foregoing would not result in a Material Adverse Effect, (c) qualify and remain qualified in good standing in each jurisdiction where the failure to preserve and maintain such qualifications would result in a Material Adverse Effect, including appointing and employing such agents or attorneys in each jurisdiction where it shall be necessary to take action under this Agreement, and (d) comply with its organizational documents.

Section 6.8 Commercialization of the Included Product.

(a) The Company shall use Commercially Reasonable and Diligent Efforts to prepare, execute, deliver and file any and all agreements, documents or instruments that are necessary or desirable to secure and maintain, Marketing Authorization in the United States for Selinexor. The Company shall not withdraw or abandon, or fail to take any action necessary to prevent the withdrawal or abandonment of, Marketing Authorization in the United States for Selinexor. The Company shall use Commercially Reasonable and Diligent Efforts, itself or through one or more Subsidiaries or Licensees, to Commercialize the Included Product included in the Collateral for which Marketing Authorization is obtained.

(b) The Company shall not enter into any Selinexor Material Contract unless the Company (i) shall have used Commercially Reasonable and Diligent Efforts in selecting the applicable Material Contract Counterparty to such Selinexor Material Contract and negotiating and agreeing to the terms of such Selinexor Material Contract (or any amendment, modification, restatement, cancellation, supplement, termination or waiver of any of the material terms thereof) or (ii) shall have obtained the prior written consent of the Investor. In addition, if any Existing Selinexor Material Contract terminates for any reason whatsoever, the Company shall use Commercially Reasonable and Diligent Efforts to enter into a replacement Selinexor Material Contract.

(c) The Company shall, and shall cause its Subsidiaries to, comply with all material terms and conditions of and fulfill all material obligations under each Selinexor Material Contract (including, without limitation, each License Agreement) to which any of them is party. Upon the occurrence of a breach of any such Selinexor Material Contract by any other party thereto, which would result in a Material Adverse Effect, the Company shall use Commercially

Reasonable and Diligent Efforts to seek to enforce all of its (or its Subsidiary's) rights and remedies thereunder.

(d) Upon the occurrence of a breach of any Selinexor Material Contract by any other party thereto, which would result in a Material Adverse Effect on Selinexor, the Company shall use Commercially Reasonable and Diligent Efforts to seek to enforce all of its (and cause its Affiliates to seek to enforce all of their) rights and remedies thereunder. In the case of Selinexor Material Contracts consisting of licenses or other arrangements under which the counterparty is to make payments to the Company in respect of such Commercialization, such counterparties shall be instructed to make all payments to the Collection Account for receipt and disbursement in accordance with the terms hereof.

Section 6.9 Financial Statements.

(a) The Company shall deliver to the Investor Representative, in form and detail reasonably satisfactory to the Investor Representative as soon as available, and in any event within ninety (90) days after the end of each fiscal year of the Company (or, if earlier, when required to be filed with the SEC), a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any qualification or exception or any qualification or exception as to the scope of such audit (except for a qualification or an exception to the extent related to the maturity or refinancing of borrowings under Permitted Debt or this Agreement)) provided, that to the extent the components of such financial statements relating to a prior fiscal period are separately audited by different independent public accounting firms, the audit report of any such accounting firm may contain a qualification or exception as to scope of such financial statements as they relate to such components; and

(b) The Company shall deliver to the Investor Representative, as soon as available, and in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Company (or, if earlier, when required to be filed with the SEC), a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal quarter and for the portion of the Company's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail.

Section 6.10 Certificates; Other Information. The Company shall (a) deliver to the Investor Representative, in form and detail reasonably satisfactory to the Investor Representative:

(i) concurrently with the delivery of the financial statements referred to in Section 6.9(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Company, setting forth (i) the amount of gross sales of the Included Product in each country, (ii) the amount of Other Royalty Payments in each country, (iii) the amount of the Net Revenues and a calculation thereof, (iv) a calculation of the Included Product Payment Amount for each Quarterly Payment Date, showing the Applicable Tiered Percentage applied thereto and a calculation of Under Performance Payments (if applicable), in each case, for each fiscal quarter period covered by such Compliance Certificate;

(ii) as soon as practicable upon the reasonable request of the Investor Representative, copies of the most recent quarterly statements for each Deposit Account, Securities Account and other bank account or securities account of the Company and each other Grantor;

(iii) concurrently with the delivery of the annual financial statements referred to in Section 6.9(a) and (b), a certificate of a Responsible Officer of the Company listing (A) all applications by any Company Party, if any, for Copyrights, Patents or Trademarks made since the date of the prior certificate (or, in the case of the first such certificate, the Initial Closing Date), (B) all issuances of registrations or letters on existing applications by any Company Party for Copyrights, Patents and Trademarks received since the date of the prior certificate (or, in the case of the first such certificate, the Initial Closing Date), (C) all material Trademark Licenses, Copyright Licenses and Patent Licenses entered into by any Company Party since the date of the prior certificate (or, in the case of the first such certificate, the Initial Closing Date), (D) such supplements to Schedule 4.10 as are necessary to cause such schedule to be true and complete in all material respects as of the date of such certificate.

Documents required to be delivered pursuant to Section 6.9 or Section 6.10 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Company posts such documents, or provides a link thereto on the Company's website on the Internet, or (ii) on which such documents are posted on the Company's behalf on an Internet or intranet website, if any, to which the Investor Representative has access (whether a commercial, third-party website or whether sponsored by the Investor); provided, that: the Company shall notify the Investor Representative (by facsimile or electronic mail) of the posting of any such documents and provide to the Investor Representative by electronic mail electronic versions (i.e., soft copies) of such documents. The Investor Representative shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company with any such request for delivery by the Investor or the Investor Representative, and the Investor or the Investor Representative shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Section 6.11 Payment of Obligations. Each of the Company and its Subsidiaries shall pay and discharge all its obligations and liabilities (a) prior to the date on which penalties attach thereto, all federal and state and other Taxes imposed upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Company Party or its Subsidiaries, (b) as the same shall become due and payable, all lawful claims which, if unpaid, would by Law become a Lien upon any Collateral or any assets of the Pledged Subsidiaries relating to Selinexor (other than Permitted Liens), and (c) prior to the date on which such Indebtedness shall become delinquent or in default, all material Indebtedness, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

Section 6.12 Maintenance of Properties. Each of the Company and its Subsidiaries shall maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition (ordinary wear and tear and casualty and condemnation events excepted) except where the failure to do so would not, individually or in the aggregate, result in a Material Adverse Effect, and shall make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so would not result in a Material Adverse Effect.

