Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

OR

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

For the transition period from _____ to _____

Commission File Number: 001-41827

MEI Pharma, Inc.
(Exact name of registrant as specified in its charter)

DELAWARE	51-0407811
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11455 El Camino Real Suite 250, San Diego, CA 92130
(Address of principal executive offices) (Zip Code)

(858) 369-7100
(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, $0.00000002 par value	**MEIP**	**The Nasdaq Stock Market LLC**

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

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

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

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

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

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

As of May 6, 2024, the number of shares outstanding of the issuer's common stock, $0.00000002 par value, was 6,662,857.

MEI PHARMA, INC.

Table of Contents

PART I FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

MEI PHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value data)

	March 31, 2024	June 30, 2023
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,368	$ 16,906
Short-term investments	54,184	83,787
Unbilled receivables	—	85
Prepaid expenses and other current assets	2,814	6,750
Total current assets	59,366	107,528
Operating lease right-of-use asset	10,836	11,972
Property and equipment, net	1,058	1,309
Total assets	$ 71,260	$ 120,809
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,176	$ 6,134
Accrued liabilities	5,388	12,461
Deferred revenue	—	317
Operating lease liability	1,052	1,428
Total current liabilities	9,616	20,340
Deferred revenue, long-term	—	64,545
Operating lease liability, long-term	10,615	11,300
Total liabilities	20,231	96,185
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 100 shares authorized; none outstanding	—	—
Common stock, $0.00000002 par value; 226,000 shares authorized; 6,663 shares issued and outstanding at March 31, 2024 and June 30, 2023.	—	—
Additional paid-in capital	420,842	430,621
Accumulated deficit	(369,813)	(405,997)
Total stockholders' equity	51,029	24,624
Total liabilities and stockholders' equity	$ 71,260	$ 120,809

See accompanying notes to condensed consolidated financial statements (unaudited).

MEI PHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share amounts)

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2024	**2023**	**2024**	**2023**
Revenues:				
Revenue from customers	$ —	$ 5,894	$ 752	$ 47,359
Revenue from collaboration agreements	—	—	64,545	—
Total revenues	—	5,894	65,297	47,359
Operating expenses:				
Research and development	5,220	15,104	12,617	49,880
General and administrative	4,609	7,181	19,158	23,163
Total operating expenses	9,829	22,285	31,775	73,043
(Loss) income from operations	(9,829)	(16,391)	33,522	(25,684)
Other income (expense):				
Change in fair value of warrant liability	—	—	—	1,603
Interest and dividend income	706	957	2,669	2,282
Other expense, net	(4)	(4)	(7)	(10)
Total other income, net	702	953	2,662	3,875
Net (loss) income	$ (9,127)	$ (15,438)	$ 36,184	$ (21,809)
Net (loss) income per share - basic and diluted	$ (1.37)	$ (2.32)	$ 5.43	$ (3.27)
Weighted-average shares used in computing net (loss) income per share - basic and diluted	6,663	6,663	6,663	6,663

See accompanying notes to condensed consolidated financial statements (unaudited).

MEI PHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Common Shares	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2023	6,663	$ 430,621	$ (405,997)	$ 24,624
Net income	—	—	56,374	56,374
Share-based compensation	—	363		363
Balance at September 30, 2023	6,663	430,984	(349,623)	81,361
Net loss	—	—	(11,063)	(11,063)
Cash dividends declared ($1.75 per share)	—	(11,660)	—	(11,660)
Share-based compensation	—	850	—	850
Balance at December 31, 2023	6,663	420,174	(360,686)	59,488
Net loss	—	—	(9,127)	(9,127)
Share-based compensation	—	668	—	668
Balance at March 31, 2024	6,663	$ 420,842	$ (369,813)	$ 51,029

	Common Shares	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2022	6,658	$ 426,572	$ (374,159)	$ 52,413
Net loss	—	—	(16,624)	(16,624)
Issuance of common stock for vested restricted stock units	5	(40)	—	(40)
Share-based compensation	—	1,559	—	1,559
Balance at September 30, 2022	6,663	428,091	(390,783)	37,308
Net income	—	—	10,253	10,253
Share-based compensation	—	813	—	813
Balance at December 31, 2022	6,663	428,904	(380,530)	48,374
Net income	—	—	(15,438)	(15,438)
Issuance of warrants	—	500		500
Share-based compensation	—	918	—	918
Balance at March 31, 2023	6,663	$ 430,322	$ (395,968)	$ 34,354

See accompanying notes to condensed consolidated financial statements (unaudited).

MEI PHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	For the Nine Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities:		
Net income (loss)	$ 36,184	$ (21,809)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Change in fair value of warrant liability	—	(1,603)
Share-based compensation	1,881	3,290
Issuance of warrants	—	500
Noncash lease expense	1,136	1,063
Depreciation expense	258	288
Changes in operating assets and liabilities:		
Unbilled receivables	85	5,464
Prepaid expenses and other current assets	4,144	(37)
Accounts payable	(3,166)	(3,529)
Accrued liabilities	(7,073)	5,444
Deferred revenue	(64,862)	(29,316)
Operating lease liability	(1,061)	(937)
Net cash used in operating activities	(32,474)	(41,182)
Cash flows from investing activities:		
Purchases of short-term investments	(58,232)	(92,098)
Proceeds from maturity of short-term investments	87,835	126,386
Proceeds from the sale of property and equipment	—	6
Purchases of property and equipment	(7)	—
Net cash provided by investing activities	29,596	34,294
Cash flows from financing activities:		
Payments of tax withholdings related to vesting of restricted stock units	—	(40)
Payment of cash dividend	(11,660)	—
Net cash used in financing activities	(11,660)	(40)
Net decrease in cash and cash equivalents	(14,538)	(6,928)
Cash and cash equivalents at beginning of the period	16,906	15,740
Cash and cash equivalents at end of the period	$ 2,368	$ 8,812
Supplemental cash flow information:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ —	$ 4,347
Financing costs included in accounts payable	$ 208	$ —

See accompanying notes to condensed consolidated financial statements (unaudited).

MEI PHARMA, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Basis of Presentation

Description of Business

MEI Pharma, Inc. (Nasdaq: MEIP) is a clinical-stage pharmaceutical company committed to developing novel and differentiated cancer therapies. We build our pipeline by acquiring promising cancer agents and creating value in programs through development, strategic partnerships, and out-licensing or commercialization, as appropriate. Our approach to oncology drug development is to evaluate our drug candidates in combinations with standard-of-care therapies to overcome known resistance mechanisms and address clear medical needs to provide improved patient benefit. Our pipeline includes voruciclib, an oral cyclin-dependent kinase 9 (CDK9) inhibitor, and ME-344, an intravenous small molecule inhibitor of mitochondrial oxidative phosphorylation (OXPHOS).

Recent Events

Cooperation Agreement

On October 31, 2023, we announced our entry into a Cooperation Agreement (Cooperation Agreement) with Anson Funds and Cable Car Capital, which, among other non-financial related items as described within the overview section of *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations*, provided for a capital return to stockholders in the form of a dividend in the amount of $1.75 per share of common stock, as further discussed below. Additionally, the Cooperation Agreement contemplates a potential second return of capital not to exceed $9.33 million (Potential Second Return of Capital) if authorized by the board of directors (Board) should our ongoing ME-344 Phase 1b trial fail to meet certain defined endpoints or our Board determines not to proceed with a second cohort. The Potential Second Return of Capital may take the form of a dividend or tender offer and is subject to Board approval as well as modification associated with applicable requirements under Delaware law, as detailed in the Cooperation Agreement.

In April 2024, the Company reported that its Board unanimously aligned on a strategy to prioritize clinical development of voruciclib while enabling development of a new ME-344 formulation for Phase 1 study. Additionally, the Company's Board unanimously determined not to proceed with a the Potential Second Return of Capital under the October 31, 2023, Cooperation Agreement in order to conserve resources and align strategic investment, and thereby extend the Company's operational runway.

As part of the Cooperation Agreement, Anson and Cable Car withdrew their consent solicitation and agreed to abide by customary standstill provisions. Additionally, we reimbursed Anson and Cable Car's fees and expenses related to their engagement with us as of the date of the Cooperation Agreement in an amount of $1.1 million, which is recorded within general and administrative expenses in the condensed consolidated statements of operations during the nine months ended March 31, 2024.