Section 6.13 Maintenance of Insurance.

(a) Except as would not result in a Material Adverse Effect, each of the Company and its Subsidiaries shall maintain with financially sound and reputable insurance companies that are not Affiliates of the Company, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

(b) Within thirty (30) days of the Initial Closing Date, (i) the Company shall provide the Investor Representative a schedule of the insurance coverage of the Company and its Subsidiaries as is then in effect, outlined as to carrier, policy number, expiration date, type, amount and deductibles, and (ii) each of the Company and its Subsidiaries shall cause the Investor and its successors and/or assigns to be named as lender's loss payee or mortgagee as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any Collateral or assets of the Pledged Subsidiaries relating to Selinexor.

Section 6.14 Books and Records. Each of the Company and its Subsidiaries shall maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Company Party or such Subsidiary, as the case may be.

(a) Each of the Company and its Subsidiaries shall maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Company Party or such Subsidiary, as the case may be.

Section 6.15 Use of Proceeds. The Company and its Subsidiaries, taken as a whole, shall use the Investment Amount (a) to support the commercial launch of Selinexor and (b) for other general corporate purposes, provided, that, in no event shall the Investment Amount be used to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Investor or otherwise) of Sanctions or otherwise in contravention of any Law or of any Transaction Document.

Section 6.16 ERISA Compliance. Each of the Company and its Subsidiaries shall do each of the following: (a) maintain each Plan in compliance with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state Law, (b) cause each Pension Plan that is qualified under Section 401(a) of the Internal Revenue Code to maintain such qualification, and (c) make all contributions required to be made by the Company and its Subsidiaries to any Pension Plan subject to Section 412 or Section 430 of the Internal Revenue Code, in each case, except as would not result in a Material Adverse Effect.

Section 6.17 Compliance with Contractual Obligations. Each of the Company and its Subsidiaries shall comply in all respects with each Contractual Obligation of such Person, except as would not, individually or in the aggregate, result in a Material Adverse Effect.

Section 6.18 Included Products. Without limiting the generality of Section 4.9, in connection with the development, testing, manufacture, marketing or sale of each and any Included Product by the Company or any Subsidiary, the Company or such Subsidiary shall comply in all material respects with all Permits.

Section 6.19 Anti-Corruption Laws. Neither the Company nor, to the Company's Knowledge, any of the Company's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act (the "FCPA")), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its Affiliate in obtaining or retaining business for or with, or directing business to, any person. Neither the Company nor, to the Company's Knowledge, any of its directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any Law, rule or regulation. The Company further represents that it has maintained, and has caused each of its subsidiaries and Affiliates to maintain, systems of internal controls (including accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption Law.

Section 6.20 Data Privacy. In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally

identifiable information from any individuals, including, without limitation, any customers, prospective customers employees and/or other Third Parties (collectively "Personal Information"), the Company is and has been, to the Knowledge of Company, in compliance in all material respects with all Applicable Laws in all relevant jurisdictions, including the General Data Protection Regulation, the Company's privacy policies and the requirements of any contracts or codes of conduct to which the Company is a party, except for any such event that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The Company has commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. The Company is and has been, to the Company's Knowledge, in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations, except for any such event that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

Section 6.21 Tax.

(a) The Parties (i) agree that for U.S. federal and applicable state and local income Tax purposes, the transactions contemplated by this Agreement are intended to constitute a debt instrument that is subject to U.S. Treasury Regulations under Section 1.1275-4(b) governing contingent payment debt instruments. The Parties shall cooperate in good faith to determine the comparable yield (as such term is described in the U.S. Treasury Regulations governing contingent payment debt instruments) for the debt instrument within ninety (90) days following the date of this Agreement and (ii) intend that the provisions of Treasury Regulation 1.1275-2(a)(1) would apply, subject to the exceptions in Treasury Regulation 1.1275-2(a)(2), to treat any non-contingent payments on the debt instrument and the projected amount of any contingent payments as first, a payment of any accrued and any unpaid original issue discount at such time and second, a payment of principal (including for purposes of the rules applicable to "applicable high yield discount obligations"). The Parties agree not to take and to not cause or permit their Affiliates to take, any position that is inconsistent with the provisions of this Section 6.21(a) on any Tax return or for any other Tax purpose, unless required by Law or the good faith resolution of a Tax audit or other Tax proceeding.

(b) On or prior to the Initial Closing Date, each entity constituting collectively the Investor shall provide the Company with a duly completed and executed IRS Form W-9 certifying that such entity is a United States person, as such term is defined in Section 7701(a)(30) of the Internal Revenue Code, that is exempt from U.S. federal backup withholding with respect to all payments pursuant to this Agreement.

(c) Payments by or on account of any obligation of the Company under this Agreement shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If the Company is required by Law to withhold any Tax in respect of any amounts payable to the Investor pursuant to this agreement, (1) the Company shall make such withholding and timely pay such amount to the applicable Governmental Authority, (2) the Company shall provide the Investor with a receipt evidencing such payment or other evidence of such payment reasonably satisfactory to the Investor and (3) if the Tax withheld was an Indemnified Tax, the sum payable by the Company shall be increased so that after making all

required deductions for Indemnified Taxes (including deductions applicable to additional sums payable under this clause (c)), the Investor receives an amount equal to the sum it would have received had no such deductions been made. The Company will promptly notify the Investor if it becomes required to withhold any Tax in respect of any payment to the Investor pursuant to this Agreement.

ARTICLE VII

NEGATIVE COVENANTS

During the Payment Term, no Company Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

Section 7.1 Liens. Create, incur, assume or suffer to exist any Lien upon any Collateral or any assets of the Pledged Subsidiaries relating to Selinexor, whether now owned or hereafter acquired, other than the Permitted Liens.

Section 7.2 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness without the prior written consent of the Investor Representative, except the Permitted Debt.

Section 7.3 Dispositions. Make any Disposition (other than, for the avoidance of doubt, Permitted Transfers) unless (a) the consideration paid in connection therewith shall be in an amount not less than the fair market value of the property disposed of, (b) no Special Termination Event, Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to such Disposition, (c) such transaction does not involve the sale or other disposition of a minority Equity Interest in any Subsidiary (other than to another Grantor), (d) such transaction does not involve a sale, transfer, license or other disposition of Included Product included in the Collateral or owned by any Pledged Subsidiary relating to Selinexor (or any IP Rights associated therewith) in the United States or any state or political subdivision thereof and (e) the aggregate net book value of all of the assets sold or otherwise disposed of (including, for the avoidance of doubt, the assets sold or otherwise disposed of in such Disposition) does not exceed $5,000,000 in any fiscal year.

Section 7.4 Change in Nature of Business. Engage in any material line of business other than the discovery, development, manufacture or commercialization of biopharmaceutical products.

Section 7.5 Prepayment of Other Indebtedness. Make (or give any notice with respect thereto) any voluntary or optional payment or prepayment or redemption, cash settlement or acquisition for value of (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of any Indebtedness of any the Company Party or any Subsidiary (other than with respect to the Indebtedness arising under the Transaction Documents, and, in the case of the Permitted Convertible Notes, other than from (x) using the proceeds from the sale of Permitted Convertible Notes, (y) exchanging any such Indebtedness for Permitted Convertible Notes and/or (z) exchanging any such Indebtedness for Capital Stock

(other than Disqualified Capital Stock) or the proceeds from the sale of Capital Stock (other than Disqualified Capital Stock)).

Section 7.6 Organization Documents; Fiscal Year; Legal Name, State of Formation and Form of Entity; Certain Amendments.

(a) Amend, modify or change its Organization Documents in a manner materially adverse to the rights or remedies of the Investor under the Transaction Documents.

(b) Change its fiscal year.

(c) Without providing ten (10) days prior notice to the Investor Representative, change its name, state of organization or form of organization or its Federal Taxpayer Indemnification Number or its organizational identification number.

(d) Amend, modify or change any of the terms or provisions of any Permitted Debt Facility Document in a manner inconsistent with the terms of the Transaction Documents.

(e) Amend, modify or change the Product Plans without the prior written consent of the Investor Representative.

Section 7.7 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(a) each Subsidiary may make Restricted Payments to any other Company Party;

(b) each Company Party may make Restricted Payments to any other Company Party;

(c) each Subsidiary may make Restricted Payments to the holders of its Equity Interests on a pro rata basis;

(d) each Subsidiary that is not a Company Party may make Restricted Payments to any other Subsidiary;

(e) the Company and each Subsidiary may declare and make dividend payments or other distributions payable solely in the Qualified Capital Stock of such Person;

(f) the Company may make scheduled payments to the Permitted Debt Creditors so long as (i) no default or event of default exits under the Permitted Debt Facility Documents and (ii) such payments are made in accordance with the terms of the Permitted Debt Facility Documents;

(g) the Company may make payments to the Permitted Convertible Notes Creditors in connection with any refinancing thereof permitted hereunder;

(h) the Company make any Restricted Payment in exchange for, or out of the net cash proceeds of a contribution to the common equity of the Company or a substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests (other than Disqualified Capital Stock) of the Company;

(i) the repurchase of Equity Interests (i) deemed to occur upon the exercise of options, warrants or other convertible securities to the extent that such Equity Interests represent all or a portion of the exercise price thereof or (ii) deemed to occur upon the withholding of a portion of Equity Interests granted or awarded to any current or former officer, director, manager, employee or consultant (or permitted transferees, assigns, estates, trusts or heirs of any of the foregoing) to pay for taxes payable by such Person in connection with such grant or award (or the vesting thereof);

(j) the payment of cash in lieu of fractional Equity Interests pursuant to the exchange or conversion of any exchangeable or convertible securities;

(k) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any of the Company's Subsidiaries held by any current or former employee, director, manager, consultant or director (or permitted transferees, assigns, estates, trusts or heirs of any of the foregoing) of the Company or any of the Company's Subsidiaries pursuant to the terms of any employee equity subscription agreement, stock option agreement or similar agreement; provided that the aggregate price paid under this clause (k) in any Calendar Year, commencing with the Calendar Year ended December 31, 2018, will not exceed $5 million (with unused amounts in any such Calendar Year being referred to as "Unused Amounts"); provided, further, that such amount may be increased by an amount not to exceed:

(A) the net cash proceeds from the sale of Equity Interests (other than Disqualified Capital Stock) of the Company to any current or former employee, director, manager, consultant or director of the Company or any of its Subsidiaries that occurs after the date of this Agreement; and

(B) the cash proceeds of key man life insurance policies received by the Company or the Subsidiaries after the date of this Agreement; and

(C) the aggregate Unused Amounts (which aggregate amount will be reduced to the extent used after the date of this Agreement to repurchase, redeem or otherwise acquire or retire for value of any Equity Interests pursuant to this clause (k));

(l) payments or distributions to dissenting stockholders pursuant to Applicable Law in connection with any merger, amalgamation or consolidation with, or other acquisition of, another Person;

(m) to the extent constituting Restricted Payments, the payment of contingent liabilities in respect of any adjustment of purchase price, earn outs, deferred compensation and similar obligations of the Company and its Subsidiaries; and

(n) other Restricted Payments in an aggregate amount not to exceed $5,000,000.

Section 7.8 Burdensome Actions.

(a) The Company and its Subsidiaries shall not enter into any contract, agreement or other legally binding arrangement (whether written or oral), or grant any right to any other Person, in any case that would conflict with the Transaction Documents or serve or operate to limit or circumscribe any of the Investor's rights under the Transaction Documents (or the Investor's ability to exercise any such rights) or create, incur, assume or suffer to exist any Lien upon any Collateral or any assets of the Pledged Subsidiaries relating to Selinexor (other than Permitted Liens), or agree to do or suffer to exist any of the foregoing. Without limiting the generality of the foregoing, the Company shall not enter into, or permit to exist, any Contractual Obligation that encumbers or restricts the ability of any Company Party to (i) pledge its property pursuant to the Transaction Documents or (ii) perform any of its obligations under the Transaction Documents or any Selinexor Material Contract in any material respect. Notwithstanding anything to the contrary in this Agreement, the Company shall not take any action or abstain from taking any action, directly or indirectly, which action or abstinence would have the effect of altering the terms and conditions of this Agreement or the other Transaction Documents (or any ancillary documents thereto) in a manner that could reasonably be expected to result in a Material Adverse Effect.

(b) The Company and its Subsidiaries shall not enter into any contract, agreement or other legally binding arrangement (whether written or oral), grant any right to any other Person with respect to any Included Product included in the Collateral or amend or waive any requirements under any agreement with respect to any Included Product included in the Collateral that could reasonably be expected to result in a Material Adverse Effect.