Cash Dividend

On November 6, 2023, pursuant to the Cooperation Agreement, the Board declared a special cash dividend of $1.75 per share of common stock to stockholders of record at the close of business on November 17, 2023. The total dividend of $11.7 million was paid on December 6, 2023 and was recorded as a reduction of additional paid-in capital in the condensed consolidated statements of stockholders' equity, as we have an accumulated deficit, rather than retained earnings.

Liquidity

We have accumulated losses of $369.8 million since inception and expect to incur operating losses and generate negative cash flows from operations for the foreseeable future. As of March 31, 2024, we had $56.6 million in cash and cash equivalents and short-term investments. We believe that these resources will be sufficient to meet our obligations and fund our liquidity and capital expenditure requirements for at least the next 12 months from the issuance of these condensed consolidated financial statements. Our current business operations are focused on continuing the clinical development of our drug candidates. Changes to our research and development plans or other changes affecting our operating expenses may affect actual future use of existing cash resources. Our research and development expenses are expected to increase in the foreseeable future. We cannot determine with certainty costs associated with ongoing and future clinical trials or the regulatory approval process. The duration, costs and timing associated with the development of our product candidates will depend on a variety of factors, including uncertainties associated with the results of our clinical trials.

To date, we have obtained cash and funded our operations primarily through equity financings and license agreements. In order to continue the development of our drug candidates, at some point in the future we expect to pursue one or more capital transactions, whether through the sale of equity securities, debt financing, license agreements or entry into strategic partnerships. There can be no assurance that we will be able to continue to raise additional capital in the future.

Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the accompanying financial statements do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) that are necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented.

The accompanying unaudited condensed consolidated financial statements include the accounts of MEI Pharma, Inc. and our wholly owned subsidiary, Meadow Merger Sub, Inc. We have eliminated all significant intercompany accounts and transactions in consolidation.

The accompanying unaudited condensed consolidated financial statements for the quarterly period ended March 31, 2024 should be read in conjunction with the audited financial statements and notes thereto as of and for the fiscal year ended June 30, 2023, included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on September 26, 2023 (2023 Annual Report). Interim results are not necessarily indicative of results for a full year. The Company has evaluated subsequent events through the date the condensed consolidated financial statements were issued.

2. Summary of Significant Accounting Policies

There have been no material changes to our significant accounting policies from those described in the notes to our audited condensed consolidated financial statements contained in the 2023 Annual Report.

Risks and Uncertainties

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate our estimates, including those related to the valuation of share-based awards, the discount rate used in estimating the present value of the right-of-use assets and lease liabilities, clinical trial accruals and the assessment of our ability to fund our operations for at least the next 12 months from the date of issuance of these condensed consolidated financial statements. We base our estimates on historical experience and other market-specific or other relevant assumptions that we believe to be reasonable under the circumstances. Estimates are assessed each reporting period and updated to reflect current information. As future events and their effects cannot be determined with precision, actual results may materially differ from those estimates or assumptions.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by our chief operating decision-maker (CODM), our Chief Executive Officer, in making decisions regarding resource allocation and assessing performance. The CODM views its operations and manages its business in one operating segment.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash, cash equivalents and short-term investments. Deposits in our checking and money market accounts are maintained in federally insured financial institutions and are subject to federally insured limits or limits set by the Securities Investor Protection Corporation.

We attempt to minimize credit risk associated with our cash, cash equivalents and short-term investments by periodically evaluating the credit quality of our primary financial institutions. Our investment portfolio is maintained in accordance with our investment policy, which is designed to preserve capital, safeguard funds and limit exposure to risk. While we maintain cash deposits in Federal Deposit Insurance Corporation insured financial institutions in excess of federally insured limits, we do not believe that we are exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held. We have not experienced any losses on such accounts.

Short-term Investments

Short-term investments are marketable securities with original maturities greater than three months but less than one year from date of purchase. As of March 31, 2024 and June 30, 2023, our short-term investments consisted of $54.2 million and $83.8 million, respectively, in United States government securities. The short-term investments held as of March 31, 2024 and June 30, 2023 are considered to be held to maturity and are carried at amortized cost. As of March 31, 2024 and June 30, 2023, gross unrealized gains and losses were immaterial.

Dividends

Due to our history of net losses, we have elected to first reduce our additional paid-in capital (APIC) to zero by the amount of dividends/return of capital approved by our Board. Any dividends/return of capital approved by our Board, in excess of our APIC, if any, will be recorded as an adjustment to our accumulated deficit.

Revenue Recognition

Revenues from Customers

In accordance with ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606), we recognize revenue when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. For enforceable contracts with our customers, we first identify the distinct performance obligations, or accounting units, within the contract. Performance obligations are commitments in a contract to transfer a distinct good or service to the customer.

Payments received under commercial arrangements, such as licensing technology rights, may include non-refundable fees at the inception of the arrangements, milestone payments for specific achievements designated in the agreements, and royalties on the sale of products. At the inception of arrangements that include milestone payments, we use judgment to evaluate whether the milestones are probable of being achieved, and we estimate the amount, if any, to include in the transaction price using the most likely method. If it is probable that a significant revenue reversal will not occur, the estimated amount is included in the transaction price. Milestone payments that are not within our or the licensee's control, such as regulatory approvals, are not included in the transaction price until those approvals are received. At the end of each reporting period, we re-evaluate the probability of achievement of development milestones and any related constraint and, as necessary, we adjust our estimate of the overall transaction price.

We may enter into arrangements that consist of multiple performance obligations. Such arrangements may include any combination of our deliverables. To the extent a contract includes multiple promised deliverables, we apply judgment to determine whether promised deliverables are capable of being distinct and are distinct within the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations, we allocate variable consideration related to our 50-50 cost share for development services directly to the associated performance obligation and then allocate the remaining consideration among the performance obligations based on their relative stand-alone selling price.

Stand-alone selling price is the price at which we would sell a promised good or service separately to the customer. When not directly observable, we typically estimate the stand-alone selling price for each distinct performance obligation. Variable consideration that relates specifically to our efforts to satisfy specific performance obligations is allocated entirely to those performance obligations. Other components of the transaction price are allocated based on the relative stand-alone selling price, over which management has applied significant judgment. We develop assumptions that require judgment to determine the stand-alone selling price for license-related performance obligations, which may include forecasted revenues, development timelines, reimbursement rates for personnel costs, discount rates and probabilities of technical, regulatory and commercial success. We estimate stand-alone selling price for research and development performance obligations by forecasting the expected costs of satisfying a performance obligation plus an appropriate margin.

In the case of a license that is a distinct performance obligation, we recognize revenue allocated to the license from non-refundable, up-front fees at the point in time when the license is transferred to the licensee and the licensee can use and benefit from the license. For licenses that are bundled with other distinct or combined obligations, we use judgment to assess the nature of the performance obligation to determine whether the performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. If the performance obligation is satisfied over time, we evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition.

The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. Revenue is recorded proportionally as costs are incurred. We generally use the cost-to-cost measure of progress because it best depicts the transfer of control to the customer which occurs as we incur costs. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation (an input method under Topic 606). We use judgment to estimate the total cost expected to complete the research and development performance obligations, which include subcontractors' costs, labor, materials, other direct costs and an allocation of indirect costs. We evaluate these cost estimates and the progress each reporting period and, as necessary, we adjust the measure of progress and related revenue recognition.

For arrangements that include sales-based or usage-based royalties, we recognize revenue at the later of (i) when the related sales occur or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied or partially satisfied. To date, we have not recognized any sales-based or usage-based royalty revenue from license agreements.

In connection with our April 2020 Kyowa Kirin Co., Ltd. (KKC) License, Development and Commercialization Agreement (the KKC Commercialization Agreement) described in *Note 7. License Agreements*, which agreement was terminated in July 2023,we performed development services related to our 50-50 cost sharing arrangement for which revenue was recognized over time. Additionally, from time to time, we performed services for KKC at their request, the costs of which were fully reimbursed to us. We recorded the reimbursement for such pass-through services as revenue at 100% of reimbursed costs, as control of the additional services for KKC was transferred at the time we incurred such costs. The costs of these services are recognized in the condensed consolidated statements of operations as research and development expense. The cost of these services was recognized in the condensed consolidated statements of operations as research and development expense.

We recognized revenue associated with the KKC Commercialization Agreement for the periods presented (in thousands):

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2024	2023	2024	2023
Timing of Revenue Recognition:				
Services performed over time	$ —	$ 5,598	$ 743	$ 46,430
Pass through services at a point in time	—	296	9	929
	$ —	$ 5,894	$ 752	$ 47,359

Contract Balances

Accounts receivables are included in prepaid expenses and other current assets, and contract liabilities are included in deferred revenue and deferred revenue, long-term, in our condensed consolidated balance sheets. Our contract liabilities accounted for under Topic 606 relate to the amount of initial upfront consideration allocated to the development services performance obligations. Contract liabilities are recognized over the duration of the performance obligations based on the costs incurred relative to total expected costs.

As of March 31, 2024, June 30, 2023 and June 30, 2022, we had no balances in accounts receivable. Contract balances are as follows (in thousands):

	March 31, 2024	June 30, 2023	June 30, 2022
Unbilled receivables	$ —	$ 85	$ 10,044
Contract liabilities included in deferred revenue and deferred revenue, net of current portion	$ —	$ 317	$ 30,900

A reconciliation of the beginning and ending amount of contract liabilities, which are primarily related to the combined performance obligation for the transfer of development services under the KKC Commercialization Agreement and are a separate performance obligation in the Company's contracts pursuant to research plans under the agreements, was as follows for the periods presented (in thousands):

	March 31, 2024	June 30, 2023
Beginning balance	$ 317	$ 30,900
Recognized as revenue:		
Revenue recognized upon satisfaction of performance obligations	(317)	(5,411)
Revenue recognized from change in estimate for performance obligations that are being closed	—	(16,565)
Revenue recognized for performance obligations that will no longer commence	—	(8,607)
Ending balance	$ —	$ 317

The timing of revenue recognition, invoicing and cash collections results in billed accounts receivable and unbilled receivables (contract assets) and deferred revenue (contract liabilities). We invoice our customers in accordance with agreed-upon contractual terms, typically at periodic intervals or upon achievement of contractual milestones. Invoicing may occur subsequent to revenue recognition, resulting in unbilled receivables. We may receive advance payments from our customers before revenue is recognized, resulting in contract liabilities. The unbilled receivables and deferred revenue reported on the condensed consolidated balance sheets related to the KKC Commercialization Agreement.

Revenues from Collaborators

At contract inception, we assess whether the collaboration arrangements are within the scope of ASC Topic 808, *Collaborative Arrangements* (Topic 808), to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. This assessment is performed based on the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of Topic 808 that contain multiple units of account, we first determine which units of account within the arrangement are within the scope of Topic 808 and which elements are within the scope of Topic 606. For units of account within collaboration arrangements that are accounted for pursuant to Topic 808, an appropriate recognition method is determined and applied consistently, by analogy to authoritative accounting literature. For elements of collaboration arrangements that are accounted for pursuant to Topic 606, we recognize revenue as discussed above. Consideration received that does not meet the requirements to satisfy Topic 606 revenue recognition criteria is recorded as deferred revenue in the accompanying condensed consolidated balance sheets, classified as either current or long-term deferred revenue based on our best estimate of when such amounts will be recognized.

Net Income (Loss) Per Share

Basic and diluted net income (loss) per share is computed using the weighted-average number of shares of common stock outstanding during the period, less any shares subject to repurchase or forfeiture. There were no shares of common stock subject to repurchase or forfeiture for the three and nine months ended March 31, 2024 and 2023. Diluted net income (loss) per share is computed based on the sum of the weighted-average number of common shares and potentially dilutive common shares outstanding during the period determined using the treasury-stock and if-converted methods.

For purposes of the diluted net income (loss) per share calculation for the three and nine months ended March 31, 2024 and 2023, potentially dilutive securities are excluded from the calculation of diluted net income (loss) per share because their weighted-average exercise prices were above our weighted-average share price as of March 31, 2024 and 2023, respectively; therefore, basic and diluted net income (loss) per share were the same for the three and nine months ended March 31, 2024 and 2023.

The following table presents potentially dilutive shares excluded from the calculation of diluted net income (loss) per share (in thousands):

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2024	2023	2024	2023
Stock options	1,373	1,258	1,373	1,340
Warrants	103	905	103	837
Total anti-dilutive shares	1,476	2,163	1,476	2,177

Recent Accounting Pronouncement

Recently Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-13, *Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), as amended. The amendments in ASU 2016-13 require, among other things, financial assets measured at amortized cost basis to be presented at the net amount expected to be collected as compared to previous U.S. GAAP which delayed recognition until it was probable a loss had been incurred. The amendments in ASU 2016-13 are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. The adoption of ASU 2016-13 did not have a material impact on our financial statements and related disclosures.

Recently Issued

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted as of the specified effective date. We believe the impact of recently issued standards, other than those noted below, and any issued but not yet effective standards will not have a material impact on our condensed consolidated financial statements upon adoption.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker. This ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to

determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows and financial condition.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity (PBE) to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025 and continuing to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all period presented. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows, and financial condition.

3. Balance Sheet Details

Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	March 31, 2024	June 30, 2023
Furniture and equipment	$ 1,381	$ 1,374
Leasehold improvements	969	969
	2,350	2,343
Less: accumulated depreciation	(1,292)	(1,034)
Property and equipment, net	$ 1,058	$ 1,309

Depreciation expense of property and equipment for the three months ended March 31, 2024 and 2023 were $86,000 and $97,000, respectively. Depreciation expense of property and equipment for the nine months ended March 31, 2024 and 2023 are presented in the condensed consolidated statements of cash flows.

Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	March 31, 2024	June 30, 2023
Accrued pre-clinical and clinical trial expenses	$ 1,118	$ 3,663
Accrued compensation and benefits[(1)]	2,640	7,189
Accrued legal and professional services	644	1,423
Accrued reimbursement to KKC	892	—
Other	94	186
Total accrued liabilities	$ 5,388	$ 12,461

(1) For the period ended March 31, 2024, one-time employee termination benefits were immaterial. Accrued compensation and benefits as of June 30, 2023 includes $1.0 million of one-time employee termination benefits, as more fully described in *Note 5. One-time Employee Termination Benefits*.

4. Fair Value Measurements

The carrying amounts of financial instruments such as cash equivalents, short-term investments and accounts payable approximate the related fair values due to the short-term maturities of these instruments. We invest our excess cash in financial instruments which are readily convertible into cash, such as money market funds and U.S. government securities. Cash equivalents and short-term investments are classified as Level 1 as defined by the fair value hierarchy. As of March 31, 2024 and June 30, 2023, we had no assets or liabilities measured on a recurring or non-recurring basis.

In May 2018, we issued warrants in connection with a private placement of our shares of common stock. Pursuant to the terms of the warrants, we could have been required to settle the warrants in cash in the event of an acquisition of us and, as a result, the warrants were required to be measured at fair value and reported as a liability in the condensed consolidated balance sheets. We recorded the fair value of the warrants upon issuance using the Black-Scholes valuation model and were required to revalue the warrants at each reporting date with any changes in fair value recorded in our condensed consolidated statement of operations through their expiration in May 2023. The valuation of the warrants were considered under Level 3 of the fair value hierarchy due to the need to use assumptions in the valuation that were both significant to the fair value measurement and unobservable. Inputs used to determine estimated fair value of the warrant liabilities included the estimated fair value of the underlying stock at the valuation date, the estimated term of the warrants, risk-free interest rates, expected dividends and the expected volatility of the underlying stock. The significant unobservable inputs used in the fair value measurement of the warrant liabilities were the volatility rate and the estimated term of the warrants. Generally, increases (decreases) in the fair value of the underlying stock and estimated term would result in a directionally similar impact to the fair value measurement. The change in the fair value of the Level 3 warrant liability is reflected in the condensed consolidated statements of operations for the three and nine months ended March 31, 2023. During the three and nine months ended March 31, 2024 and the year ended June 30, 2023, there were no transfers into or out of Level 3 of the fair value hierarchy.

To calculate the fair value of the warrant liability as of June 30, 2023, the following assumptions were used:

Risk-free interest rate		4.4 %
Expected life (years)		0.5
Expected volatility		128.7 %
Dividend yield		— %
Weighted-average grant date fair value	$	0.02

The following table sets forth a summary of changes in the estimated fair value of our Level 3 warrant liability for the nine months ended March 31, 2023 (in thousands):

Balance as of June 30, 2022	$	1,603
Change in estimated fair value of liability classified warrants		(1,603)
Balance as of March 31, 2023	$	—

5. One-time Employee Termination Benefits

In connection with our joint decision to discontinue development of zandelisib outside of Japan, in December 2022, we announced a realignment of our clinical development efforts that streamlined our organization towards the continued clinical development of our two earlier clinical-stage assets, voruciclib and ME-344. As a result, our Board approved a staggered workforce reduction (the Reduction in Force) affecting 28 employees in December 2022 and an additional 26 employees through June 2023, representing an aggregate 51% Reduction in Force. For the three months ended March 31, 2023, we recorded one-time employee benefits of $1.0 million and $0.2 million, within research and development and general and administrative expense, respectively, associated with the termination of 13 employees within research and development departments and one employee in general and administrative departments. For the nine months ended March 31, 2023, we recorded one-time employee benefits of $1.8 million and $0.6 million, within research and development expense and general and administrative expense, respectively, associated with the termination of 31 employees in research and development departments and 11 employees in general and administrative departments. During the three months ended March 31, 2024, no additional one-time employee termination benefits were recorded. For the nine months ended March 31, 2024, we recorded additional one-time employee termination benefits of $169,000 and $168,000 within research and development expense and general and administrative expense, respectively, associated with the termination of six additional employees, three each within research and development and general and administrative departments.