Section 7.9 Affiliates. The Company shall not (a) permit any Affiliate that is not a Subsidiary to own any portion of the Collateral (or assets owned by any Pledged Subsidiary relating to Selinexor) or (b) permit any Affiliate that is not a Subsidiary to own any assets that generate Net Revenues.

ARTICLE VIII

THE CLOSINGS

Section 8.1 Closing. Subject to the terms of this Agreement, the closings of the transactions contemplated hereby (each, a "Closing") shall take place on:

(a) for the initial Closing (the "Initial Closing"), on September 27, 2019 (the "Initial Closing Date") following the satisfaction of the conditions set forth in Section 8.3(a), or such other time and place as the parties hereto mutually agree; and

(b) for the subsequent Closing (the "Subsequent Closing"), subject to the satisfaction of the conditions set forth in Section 8.2, on the fifteenth (15th) Business Day (the "Subsequent Closing Date") following the Investor Representative's receipt of both (A) the

written notification from the Company of satisfaction of the other conditions set forth on Exhibit B and (B) the Company's and Investor Representative's mutual election to have the Subsequent Closing, or such other time and place as the parties hereto mutually agree.

Section 8.2 Conditions to Subsequent Closing. The obligations of the Investor relating to the Subsequent Closing shall be subject to (i) the Company's and the Investor Representative's mutual election to have the Subsequent Closing, (ii) no Bankruptcy Event with respect to the Company or any of its Subsidiaries or no Special Termination Event, Default or Event of Default shall have occurred and be continuing (and the Investor Representative's receipt of the certification from the Company to that effect) and (iii) the satisfaction of the conditions set forth on Exhibit B. The Company shall notify the Investor Representative within ten (10) Business Days after all of the conditions set forth on Exhibit B are satisfied. Each of the Company and the Investor Representative shall notify the other Party of its election to have (or not to have) the Subsequent Closing within thirty (30) days after such notice of satisfaction of the conditions set forth on Exhibit B was delivered to the Investor Representative. In the event that either the Company or the Investor Representative elects not to have the Subsequent Closing in its sole discretion within such 30-day period, neither the Company nor the Investor Representative shall have any right or obligation to obtain or pay, as applicable, any portion of the Investment Amount to the Company after the Initial Closing Date even if all of the conditions set forth on Exhibit B have been satisfied.

Section 8.3 Closing Deliverables of the Company.

(a) At the Initial Closing, the Company shall deliver or cause to be delivered to the Investor Representative the following:

(i) Transaction Documents. Receipt by the Investor Representative of executed counterparts (include by electronic means) of this Agreement and the other Transaction Documents, executed by the parties thereto (in a manner reasonably acceptable to the Investor Representative), in each case in form and substance satisfactory to the Investor Representative.

(ii) Organization Documents, Resolutions, Etc. Receipt by the Investor Representative of the following, each of which shall be originals or facsimiles, in form and substance satisfactory to the Investor Representative and its legal counsel:

(A) copies of the Organization Documents of each Grantor certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary (or, if such entity does not have a secretary or assistant secretary, a Responsible Officer) of such Grantor to be true and correct as of the Initial Closing Date;

(B) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Grantor as the Investor Representative may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible

Officer in connection with this Agreement and the other Transaction Documents to which such Grantor is a party; and

(C) such documents and certifications as the Investor Representative may reasonably require to evidence that each Grantor is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(iii) Opinions of Counsel. Receipt by the Investor Representative of a written legal opinion of (1) Goodwin Procter LLP and (2) the general counsel of the Company, in each case, addressed to the Investor Representative, dated the Initial Closing Date and in form and substance previously agreed between the Company and the Investor Representative.

(iv) Perfection and Priority of Liens. Receipt by the Investor of the following:

(A) searches of Uniform Commercial Code filings in the jurisdictions where a filing would need to be made in order to perfect the Investor's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist on the Collateral other than Permitted Liens;

(B) UCC financing statements for each appropriate jurisdiction as is necessary, in the Investor's sole discretion, to perfect the Investor's security interest in the Collateral;

(C) all certificates evidencing any certificated Equity Interests pledged to the Investor, together with duly executed in blank and undated stock powers attached thereto; and

(D) searches of ownership of, and Liens on, the Patent Rights of each Grantor in the appropriate U.S. governmental offices.

(v) Responsible Officer's Certificate. Receipt by the Investor Representative of a certificate of a Responsible Officer of the Company certifying that the representations and warranties set forth in Article IV are true and correct on and as of the Initial Closing Date.

(vi) Attorney Costs; Due Diligence Expenses. The Company shall have paid all reasonable and documented fees, charges and disbursements of counsel to the Investor and all reasonable and documented due diligence expenses of the Investor, in each case, incurred prior to or at the Initial Closing Date in accordance with Exhibit G; provided that the condition set forth in this clause (ii) will be satisfied by the transfer by the Investor of an amount equal to the First Investment Amount minus the amount owed by the Company under this clause (ii).

(vii) Other. Such other documents, instruments, agreements, reports, statements, due diligence items and information as may be reasonably requested by the Investor Representative.

(b) At the Subsequent Closing, the Company shall deliver or cause to be delivered to the Investor Representative the following:

(i) A certificate of a Responsible Officer of the Company (the statements made in which shall be true and correct on and as of the applicable Closing Date): (A) attaching copies, certified by such officer as true and complete, of (x) the organizational documents of the Company and (y) confirming that resolutions of the governing body of the Company authorizing and approving the execution, delivery and performance by the Company of the Transaction Documents and the transactions contemplated herein and therein remain in full force and effect; and (B) attaching a copy, certified by such officer as true and complete, of a good standing certificate of the appropriate Governmental Authority of the Company's jurisdiction of organization, stating that the Company is in good standing under the Applicable Laws of such jurisdiction.

(ii) a certificate of a Responsible Officer of the Company certifying the satisfaction of the condition set forth on Exhibit B and such documents evidencing the satisfaction of such conditions as may be requested by the Investor Representative.

(iii) a certificate of a Responsible Officer of the Company certifying that the representations and warranties set forth in Article IV are true and correct on and as of the Subsequent Closing Date.