The following table summarizes our activity related to one-time employee termination benefits included in accrued liabilities (in thousands):

		One-time Employee Termination Benefits
Balance at June 30, 2023	$	993
Increase in accrued restructuring		337
Cash payments		(1,322)
Balance at March 31, 2024	$	8

6. Commitments and Contingencies

We have contracted with various consultants and third parties to assist us in pre-clinical research and development and clinical trials work for our leading drug compounds. The contracts are terminable at any time but obligate us to reimburse the providers for any time or costs incurred through the date of termination. We also have employment agreements with certain of our current employees that provide for severance payments and accelerated vesting for share-based awards if their employment is terminated under specified circumstances.

Litigation

From time to time, we may be involved in various lawsuits, legal proceedings, or claims that arise in the ordinary course of business. Management believes there are no claims or actions pending against us as of March 31, 2024 which will have, individually or in the aggregate, a material adverse effect on its business, liquidity, financial position, or results of operations. Litigation, however, is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Indemnification

In accordance with our amended and restated certificate of incorporation and bylaws, we have indemnification obligations to our officers and directors for certain events or occurrences, subject to certain limits, while they are serving in such capacity. There have been no claims to date, and we have a directors and officers liability insurance policy that may enable it to recover a portion of any amounts paid for future claims.

Presage License Agreement

As discussed in *Note 8. Other License Agreements*, we are party to a license agreement with Presage Biosciences, Inc. (Presage) under which we may be required to make future payments upon the achievement of certain development, regulatory and commercial milestones, as well as potential future royalties based upon net sales. As of March 31, 2024, we had not accrued any amounts for potential future payments as achievement of the milestones had not been met.

7. License Agreements

Kyowa Kirin Co., Ltd. License, Development and Commercialization Agreement

In April 2020, we entered into the KKC Commercialization Agreement pursuant to which we granted to KKC a co-exclusive, sublicensable, payment-bearing license under certain patents and know-how controlled by us to develop and commercialize zandelisib and any pharmaceutical product containing zandelisib for all human indications in the U.S. (the U.S. License), and an exclusive (subject to certain retained rights to perform obligations under the KKC Commercialization Agreement), sublicensable, payment-bearing, license under certain patents and know-how controlled by us to develop and commercialize zandelisib and any pharmaceutical product containing zandelisib for all human indications in countries outside of the U.S. KKC granted to us a co-exclusive, sublicensable, license under certain patents and know-how controlled by KKC to develop and commercialize zandelisib for all human indications in the U.S., and a co-exclusive, sublicensable, royalty-free, fully paid license under certain patents and know-how controlled by KKC to perform our obligations in the Ex-U.S. KKC also paid us an initial nonrefundable payment of $100.0 million.

In November 2022, we and KKC jointly decided to discontinue zandelisib development in the U.S. and in May 2023, KKC decided to discontinue development of zandelisib in Japan. Considering the decisions to discontinue worldwide development of zandelisib the parties entered into a Termination Agreement on July 14, 2023, agreeing to mutually terminate the global KKC Commercialization Agreement. Pursuant to the Termination Agreement, we regained full, global rights to develop, manufacture and commercialize zandelisib, subject to KKC's limited rights to use for compassionate use (as more specifically defined in the Termination Agreement) in certain expanded access programs for the existing patients who have been enrolled in Japanese clinical trials sponsored by KKC until November 30, 2027, and for which KKC is fully liable; each party released the other party from any and all claims or demands arising from the original KKC Commercialization Agreement excluding certain surviving claims; however, we are obligated to deliver a discrete quantity of materials to facilitate KKCs compassionate use activities.

We determined the KKC Commercialization Agreement was a collaborative arrangement in accordance with Topic 808 which contained multiple units of account, as we and KKC were both active participants in the development and commercialization activities and were exposed to significant risks and rewards dependent on commercial success of the activities of the arrangement. We determined the U.S. License was a separate unit of account under the scope of Topic 808 and was not a deliverable under Topic 606, while the license issued to KKC within its territory and related development services was within the scope of Topic 606. See discussion within the *Revenue Recognition* subsection of *Note 2. Summary of Significant Accounting Policies*.

We evaluated the Termination Agreement under ASC 606 and determined it met the requirements of a contract modification which changed the scope of the KKC Commercialization Agreement, and the remaining goods and services associated with the wind-down activities to be transferred. The cost of satisfying our performance obligation to provide compassionate use supply to KKC was determined to be *de minimis* and, therefore, immaterial within the context of the KKC Commercialization Agreement. As of September 30, 2023 activities associated with the compassionate use supply were completed.

With the execution of the Termination Agreement, we regained full, global rights (subject to KKC's limited rights for compassionate use) and KKC has no further rights to develop, use or commercialize zandelisib in the U.S., nor do we have any remaining performance obligations. All consideration received from KKC was nonrefundable, therefore, the remaining long-term deferred revenue as of June 30, 2023, of $64.5 million allocated to the U.S. License obligation accounted for under Topic 808 at inception of the KKC Commercialization Agreement was recognized as revenue from collaboration agreements in the three months ended September 30, 2023, utilizing contract termination analogous to guidance provided in Topic 606. We recognized the remaining transaction price of $0.3 million of deferred revenue during the three months ended September 30, 2023, as any remaining performance obligations under the KKC Commercialization Agreement were determined to be *de minimis* as of September 30, 2023. Therefore, as of September 30, 2023, all deferred revenue associated with the KKC Commercialization Agreement had been recognized.

8. Other License Agreements

Presage License Agreement

In September 2017, we, as licensee, entered into a License Agreement with Presage. Under the terms of the license agreement, Presage granted to us exclusive worldwide rights to develop, manufacture and commercialize voruciclib, a clinical-stage, oral and selective CDK inhibitor, and related compounds. In exchange, we paid $2.9 million to Presage. With respect to the first indication, an incremental $2.0 million payment, due upon dosing of the first subject in the first registration trial, will be owed to Presage, for total payments of $4.9 million prior to receipt of marketing approval of the first indication in the U.S., EU or Japan. Additional potential payments of up to $179.0 million will be due upon the achievement of certain development, regulatory and commercial milestones. We will also pay mid-single digit tiered royalties on the net sales of any product successfully developed. As an alternative to milestone and royalty payments related to countries in which we sublicense product rights, we will pay to Presage a tiered percentage (which decreases as product development progresses) of amounts received from such sublicensees. During the three and nine months ended March 31, 2024 and 2023 we made no payments under the Presage license agreement.

BeiGene Collaboration

In October 2018, we entered into a clinical collaboration with BeiGene, Ltd. (BeiGene) to evaluate the safety and efficacy of zandelisib in combination with BeiGene's zanubrutinib (marketed as Brukinsa®), an inhibitor of Bruton's tyrosine kinase, for the treatment of patients with B-cell malignancies. Under the terms of the clinical collaboration agreement, we amended our ongoing Phase 1b trial to include evaluation of zandelisib in combination with zanubrutinib in patients with B-cell malignancies. Study costs are being shared equally by the parties, and we agreed to supply zandelisib and BeiGene agreed to supply zanubrutinib. We record the costs reimbursed by BeiGene as a reduction of our research and development expenses. We retained full commercial rights for zandelisib and BeiGene retained full commercial rights for zanubrutinib. With the discontinuation of the zandelisib program outside of Japan, this clinical collaboration was terminated on September 28, 2023. Costs reimbursements recorded as a reduction of research and development costs, in the condensed consolidated statements of operations, during the three months ended March 31, 2024 and 2023 were approximately none and $0.3 million, respectively, and during the nine months ended March 31, 2024 and 2023, were approximately $0.1 million and $0.6 million, respectively.