ARTICLE IX

CONFIDENTIALITY

Section 9.1 Confidentiality; Permitted Use. During the Payment Term and for a period of three (3) years thereafter, each Party shall maintain in strict confidence all Confidential Information and materials disclosed or provided to it by the other Party, except as approved in writing in advance by the disclosing Party, and shall not use or reproduce the disclosing Party's Confidential Information for any purpose other than as required to carry out its obligations and exercise its rights pursuant to this Agreement (the "Purpose"). The Party receiving such Confidential Information (the "Recipient") agrees to institute measures to protect the Confidential Information in a manner consistent with the measures it uses to protect its own most sensitive proprietary and confidential information, which must not be less than a reasonable standard of care. Notwithstanding the foregoing, the Recipient may permit access to the disclosing Party's Confidential Information to those of its employees or authorized representatives having a need to know such information for the Purpose and who have signed confidentiality agreements or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein. Each Party shall be responsible for the breach of this Agreement by its employees or authorized representatives. Each Party shall immediately notify

the other Party upon discovery of any loss or unauthorized disclosure of the other Party's Confidential Information.

Section 9.2 Exceptions. The obligations of confidentiality and non-use set forth in Section 9.1 shall not apply to any portion of Confidential Information that the Recipient or its Affiliates can demonstrate was: (a) known to the general public at the time of its disclosure to the Recipient or its Affiliates, or thereafter became generally known to the general public, other than as a result of actions or omissions of the Recipient, its Affiliates, or anyone to whom the Recipient or its Affiliates disclosed such portion; (b) known by the Recipient or its Affiliates prior to the date of disclosure by the disclosing Party; (c) disclosed to the Recipient or its Affiliates on an unrestricted basis from a source unrelated to the disclosing Party and not known by the Recipient or its Affiliates to be under a duty of confidentiality to the disclosing Party; or (d) independently developed by the Recipient or its Affiliates by personnel that did not use the Confidential Information of the disclosing Party in connection with such development.

Section 9.3 Permitted Disclosures. The obligations of confidentiality and non-use set forth in Section 9.1 shall not apply to the extent that the receiving Party or its Affiliates: (a) is required to disclose Confidential Information pursuant to: (i) an order of a court of competent jurisdiction; (ii) Applicable Laws; (iii) regulations or rules of a securities exchange; (iv) requirement of a Governmental Authority for purposes related to development or commercialization of an Included Product, or (v) the exercise by each Party of its rights granted to it under this Agreement or its retained rights or as required to perfect Investor's rights under the Transaction Documents; or (b) discloses such Confidential Information solely on a "need to know basis" to Affiliates, potential or actual: acquirers, merger partners, licensees, permitted assignees, collaborators (including Licensees), subcontractors, investment bankers, investors, limited partners, partners, lenders, or other financial partners, and their respective directors, employees, contractors and agents, or (c) provides a copy of this Agreement or any of the other Transaction Documents to the extent requested by an authorized representative of a U.S. or foreign tax authority, (d) discloses Confidential Information in response to a routine audit or examination by, or a blanket document request from, a Governmental Authority; provided that (A) such Third Party or person or entity in subsection (b) agrees to confidentiality and non-use obligations with respect thereto at least as stringent as those specified for in this Article IX; and (B) in the case of (a)(i) through (iv), to the extent permitted by Applicable Law, the Recipient shall provide prior written notice thereof to the disclosing Party and provide the opportunity for the disclosing Party to review and comment on such required disclosure and request confidential treatment thereof or a protective order therefor.

Section 9.4 Return of Confidential Information. Each Party shall return or destroy, at the other Party's instruction, all Confidential Information of the other Party in its possession upon termination or expiration of this Agreement, or destroy such Confidential Information; provided, however, that each Party shall be entitled to retain one (1) copy of such Confidential Information of the other Party for legal archival purposes and/or as may be required by Applicable Law and neither Party shall be required to return, delete or destroy Confidential Information or any electronic files or any information prepared by such Party that have been backed-up or archived in the ordinary course of business consistent with past practice.

ARTICLE X

INDEMNIFICATION

Section 10.1 Indemnification by the Company. The Company agrees to indemnify and hold each of the Investor and its Affiliates and any and all of their respective partners, directors, managers, members, officers, employees, agents and controlling persons (each, a "Investor Indemnified Party") harmless from and against, and will pay to each Investor Indemnified Party the amount of, any and all Losses awarded against or incurred or suffered by such Investor Indemnified Party arising out of (a) any breach of any representation, warranty or certification made by the Company in any of the Transaction Documents or certificates given by the Company to the Investor in writing pursuant to this Agreement or any other Transaction Document, (b) any breach of or default under any covenant or agreement by the Company to the Investor pursuant to any Transaction Document, (c) any Excluded Liabilities and Obligations and (d) any fees, expenses, costs, liabilities or other amounts incurred or owed by the Company to any brokers, financial advisors or comparable other Persons retained or employed by it in connection with the transactions contemplated by this Agreement (collectively, the "Company Indemnification Obligations"); provided, however, that the foregoing shall exclude any indemnification to any Investor Indemnified Party (i) that results from the bad faith or willful misconduct of such Investor Indemnified Party, (ii) to the extent resulting from acts or omissions of the Company based upon the written instructions from any Investor Indemnified Party or (iii) for any matter to the extent of, and in respect of, which any Company Indemnified Party would be entitled to indemnification under Section 10.2.

Section 10.2 Indemnification by the Investor. The Investor agrees to indemnify and hold each of the Company and its Affiliates and any and all of their respective partners, directors, managers, members, officers, employees, agents and controlling Persons (each, a "Company Indemnified Party") harmless from and against, and will pay to each Company Indemnified Party the amount of, any and all Losses awarded against or incurred or suffered by such the Company Indemnified Party arising out of (a) any breach of any representation, warranty or certification made by the Investor in any of the Transaction Documents or certificates given by the Investor in writing pursuant hereto or thereto, (b) any breach of or default under any covenant or agreement by the Investor pursuant to any Transaction Document and (c) any fees, expenses, costs, liabilities or other amounts incurred or owed by the Investor to any brokers, financial advisors or comparable other Persons retained or employed by it in connection with the transactions contemplated by this Agreement (collectively, the "Investor Indemnification Obligations"); provided, however, that the foregoing shall exclude any indemnification to any Company Indemnified Party (i) that results from the bad faith or willful misconduct of such the Company Indemnified Party, (ii) to the extent resulting from acts or omissions of the Investor based upon the written instructions from any Company Indemnified Party or (iii) for any matter to the extent of, and in respect of, which any Investor Indemnified Party would be entitled to indemnification under Section 10.1.