9. Leases

In July 2020, we entered into a lease agreement (the Initial Lease Agreement) for approximately 32,800 square feet of office space in San Diego, California. The Lease Agreement was scheduled to expire in March 2028 but was extended by 20 months to November 2029 in accordance with the amended lease agreement we entered into in January 2022 (the Amended Lease Agreement). The Initial and Amended Lease Agreements are collectively referred to as the Lease Agreements. The Lease Agreements contain rent escalations over the lease term. In addition, the Lease Agreements contain an option to renew and extend the lease term, which is not included in the determination of the right-of-use (ROU) asset and operating lease liability, as it was not reasonably certain to be exercised. Upon commencement of the Amended Lease Agreement, to extend the lease term, we recognized an additional operating lease ROU asset and a corresponding operating lease liability. The Lease Agreements include variable non-lease components (e.g., common area maintenance, maintenance, etc.) that are not included in the ROU asset and operating lease liability and are reflected as an expense in the period incurred as a component of the lease cost.

The Amended Lease Agreement also provides for an additional 12,300 square feet of office space adjacent to our current office in San Diego. Upon taking control of the additional office space on July 1, 2022, we recognized operating lease ROU assets obtained in exchange for operating lease liabilities of $4.3 million.

The total operating lease costs for the Lease Agreements were as follows for the periods presented (in thousands):

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2024	2023	2024	2023
Operating lease cost	$ 609	$ 609	$ 1,826	$ 1,826
Variable lease costs	69	2	93	37
Total lease costs included in general and administrative expenses	$ 678	$ 611	$ 1,919	$ 1,863

Supplemental cash flow information related to our operating leases was as follows for the periods presented (in thousands):

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2024	2023	2024	2023
Cash paid for amount included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 584	$ 567	$ 1,751	$ 1,700

The following is a schedule of the future minimum lease payments under the Lease Agreements, reconciled to the operating lease liability, as of March 31, 2024 (in thousands):

Remainder of fiscal year ending June 30, 2024	$ 584
Years ending June 30,	
2025	1,913
2026	2,477
2027	2,551
2028	2,715
Thereafter	4,385
Total lease payments	14,625
Less: Present value discount	(2,958)
Total operating lease liability	$ 11,667
Balance Sheet Classification - Operating Leases	
Operating lease liability	$ 1,052
Operating lease liability, long-term	10,615
Total operating lease liability	$ 11,667
Other Balance Sheet Information - Operating Leases	
Weighted-average remaining lease term (in years)	5.7
Weighted-average discount rate	7.50%

10. Stockholders' Equity

Equity Transactions

Warrants

In May 2023, outstanding warrants to purchase 802,949 shares of our common stock expired. The warrants were fully vested and exercisable at a price of $50.80 per share. Prior to their expiration, the warrants had been previously revalued to zero as of December 31, 2022. All corresponding changes in fair value were recorded as a component of other income (expense) in our condensed consolidated statements of operations. No warrants were exercised during the three and nine months ended March 31, 2023.

As of March 31, 2024, we have warrants outstanding to purchase 102,513 shares of our common stock issued to Torreya Partners in October 2022. The warrants are fully vested and exercisable at a price of $6.80 per share and expire in October 2027. No warrants were exercised during the three and nine months ended March 31, 2024 and 2023.

Description of Capital Stock

Our total authorized share capital is 226,100,000 shares consisting of 226,000,000 shares of common stock, $0.00000002 par value per share, and 100,000 shares of preferred stock, $0.01 par value per share.

Common Stock

The holders of common stock are entitled to one vote per share. In the event of a liquidation, dissolution or winding up of our affairs, holders of the common stock will be entitled to share ratably in all our assets that are remaining after payment of our liabilities and the liquidation preference of any outstanding shares of preferred stock. All outstanding shares of common stock are fully paid and non-assessable. The rights, preferences and privileges of holders of common stock are subject to any series of preferred stock that we have issued or that we may issue in the future. The holders of common stock have no preemptive rights and are not subject to future calls or assessments by us.

At-the-Market Offering Agreement

On February 20, 2024, we entered into a capital on demand sales agreement with JonesTrading Institution Services LLC, pursuant to which we are able to offer and sell shares having an aggregate offering price of up to $25.0 million (the ATM Program). In no event will we sell securities registered on this registration statement in a public primary offering with a value exceeding more than one-third of our public float in any 12-month period so long as our public float remains below $75 million (the Baby Shelf Limitation). As of January 2, 2024, the date used under applicable rules of the Securities and Exchange Commission to determine our public float at the commencement of the offering, one-third of our public float was equal to approximately $9.9 million. As of March 31, 2024, no shares have been issued and sold under our ATM Program.

Preferred Stock

Our Board has the authority to issue up to 100,000 shares of preferred stock with a par value of $0.01 per share in one or more series and to fix the rights, preferences, privileges and restrictions in respect of that preferred stock, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption prices and liquidation preferences, and the number of shares constituting such series and the designation of any such series, without future vote or action by the stockholders. Therefore, the Board, without the approval of the stockholders, could authorize the issuance of preferred stock with voting, conversion and other rights that could affect the voting power, dividend and other rights of the holders of shares or that could have the effect of delaying, deferring or preventing a change of control. There were no shares of preferred stock outstanding as of March 31, 2024 and June 30, 2023.

Rights Agreement

On October 1, 2023, our Board approved and adopted a Rights Agreement (Rights Agreement) by and between us and Computershare, Inc., as Rights Agent (as defined in the Rights Agreement). Pursuant to the Rights Agreement, the Board declared a dividend of one preferred share purchase right (each a Right) for each outstanding share of our common stock, par value $0.00000002 (each a Common Share and collectively, the Common Shares). The Rights are distributable to stockholders of record as of the close of business on October 12, 2023. One Right also will be issued together with each Common Share issued by us after October 12, 2023, but before the Distribution Date, as defined in the Rights Agreement (or the earlier of the redemption or expiration of the Rights) and, in certain circumstances, after the Distribution Date.

11. Share-based Compensation

We use share-based compensation programs to provide long-term performance incentives for our employees. These incentives consist primarily of stock options and restricted stock units (RSU). In December 2008, we adopted the MEI Pharma, Inc. 2008 Stock Omnibus Equity Compensation Plan (Omnibus Plan), as amended and restated from time to time, under which 1,850,739 shares of common stock are currently authorized for issuance. The Omnibus Plan provides for the grant of options and/or other stock-based or stock-denominated awards to our non-employee directors, officers, and employees. As of March 31, 2024, there were 451,768 shares available for future grant under the Omnibus Plan.

In May 2021, we adopted the 2021 Inducement Plan (Inducement Plan), under which 217,000 shares of common stock are authorized for issuance. The Inducement Plan is intended to assist us in attracting and retaining selected individuals to serve as employees who are expected to contribute to our success, by providing an inducement for such individuals to enter into employment with us, and to achieve long-term objectives that will benefit our stockholders. As of March 31, 2024, there were 128,348 shares available for future grant under the Inducement Plan.

Total share-based compensation expense for all stock awards consisted of the following for the periods presented (in thousands):

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2024	2023	2024	2023
Research and development	$ 194	$ 374	$ 254	$ 1,224
General and administrative	474	544	1,627	2,066
Total share-based compensation	$ 668	$ 918	$ 1,881	$ 3,290

Stock Options

Stock options granted to employees vest 25% one year from the date of grant and ratably each month thereafter for a period of 36 months and expire ten years from the date of grant. Stock options granted to directors vest ratably each month for a period of 12 months from the date of grant and expire ten years from the date of grant. Of the total options outstanding of 1,373,467 as of March 31, 2024, 1,284,815 were granted under the Omnibus Plan and 88,652 were granted under the Inducement Plan.

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

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at June 30, 2023	1,284,907	$ 38.32		
Granted	290,437	$ 6.92		
Forfeited	(201,877)	$ 40.28		
Outstanding at March 31, 2024	1,373,467	$ 31.39	7.3	$ —
Vested and expected to vest at March 31, 2024	1,373,467	$ 31.39	7.3	$ —

As of March 31, 2024, the aggregate intrinsic value of outstanding options was calculated as the difference between the exercise price of the underlying options and the closing price of our common stock of $4.00 on that date.

Unrecognized compensation expense related to non-vested stock options totaled $1.8 million as of March 31, 2024. Such compensation expense is expected to be recognized over a weighted-average period of 1.55 years. As of March 31, 2024, we expect all options to vest.