Section 10.3 Procedures. If any Third Party Claim shall be brought or alleged against an indemnified party in respect of which indemnity is to be sought against an indemnifying party pursuant to Section 10.1 or Section 10.2, the indemnified party shall, promptly after receipt of notice of the commencement of any such Third Party Claim, notify the

indemnifying party in writing of the commencement thereof, enclosing a copy of all papers served, if any; provided, that the omission to so notify such indemnifying party will not relieve the indemnifying party from any liability that it may have to any indemnified party under Section 10.1 or Section 10.2 unless, and only to the extent that, the indemnifying party is actually prejudiced by such omission. In the event that any Third Party Claim is brought against an indemnified party and it notifies the indemnifying party of the commencement thereof in accordance with this Section 10.3, the indemnifying party will be entitled, at the indemnifying party's sole cost and expense, to participate therein. In any such Third Party Claim, an indemnified party shall have the right to retain its own counsel, but the reasonable fees and expenses of such counsel shall be at the sole cost and expense of such indemnified party unless (a) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (b) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to such indemnified party or (c) the named parties to any such Third Party Claim (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential conflicts of interests between them based on the advice of counsel to the indemnifying party. It is agreed that the indemnifying party shall not, in connection with any Third Party Claim or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to local counsel where necessary) for all such indemnified parties. The indemnifying party shall not be liable for any settlement of any Third Party Claim effected without its written consent, but, if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any Loss by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or discharge of any pending or threatened Third Party Claim in respect of which any indemnified party is or would have been a party and indemnity would have been sought hereunder by such indemnified party, unless such settlement, compromise or discharge, as the case may be, (i) includes an unconditional written release of such indemnified party, in form and substance reasonably satisfactory to the indemnified party, from all liability on claims that are the subject matter of such claim or proceeding, (ii) does not include any statement as to an admission of fault, culpability or failure to act by or on behalf of any indemnified party and (iii) does not impose any continuing material obligation or restrictions on such indemnified party.

Section 10.4 Other Claims. A claim by an indemnified party under this Article X for any matter not involving a Third Party Claim and in respect of which such indemnified party seeks indemnification hereunder may be made by delivering, in good faith, a written notice of demand to the indemnifying party, which notice shall contain (a) a description and the amount of any Losses incurred or suffered by the indemnified party, (b) a statement that the indemnified party is entitled to indemnification under this Article X for such Losses and a reasonable explanation of the basis therefor, and (c) a demand for payment in the amount of such Losses. For all purposes of this Section 10.4, the Company shall be entitled to deliver such notice of demand to the Investor Representative on behalf of the Company Indemnified Parties, and the Investor Representative shall be entitled to deliver such notice of demand to the Company on behalf of the Investor Indemnified Parties. Within thirty (30) days after receipt by the indemnifying party of any such notice, the indemnifying party may deliver to the indemnified party that delivered the notice a written response in which the indemnifying party

(a) agrees that the indemnified party is entitled to the full amount of the Losses claimed in the notice from the indemnified party; (b) agrees that the indemnified party is entitled to part, but not all, of the amount of the Losses claimed in the notice from the indemnified party; or (c) indicates that the indemnifying party disputes the entire amount of the Losses claimed in the notice from the indemnified party. If the indemnified party does not receive such a response from the indemnifying party within such thirty (30)-day period, then the indemnifying party shall be conclusively deemed to have agreed that the indemnified party is entitled to the full amount. If the indemnifying party and the indemnified party are unable to resolve any Dispute relating to any amount of the Losses claimed in the notice from the indemnified party within thirty (30) days after the delivery of the response to such notice from the indemnifying party, then the parties shall be entitled to resort to any legal remedy available to such party to resolve such Dispute that is provided for in this Agreement, subject to all the terms, conditions and limitations of this Agreement.

Section 10.5 Exclusive Remedies. The indemnification afforded by this Article X shall be the sole and exclusive remedy for any and all Losses awarded against or incurred or suffered by the Investor Indemnified Parties against the Company in connection with the Company Indemnification Obligations and the Company Indemnified Parties against the Investor Representative in connection with the Investor Indemnification Obligations under Section 10.1(a) or Section 10.2, as applicable, in each case other than any Company Indemnification Obligations or Investor Indemnification Obligations, as applicable, resulting from (A) the gross negligence, the bad faith or willful misconduct of the other Party or (B) acts or omissions based upon the written instructions from the other Party; provided that nothing in this Section 10.5 shall alter or affect the rights of the Investor to specific performance by the Company Parties under the Transaction Documents or the rights of the Investor to exercise remedies under the Transaction Documents after an Event of Default or other rights of creditors under the UCC or any other Applicable Law.

Section 10.6 Certain Limitations. The indemnification afforded by this Article X shall be subject to the following limitations:

(a) With respect to indemnification by the Company pursuant to Section 10.1(a), the Company's maximum liability for any Loss suffered by an Investor Indemnified Party (other than any Loss resulting from a Third Party Claim) shall not exceed an amount (the "Company Indemnification Cap") equal to (1) the Hard Cap and the amount of all of the other Obligations owed by the Company to the Investor hereunder (other than the indemnification amounts payable under Section 10.1(a)) as of the date of determination, *minus* (2) the aggregate amount of all of the payments collected or received by the Investor Representative (and any direct or indirect transferee of the Investor Representative to whom any interest in the Revenue Interests is transferred) hereunder as of such date of determination (other than (i) any payments collected or received as a reimbursement of expenses incurred by any Investor Indemnified Party (including attorney's fees) and (ii) any indemnification payments collected or received pursuant to Section 10.1(a)), *minus* (3) the aggregate amount collected or received by the Investor Representative (and any direct or indirect transferee of the Investor Representative to whom any interest in the Revenue Interests is transferred) pursuant to the exercise of its rights under Section 10.1(a) (without duplication of any amounts collected or received pursuant to clause (2)) prior to such date of determination to the extent such amount was not collected or received in connection

with a Third Party Claim. Notwithstanding the foregoing, the Company Indemnification Cap shall not apply to any Loss suffered by any Investor Indemnified Party in connection with a Third Party Claim.