The weighted-average assumptions used in the Black-Scholes option pricing model to determine the fair value of option grants were as follows:

	For the Nine Months Ended March 31,	
	2024	2023
Risk-free interest rate	4.5%	2.9%
Expected life (years)	5.7	6.0
Volatility	89.8%	84.1%
Dividend yield	— %	— %
Weighted-average grant date fair value	$ 5.20	$ 7.71

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

This Quarterly Report on Form 10-Q (Quarterly Report) includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding the future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words believe, may, will, estimate, continue, anticipate, intend, should, plan, expect, and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, without limitation, those described in Risk Factors in our 2023 Annual Report on Form 10-K (2023 Annual Report), as filed with the Securities and Exchange Commission on September 26, 2023. Set forth below is a summary of the principal risks we face:

Summary Risk Factors

Our business is subject to numerous risks and uncertainties that you should consider before investing in our common stock. Set forth below is a summary of the principal risks we face:

- We are subject to risks relating to general economic conditions, including financial market volatility and disruption, elevated levels of inflation, and uncertain economic conditions in the United States and abroad;
- We will need substantial additional funds to progress the clinical trial programs for our drug candidates, to commercialize our drug candidates and to develop new compounds. The actual amount of funds we will need will be determined by a number of factors, some of which are beyond our control;
- We may be required to seek additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties at terms which maybe unfavorable to us;
- We are a clinical-stage pharmaceutical company focused on developing potential new therapies for cancer and are likely to incur operating losses for the foreseeable future;
- The results of pre-clinical studies and completed clinical trials are not necessarily predictive of future results, and our current drug candidates may not have favorable results in later studies or trials;
- Changes in drug candidate manufacturing or formulation may result in additional costs or delay;
- If third parties with whom we collaborate on the development and commercialization of our drug candidates do not satisfy their obligations, do not otherwise pursue development or commercialization of our drug candidates or if they terminate their agreements with us, we may not be able to develop or commercialize our drug candidates;
- We are subject to significant obligations to Presage in connection with our license of voruciclib, and we may become subject to significant obligations in connection with future licenses we obtain, which could adversely affect the overall profitability of any products we may seek to commercialize, and such licenses of drug candidates, the development and commercialization for which we are solely responsible, may never become profitable;
- Our business strategy may include entry into additional collaborative or license agreements. We may not be able to enter into collaborative or license agreements or may not be able to negotiate commercially acceptable terms for these agreements;
- Final approval by regulatory authorities of our drug candidates for commercial use may be delayed, limited or prevented, for reasons which may or may not be directly related to our drug candidates, and any of which would adversely affect our ability to generate operating revenues;
- The FDA may determine that our drug candidates have undesirable risk-benefit profiles with respect to its evaluations of efficacy and/or side effects that could delay or prevent regulatory approval or commercialization;
- If we experience delays or difficulties in the enrollment of patients in clinical trials, our completion of clinical trials and receipt of necessary regulatory approvals could be delayed or prevented;
- Changes in funding for the FDA and other government agencies or future government shutdowns could cause delays in the submission and regulatory review of marketing applications, which could negatively impact our business or prospects;

- Failure to obtain regulatory approval in foreign jurisdictions would prevent us from marketing our products internationally;
- Any designation granted by the FDA for any of our product candidates may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive marketing approval. We may also not be able to obtain or maintain any such designation;
- Any orphan drug designations we receive may not confer marketing exclusivity or other benefits;
- Even if we or our licensees receive regulatory approval to commercialize our drug candidates, our ability to generate revenues from any resulting products will be subject to a variety of risks, many of which are out of our control;
- If any products we develop become subject to unfavorable pricing regulations, third party reimbursement practices or healthcare reform initiatives, our ability to successfully commercialize our products will be impaired;
- Our drug candidates are subject to ongoing government regulation both before and after regulatory approval;
- We may not be able to establish the contractual arrangements necessary to develop, market and distribute our drug candidates;
- Our commercial opportunity will be reduced or eliminated if competitors develop and market products that are more effective, have fewer side effects or are less expensive than our drug candidates;
- Our product candidates may face competition sooner than anticipated;
- We rely on third parties to conduct our clinical trials and pre-clinical studies. If those parties do not successfully carry out their contractual duties or meet expected deadlines, our drug candidates may not advance in a timely manner or at all;
- We will depend on third party suppliers and contract manufacturers for the manufacturing of our drug candidates and have no direct control over the cost and timing of manufacturing our drug candidates. Increases in the cost of manufacturing our drug candidates or delays in manufacturing would increase our costs of conducting clinical trials and could adversely affect our future profitability;
- We rely on acquisitions or licenses from third parties to expand our pipeline of drug candidates;
- Our commercial success is dependent, in part, on obtaining and maintaining patent protection and preserving trade secrets, which cannot be guaranteed;
- Claims by other companies that we infringe on their proprietary technology may result in liability for damages or stop our development and commercialization efforts;
- We may be subject to claims by third parties asserting that our employees or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property;
- We may be subject to substantial costs stemming from our defense against third party intellectual property infringement claims;
- We face a risk of product liability claims and claims may exceed our insurance limits;
- Our employees, independent contractors, consultants, commercial partners, principal investigators, or clinical contract research organizations (CROs) may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business;
- Our business and operations would suffer in the event of system failures;
- Our efforts will be seriously jeopardized if we are unable to retain and attract key employees;
- Negative U.S. and global economic conditions may pose challenges to our business strategy, which relies on funding from the financial markets or collaborators, including financial and other impacts of macroeconomic and geopolitical trends and events, including the conflicts in Ukraine and between Israel and Hamas and related regional and global ramifications;
- Laws, rules and regulations relating to public companies may be costly and impact our ability to attract and retain directors and executive officers;
- Security breaches, cyber attacks and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer;

- 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 harm our business;
- We or the third parties upon whom we depend may be adversely affected by natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster;
- Limitations on the tax deductibility of net operating losses could adversely affect our business and financial condition;
- Our business could be negatively impacted as a result of actions by activist investors;
- The trading price of the shares of our common stock has been and may continue to be highly volatile and could decline in value and we may incur significant costs from class action litigation;
- Future sales of our common stock, including common stock issued upon exercise of outstanding warrants or options, may depress the market price of our common stock and cause stockholders to experience dilution;
- We will have broad discretion over the use of the net proceeds from any exercise of outstanding warrants and options;
- We are authorized to issue blank check preferred stock, which could adversely affect the holders of our common stock;
- Anti-takeover provisions contained in our amended and restated certificate of incorporation and sixth amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt;
- Our sixth amended and restated bylaws require, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers, other employees or stockholders for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel, which may have the effect of discouraging lawsuits against our directors, officers, other employees or stockholders; and
- Our executive officers and directors may sell shares of their stock, and these sales could adversely affect our stock price.

These risks are not exhaustive. Other sections of this report and our other filings with the Securities and Exchange Commission (SEC) include additional factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Past performance may not be an indicator of future results. The following discussion is qualified in its entirety by, and should be read in conjunction with, the more detailed information set forth in the condensed consolidated financial statements and the notes thereto appearing elsewhere in this Quarterly Report and the audited financial statements and notes thereto included in our 2023 Annual Report, as filed with the SEC. Operating results are not necessarily indicative of results that may occur in future periods.

Overview

MEI Pharma, Inc. (Nasdaq: MEIP) is a clinical-stage pharmaceutical company committed to developing novel and differentiated cancer therapies. We build our pipeline by acquiring promising cancer agents and creating value in programs through clinical development, strategic partnerships, and out-licensing or commercialization, as appropriate. Our approach to oncology drug development is to evaluate our drug candidates in combinations with standard-of-care therapies to overcome known resistance mechanisms and address clear medical needs to provide improved patient benefit. The drug candidate pipeline includes voruciclib, an oral cyclin-dependent kinase 9 (CDK9) inhibitor, and ME-344, an intravenous small molecule inhibitor of mitochondrial oxidative phosphorylation (OXPHOS). Our common stock is listed on the Nasdaq Capital Market under the symbol MEIP.

We believe our cash is sufficient to fund operations for at least 12 months. On October 31, 2023, we announced entry into a Cooperation Agreement (Cooperation Agreement) with Anson Funds (Anson) and Cable Car Capital (Cable Car) which contains the following key terms:

- Capital Return to Stockholders: Payment of a $11.7 million dividend to stockholders on December 6, 2023 and a Potential Second Return of Capital not to exceed $9.33 million. As described below, the Board voted not to proceed with the Potential Second Return of Capital.

- Director Resignations: Three of our former directors resigned from the Board concurrently with the execution of the Cooperation Agreement and did not seek reelection at the 2024 Annual Meeting of Stockholders (2024 Annual Meeting).
- Stockholder Designees Added to the Board: The appointment of two directors designated by Anson and Cable Car, with an additional director appointment mutually agreed upon by us and Anson and Cable Car. These appointments were effective immediately and the new directors were nominated for election by us and elected at the fiscal 2024 Annual Meeting to serve for a three-year term.
- Formation of a Capital Allocation Committee: The formation of a Capital Allocation Committee, comprising five directors including the three new directors. The Capital Allocation Committee will advise the Board on the strategic allocation of capital to support (i) the development of our drug candidate programs and (ii) other value creation or preservation measures, with a view toward maximizing stockholder value.

As part of the Cooperation Agreement, Anson and Cable Car withdrew their consent solicitation and agreed to abide by customary standstill provisions. Additionally, we reimbursed Anson and Cable Car's fees and expenses related to their engagement with us as of the date of the Cooperation Agreement, in the amount of $1.1 million.

In April 2024, the Company reported that its Board unanimously aligned on a strategy to prioritize clinical development of voruciclib while enabling development of a new ME-344 formulation for Phase 1 study. Additionally, the Company's Board unanimously determined not to proceed with a the Potential Second Return of Capital under the October 31, 2023, Cooperation Agreement in order to conserve resources and align strategic investment, and thereby extend the Company's operational runway.

Clinical Development Programs

Our clinical-stage drug candidate pipeline includes voruciclib, an oral CDK9 inhibitor, and ME-344, an intravenous small molecule inhibitor mitochondrial oxidative phosphorylation (OXHPHOS).

Investigational Agents	Therapeutic Area	Combination	Pre-IND	Phase 1/1b	Phase 1/2
Voruciclib Oral CDK9 Inhibitor	Acute Myeloid Leukemia Relapsed/refractory (2L+)	Single-agent VENCLEXTA® (venetoclax)	Completed / Ongoing		
	Solid Tumors*	Single-agent & Vemurafenib	Completed		
ME-344 OXPHOS Inhibition	HER2-negative Breast Cancer**	AVASTIN® (Bevacizumab)	Completed		
	Colorectal Cancer Relapsed	AVASTIN® (Bevacizumab)	Completed		
	Solid Tumors	VEGF Inhibitors (Bevacizumab & tyrosine kinase inhibitors)	New Formulation		

*Three Phase 1 Studies in a total of 77 patients. **Phase 0 window of opportunity study: investigator initiated; placebo controlled.

Voruciclib: Potent Orally Administered CDK9 Inhibitor in Phase 1 Studies

Voruciclib is a selective orally administered CDK9 inhibitor. Voruciclib is being studied in a Phase 1 trial currently evaluating dose and schedule in patients with acute myeloid leukemia (AML) in combination with the B-cell lymphoma 2 (BCL-2) inhibitor venetoclax (marketed as Venclexta®). Voruciclib is also being evaluated in pre-clinical studies to explore potential activity in various solid tumor cancers including in combination with therapies that target the RAS signaling pathway, such as KRAS inhibitors.

Voruciclib Scientific Overview: Cell Cycle Signaling

CDK9 has important functions in cell cycle regulation, including the modulation of two therapeutic targets in cancer:

- CDK9 is a transcriptional regulator of the myeloid leukemia cell differentiation protein (Mcl-1), a member of the family of anti-apoptotic proteins which, when elevated, may prevent the cell from undergoing cell death and result in poor prognosis in cancer. Inhibition of CDK9 blocks the production of Mcl-1, which is also an established resistance mechanism to the BCL-2 inhibitor venetoclax.
- CDK9 is a transcriptional regulator of the MYC proto-oncogene protein (MYC) which regulates cell proliferation and growth. Up regulation of MYC is implicated in many human cancers and is frequently associated with poor prognosis and unfavorable patient survival. CDK9, in addition to being a transcription factor for MYC, also decreases phosphorylation of MYC protein that is implicated in stabilizing MYC in KRAS mutant cancers.

Directly inhibiting MCL1 and MYC has historically been difficult, but CDK9 is a promising approach to indirectly target these oncogenes.

Voruciclib: Inhibition of MCL1

CDK9 is a known transcriptional regulator of MCL1. Over expression of MCL1 is frequently observed in many tumor types and is closely associated with tumorigenesis, poor prognosis and drug resistance. In AML, MCL1 is upregulated in about half of patients with relapsed and refractory (R/R) disease and is associated with poor prognosis in these patients. Also important, high levels of MCL1 expression are associated with resistance to venetoclax.

In pre-clinical studies, voruciclib shows dose-dependent suppression of MCL1; in December 2017, a study of voruciclib published in the journal Nature Scientific Reports reported that the combination of voruciclib plus the BCL-2 inhibitor venetoclax was capable of inhibiting two master regulators of cell survival, MCL-1 and BCL-2, and achieved synergistic antitumor effect in an aggressive subset of DLBCL cells.

In a peer reviewed manuscript published in 2020, it was reported that the inhibition of CDK9 by voruciclib synergistically enhances cell death induced by the BCL-2 inhibitor venetoclax in preclinical models of AML. The data demonstrated that voruciclib synergizes with venetoclax to induce programmed cell death, or apoptosis, in both AML cell lines and primary patient samples. It was also demonstrated that voruciclib downregulates MCL1, which is relevant for the synergy between voruciclib and venetoclax, and further that voruciclib downregulates MYC, which also contributes to the synergies with venetoclax.

Subsequently, and consistent with the reported pre-clinical studies, data from an ongoing Phase 1 study evaluating voruciclib as a single agent and in combination with venetoclax in patients with relapsed or refractory (R/R) AML have also demonstrated the anticipated decreases in Mcl-1 protein.

The research suggests that voruciclib is potentially an attractive therapeutic agent for treating cancers in combination with venetoclax or other BCL-2 inhibitors, to address potential resistance associated with MCL1, and is supportive of our ongoing clinical evaluation of voruciclib in AML.

Voruciclib: Inhibition of MYC

Many cancers are associated with over expression of MYC, a transcription factor regulating cell proliferation and growth. CDK9 is a known regulator of MYC transcription and a modulator of MYC protein phosphorylation. Data reported at the American Association for Cancer Research (AACR) Annual Meeting 2021 in preclinical models demonstrated that voruciclib:

- Results in a rapid decrease in the phosphorylation of proteins that promote MYC transcription;
- Rapidly decreases phosphorylation of MYC protein on Ser62, a site implicated in stabilizing MYC in KRAS mutant cancers;
- Possesses single agent activity against multiple KRAS mutant cancer cell lines both in vitro and in vivo; and
- Synergistically inhibits KRAS G12C mutant cancer cell lines in combination with KRAS G12C inhibitors, both in vitro and in vivo.

The research presented suggests that voruciclib could be an attractive therapeutic agent for both hematological cancers, as well as solid tumors, dependent on the activity of MYC.

Clinical Programs

In a Phase 1 clinical trial, we are currently evaluating the dose and schedule of voruciclib in combination with venetoclax, a BCL-2 inhibitor, in patients with R/R AML. The trial started with the evaluation of dose and schedule of voruciclib as a monotherapy in patients with relapsed and refractory B-cell malignancies and AML after failure of prior standard therapies to determine the safety, preliminary efficacy and maximum tolerated dose. The primary objectives of the study are to determine the safety and biologic effective dose of voruciclib monotherapy or voruciclib in combination with venetoclax. Secondary objectives of the study include assessing the preliminary efficacy, pharmacokinetics, pharmacodynamics, and biomarkers of voruciclib monotherapy or voruciclib in combination with venetoclax.

As we reported in a poster presented at the American Society of Hematology (ASH) Annual Meeting in December 2023, the voruciclib monotherapy dose escalation/expansion stage of the study enrolled a total of 40 patients and is complete. The majority of patients (n=21) had AML and the remaining patients (n=19) had B-cell malignancies. Of the 40 patients enrolled, the first 16 were dosed daily continuously at 50 and 100 mg and the following 24 patients were dosed on an intermittent schedule (14 consecutive days on therapy in a 28-day cycle) at 100, 150 and 200 mg. All patients were heavily pre-treated with a median of three prior therapies (range 1-9), and five patients had prior hematopoietic stem cell transplant. Voruciclib at doses up to 200 mg administered on 14 consecutive days in a 28-day cycle (Cohort 2) was well tolerated with no dose limiting toxicities (DLT) reported. The most common adverse events (≥20% of patients) were diarrhea, nausea, anemia and fatigue. The large majority of adverse events were Grade 1-2; of note, the only Grade 3-4 adverse events in Cohort 2 were diarrhea (n=1) and anemia (n=5). Pharmacokinetics were dose proportional and a mean half-life of approximately 24 hours supports once daily dosing.