(b) With respect to indemnification by the Investor pursuant to Section 10.2, the Investor's maximum liability shall not exceed an amount equal to the excess (if any) of (A) the aggregate amount of all of the payments collected or received by the Investors from the Company prior to the date of determination (excluding any amounts collected or received as a reimbursement of expenses incurred by the Investor or any indemnification amounts collected or received in connection with a Third Party Claim) over (B) the Investment Amount.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Company or any Guarantor fails to pay any amounts to the Investor when and as required to be paid herein, including, without limitation, the Company's failure to (i) pay the Revenue Interests in an amount equal to the Included Product Payment Amount for any Quarterly Payment Date and such failure continues for more than two (2) Business Days (unless such failure was solely as a result of accounting errors made by the Company in good faith without gross negligence in calculating the Quarterly Net Revenues and the Included Product Payment Amount for such Quarterly Payment Date) or pay any late or unpaid Revenue Interests and any interest accrued thereto and reimburse the Investor Representative for audit expenses pursuant to Section 3.5(b), (ii) pay the Under Performance Payments pursuant to Section 3.1(b), or pay the Special Termination Amount pursuant to Section 3.1(e) or (iii) pay any other amounts when due and payable hereunder; or

(b) Specific Covenants. Any Company Party fails to perform or observe any term, covenant or agreement contained in Section 3.1(d) (Change of Control), Section 6.6 (IP Rights), Section 6.7 (Existence), Section 6.8 (Commercialization of the Included Product), Section 6.9 (Financial Statements), Section 6.19 (Anti-Corruption Laws) and Article VII (Negative Covenants); provided that in the case of any such default is susceptible to cure and can be cured within five (5) Business Days after the earlier of the date on which (i) a Responsible Officer of any Company Party has Knowledge of such failure and (ii) written notice thereof shall have been given to the Company by the Investor Representative, the Company shall have such five (5) Business Day period to cure such default; or

(c) Other Defaults. Any Company Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Transaction Document on its part to be performed or observed and such failure continues for thirty (30) days after the earlier of the date on which (i) a Responsible Officer of any Company Party has a Knowledge of such default and (ii) written notice thereof shall have been given to the Company by the Investor Representative; or

(d) Insolvency Proceedings, Etc. The Company or any Company Party institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(e) Inability to Pay Debts; Attachment. (i) The Company or any other Company Party becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(f) Judgments. There is entered against the Company or any Company Party one or more final judgments or orders for the payment of money in an aggregate amount exceeding $25,000,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) or any one or more non-monetary final judgments that result in a Material Adverse Effect and, in either case, (i) enforcement proceedings are commenced by any creditor upon such judgment or order or (ii) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(g) Indebtedness. The Company or any other Company Party (i) fails to pay when due beyond any grace period provided with respect thereto (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Indebtedness for money borrowed in excess of $5,000,000 (or its foreign currency equivalent) or, (ii) fails to perform or observe any covenant or agreement to be performed or observed by it contained in any Permitted Debt Facility Documents or any documents relating to any other Indebtedness and, as a result of such failure, any other party to that agreement or instrument has accelerated the maturity of any Indebtedness thereunder; or

(h) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would result in liability of any Company Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $25,000,000, or (ii) the Company or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan that has resulted or would result in liability of any Company Party in an aggregate amount in excess of $25,000,000; or

(i) Invalidity of Transaction Documents. Any Transaction Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and

effect; or any Company Party or any other Person contests in any manner the validity or enforceability of any Transaction Document; or any Company Party denies that it has any or further liability or obligation under any Transaction Document, or purports to revoke, terminate or rescind any Transaction Document; or

(j) Security Interest. Any security interest purported to be created by the Security Agreement or shall cease to be in full force and effect, or shall cease to give the rights, powers and privileges purported to be created and granted hereunder or thereunder (including a perfected first priority security interest in and Lien on substantially all of the Collateral (except as otherwise expressly provided herein and therein)) in favor of the Investor pursuant hereto or thereto (other than as a result of the failure by Investor of taking any action required to maintain the perfection of such security interests), or shall be asserted by the Company not to be a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Agreement) security interest in the Collateral.

(k) Selinexor. There occurs any revocation, withdrawal, suspension or cancellation of any Regulatory Approval in the United States of Selinexor which results in the Company or its Subsidiaries being prevented from marketing or selling Selinexor in the United States and such revocation, withdrawal, suspension or cancellation continues for sixty (60) days.

Section 11.2 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Company shall immediately pay the Final Payment Amount to the Investor Representative. In addition, the Investor Representative may exercise on behalf of itself and the Investor all rights and remedies available to it and the Investor under the Transaction Documents and Applicable Law; provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code of the United States or under any other Debtor Relief Law, the obligation of the Investor to pay or advance any funds shall automatically terminate, and the amounts of the Hard Cap (less amounts of Revenue Interest theretofore received) and all other Obligations of the Company Parties shall automatically become due and payable, in each case without further act of the Investor.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Survival. All representations, warranties and covenants made herein and in any other Transaction Document or any certificate delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing. The rights hereunder to indemnification and payment of Losses under Article X or to seek specific performance under Section 12.2 based on such representations, warranties and covenants shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time (whether before or after the execution and delivery of this Agreement or the Closing) in respect of the accuracy or inaccuracy of or compliance with, any such representation, warranty or covenant.

Section 12.2 Specific Performance. Each of the Parties hereto acknowledges that the other Party hereto will have no adequate remedy at law if the other Party fails to perform any of its obligations under any of the Transaction Documents. In such event, each of the Parties hereto agrees that the other Party hereto shall have the right, in addition to any other rights it may have (whether at law or in equity), to specific performance of this Agreement without the necessity of posting a bond or proving the inadequacy of monetary damages as a remedy and to obtain injunctive relief against any breach or threatened breach of the Transaction Documents. The Parties further agree not to assert that a remedy of specific performance is unenforceable, invalid, contrary to Applicable Law or inequitable for any reason.

Section 12.3 Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier (costs prepaid and receipt requested), (c) on the date personally delivered to an authorized officer of the party to which sent or (d) on the date transmitted by electronic transmission (other than facsimile transmission) with a confirmation of receipt, in all cases, with a copy emailed to the recipient at the applicable address, addressed to the recipient as follows:

if to the Company, to:

Karyopharm Therapeutics Inc.
85 Wells Avenue, 2nd Floor

Newton, MA 02459
Attn: Michael Mason, Chief Financial Officer
Email: [***]

with a copy to (which shall not constitute notice):

Karyopharm Therapeutics Inc.
85 Wells Avenue, 2nd Floor
Newton, MA 02459
Attn: Christopher Primiano, General Counsel
Email: [***]

with a copy to (which shall not constitute notice):

Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02210
Attn: Arthur R. McGivern
Email: [***]

if to the Investor, to:

HealthCare Royalty Management, LLC
on behalf of each entity constituting the Investor
300 Atlantic Street, Suite 600
Stamford, CT 06901
Attention: Clarke B. Futch
Managing Partner
Email: [***]

With a copy (which shall not constitute notice) to:

HealthCare Royalty Management, LLC
on behalf of each entity constituting the Investor
300 Atlantic Street, Suite 600
Stamford, CT 06901
Attention: John A. Urquhart
Email: [***]

With a copy (which shall not constitute notice) to:

HealthCare Royalty Management, LLC
on behalf of each entity constituting the Investor
300 Atlantic Street, Suite 600
Stamford, CT 06901
Attention: Chief Legal Officer
Email: [***]

with a copy (which shall not constitute notice) to:

Cadwalader, Wickersham & Taft LLP
200 Liberty Street New York,
New York 10281
Attn: Ira J. Schacter
E-mail: [***]

Each Party hereto may, by notice given in accordance herewith to the other Party hereto, designate any further or different address to which subsequent notices, consents, waivers and other communications shall be sent.

Section 12.4 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. The Company shall not be entitled to assign any of its obligations and rights under this Agreement without the prior written consent of the Investor. The Investor may assign any of its obligations and rights hereunder to any other Person without the consent of the Company; provided that, if no Special Termination Event, Default or Event of Default shall have occurred and be continuing, the Investor may not assign any of its obligations and rights

hereunder to any Person set forth on Schedule 12.4 without the prior written consent of the Company, which shall not be unreasonably withheld, conditioned or delayed. The Investor shall give notice of any such assignment to the Company promptly after the occurrence thereof. The Company shall maintain a "register" for the recordation of the names and addresses of, and the amounts owing to, each Investor from time to time. Notwithstanding anything to the contrary contained in this Agreement, no assignment of any interest of any Investor shall be effective until such assignment is recorded in the register and, consistent with the foregoing, the Company shall treat any Investor recorded in the register as an Investor under this Agreement, notwithstanding notice to the contrary. The Company shall be under no obligation to reaffirm any representations, warranties or covenants made in this Agreement or any of the other Transaction Documents. Any purported assignment of rights or obligations in violation of this Section 12.4 will be void.

Section 12.5 Independent Nature of Relationship. The relationship between the Company and the Investor is solely that of lender and borrower, and neither the Company nor the Investor has any fiduciary or other special relationship with the other Party hereto or any of its Affiliates. Nothing contained herein or in any other Transaction Document shall be deemed to constitute the Company and the Investor as a partnership, an association, a joint venture or any other kind of entity or legal form. The Parties agree that they shall not take any inconsistent position with respect to such treatment in a filing with any Governmental Authority.

Section 12.6 Entire Agreement. This Agreement, together with the Exhibits hereto (which are incorporated herein by reference) and the other Transaction Documents, constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the Parties hereto with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein (or in the Exhibits hereto or the other Transaction Documents) has been made or relied upon by either Party hereto.

Section 12.7 Governing Law.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE RULES THEREOF RELATING TO CONFLICTS OF LAW OR CHOICE OF FORUM OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) Each of the Parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the Parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any

such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by Applicable Law, in such federal court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law.

(c) Each of the Parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 12.7(b). Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each of the Parties hereto irrevocably consents to service of process in the manner provided for notices in Section 12.3. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by Applicable Law. Each of the Parties hereto waives personal service of any summons, complaint or other process, which may be made by any other means permitted by New York law.

Section 12.8 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY HERETO WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.8.

Section 12.9 Severability. If one or more provisions of this Agreement are held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, which shall remain in full force and effect, and the Parties hereto shall replace such invalid, illegal or unenforceable provision with a new provision permitted by Applicable Law and having an economic effect as close as possible to the invalid, illegal or unenforceable provision. Any provision of this Agreement held invalid, illegal or unenforceable only in part or degree by a court of competent jurisdiction shall remain in full force and effect to the extent not held invalid, illegal or unenforceable.

Section 12.10 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by the other Party hereto. Any

counterpart may be executed by facsimile or other electronic transmission, and such facsimile or other electronic transmission shall be deemed an original.

Section 12.11 Amendments; No Waivers. Neither this Agreement nor any term or provision hereof may be amended, supplemented, restated, waived, changed or modified except with the written consent of the Company and the Investor Representative. No failure or delay by either Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No notice to or demand on either Party hereto in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval hereunder shall, except as may otherwise be stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 12.12 No Third Party Rights. Other than the Parties, no Person will have any legal or equitable right, remedy or claim under or with respect to this Agreement. This Agreement may be amended or terminated, and any provision of this Agreement may be waived, without the consent of any Person who is not a Party. The Company shall enforce any legal or equitable right, remedy or claim under or with respect to this Agreement for the benefit of the Company Indemnified Parties and the Investor shall enforce any legal or equitable right, remedy or claim under or with respect to this Agreement for the benefit of the Investor Indemnified Parties.

Section 12.13 Table of Contents and Headings. The Table of Contents and headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

KARYOPHARM THERAPEUTICS INC.

By: /s/ Michael Mason
Name: Michael Mason
Title: SVP, Chief Financial Officer, and Treasurer

HEALTHCARE ROYALTY PARTNERS III, L.P.

By: HealthCare Royalty GP III, LLC, its general partner

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Managing Partner

HEALTHCARE ROYALTY PARTNERS IV, L.P.

By: HealthCare Royalty GP IV, LLC, its general partner

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Managing Partner

Exhibit 31.1

CERTIFICATIONS

I, Michael Kauffman, M.D., Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Karyopharm Therapeutics Inc.;

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

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

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

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

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

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

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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.

/s/ MICHAEL KAUFFMAN

Michael Kauffman, M.D., Ph.D.
Chief Executive Officer
(Principal executive officer)

Date: November 4, 2019

Exhibit 31.2

CERTIFICATIONS

I, Michael Mason, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Karyopharm Therapeutics Inc.;

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

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

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

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

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

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

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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.

/s/ MICHAEL MASON

Michael Mason
Senior Vice President, Chief Financial Officer and Treasurer
(Principal financial and accounting officer)

Date: November 4, 2019

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Karyopharm Therapeutics Inc. (the "Company") for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Michael Kauffman, M.D., Ph.D., Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

/s/ MICHAEL KAUFFMAN
Michael Kauffman, M.D., Ph.D.
Chief Executive Officer
(Principal executive officer)

Date: November 4, 2019

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Karyopharm Therapeutics Inc. (the "Company") for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Michael Mason, Senior Vice President, Chief Financial Officer and Treasurer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

/s/ MICHAEL MASON

Michael Mason
Senior Vice President, Chief Financial Officer and Treasurer
(Principal financial and accounting officer)

Date: November 4, 2019