On the intermittent dosing schedule selected for further development, no DLTs were observed, there were no Grade 3 or higher drug related toxicities, and dose escalation was stopped at 200 mg before reaching the maximum tolerated dose because plasma concentrations reached levels considered sufficient for target inhibition. In the 21 patients enrolled with AML, one patient at 100 mg achieved a morphologic leukemia-free state and nine patients had disease stabilization, which lasted at least three months in two patients. In the 19 patients enrolled with B-cell malignancies, four patients had stable disease with a decrease in tumor size. Initial results from correlative studies assessing myeloid leukemia cell differentiation protein (Mcl-1) and RNA Pol II phosphorylation on Ser2 (RNA Pol II p-S2) demonstrated reduction in expression consistent with the anticipated on-target pharmacodynamic effect of voruciclib on Mcl-1 and RNA Pol II p-S2.

Since reporting data from the monotherapy stage of the study, we have advanced to the next stage of the study to evaluate seven voruciclib dose levels from 50 mg every other day to 300 mg daily for 14 consecutive days in a 28-day cycle in combination with standard dose venetoclax in patients with R/R AML. In April 2024, we reported that a total of 29 patients with R/R AML, median age 67 years (range 34-89), enrolled in this dose escalation stage of the study evaluating voruciclib in combination with venetoclax. These patients were generally heavily pretreated; the median number of prior therapies was 3 (range 1-7), and 15 (52%) patients had ≥3 prior lines. Almost all patients (28/29) were treated with venetoclax in an earlier line of therapy. Additionally, 21 (72%) patients were noted as being in an adverse 2017 ELN Risk Category due to adverse cytogenetics and molecular mutations.

Of the 20 patients administered voruciclib at a dose of 100 mg or more in combination with venetoclax, three patients achieved a response, including two patients that achieved a complete response with incomplete hematologic recovery (CRi) and one patient that achieved a morphologic leukemia-free state (MLFS), in each case having received venetoclax in an earlier line of treatment. Responses lasted 7 months in one patient, 5 months and ongoing in the second patient, and the third patient was referred to stem cell transplant. Further, an additional 14 patients had stable disease which lasted more than 90 days in 5 patients.

In the 20 patients administered voruciclib at a dose of 100 mg or more in combination with venetoclax, initial results from correlative biomarker assay studies of available samples from patients treated with the combination also demonstrated anticipated decreases of Mcl-1, including a greater decrease in Mcl-1 at higher doses. This supports our hypothesis that voruciclib, as an inhibitor or CDK9, regulates Mcl-1 and therefore may address the upregulation of MCL1 associated with venetoclax. Additional evidence of anti-leukemic activity was also demonstrated by decreases in bone marrow blast counts post voruciclib/venetoclax administration versus pre drug administration in 50% (10/20) of evaluable patients.

Voruciclib at doses up to 300 mg administered on 14 consecutive days in a 28-day cycle in combination with standard dose venetoclax was well tolerated with no dose limiting toxicities observed. The maximum tolerated dose of voruciclib administered on this schedule with venetoclax has not been established. There were no discontinuations due to drug-related adverse events and no evidence of overlapping toxicity has been observed to date. The most common (≥5% of patients) grade 3 adverse events were myelosuppression associated with AML. Only 1 patient was observed as having a non-hematologic grade 3 drug-related adverse event (diarrhea).

The study is ongoing and is also evaluating a 12-patient expansion cohort of voruciclib administered at 300 mg daily for 14 consecutive days in a 28-day cycle in combination with venetoclax. The study will further evaluate escalating doses of voruciclib administered over 21 consecutive days in a 28-day cycle in combination with venetoclax to increase dose intensity and potentially optimize patient response. Clinical data is expected to be reported from the ongoing Phase 1 clinical trial evaluating voruciclib plus venetoclax in patients with R/R AML in the remainder of calendar 2024.

Voruciclib was also previously evaluated in more than 70 patients with solid tumors in multiple Phase 1 studies. The totality of the clinical data, along with data from pre-clinical studies, suggests voruciclib's ability to inhibit its molecular target at a projected dose as low as 150 mg daily. In one clinical study, voruciclib was evaluated in combination with vemurafenib (marketed as Zelboraf®) in nine patients with BRAF mutated advanced/ inoperable malignant melanoma. All three BRAF/MEK naive patients achieved a response: two partial responses and one complete response. In this study voruciclib was dosed at 150 mg daily plus vemurafenib 720 mg or 960 mg twice daily in 28-day cycles. The most common adverse events were fatigue, constipation, diarrhea, arthralgia and headache. One instance of grade 3 fatigue was dose limiting and no serious adverse events related to voruciclib were reported. Other clinical studies evaluated voruciclib at doses up to 850 mg in patients with solid tumors, demonstrating additional evidence of potential biologic activity and an adverse event profile generally consistent with other drugs in its class.

ME-344: Clinical-stage Mitochondrial Inhibitor with Combinatorial Potential

ME-344 is a novel drug candidate that inhibits mitochondrial OXPHOS, a fundamental metabolic pathway involved in the production of adenosine triphosphate (ATP) in the mitochondria. ATP provides energy to drive many metabolic cell processes, including division, proliferation, and growth. By disrupting the production of ATP, ME-344 has been shown to induce cancer cell death in nonclinical models and was associated with antitumor activity in clinical studies. ME-344 has also demonstrated clinical activity in multiple clinical studies in combinations, including with bevacizumab (Avastin®).

Currently, we are advancing ME-344 via development of a new formulation with the goal of increasing biological activity, improving patient convenience of administration and increasing commercial opportunity. We believe a new formulation represents the optimal approach to pursue the potential of the program after observing encouraging data in two clinical studies evaluating the prior ME-344 formulation in combination with bevacizumab (Avastin®).

ME-344 Scientific Overview: Cancer Metabolism

Energy supplied in the form of ATP fuels tumor metabolism supporting cell division and growth. Accordingly, tumor cells often display a high metabolic rate to support tumor cell survival and proliferation. This heightened metabolism requires a continual supply of energy in the form of ATP. Anti-angiogenics, such as the vascular endothelial growth factor (VEGF) inhibitor bevacizumab, have the potential to normalize vasculature and decrease reliance on glycolysis for ATP. The resulting reduction in glycolysis may trigger an increased dependence on mitochondrial ATP production for energy to support continued tumor proliferation. In such cases of tumor plasticity, the combination of ME-344 and bevacizumab may induce metabolic synthetic lethality, providing a novel therapeutic strategy. Specifically, leveraging the ability of antiangiogenics like bevacizumab to reduce glycolysis and force tumor cells to switch to mitochondrial respiration via OXPHOS, which is inhibited by ME-344, may reduce access to ATP needed for cell division and growth in tumors.

We obtained initial clinical data on this approach in a completed investigator-initiated, multi-center, randomized, controlled, window of opportunity clinical trial evaluating ME-344 in combination with bevacizumab that enrolled a total of 42 patients with human epidermal growth factor receptor 2 (HER2) negative breast cancer. Further clinical support for the combination of ME-344 in combination with bevacizumab was reported in April 2024 from a Phase 1b study of patients with relapsed metastatic colorectal cancer ("mCRC") after failure of standard therapies. This study demonstrated clinical activity, including an effect on progression free survival in a cohort of 23 patients.

An earlier Phase 1 clinical study evaluating ME-344 as a single-agent in patients with refractory solid tumors also demonstrated anti-tumor activity, further validating the potential of mitochondrial inhibition as a promising therapeutic modality.

Clinical Program

ME-344 has been evaluated pre-clinically and clinically as a single agent and in combination with anti-angiogenics such as bevacizumab. When evaluated as a single agent, ME-344 demonstrated evidence of activity against refractory solid tumors in a Phase 1b trial, and in pre-clinical studies tumor cells treated with ME-344 resulted in a rapid loss of ATP and cancer cell death. In addition to single agent activity, ME-344 has also demonstrated significant potential in combination with anti-angiogenic therapeutics.

Pre-clinical studies, have shown that one outcome of anti-angiogenics is a reduced rate of glycolysis in tumors as a mechanism to slow tumor growth. However, when faced with reduced glycolysis and reduced ATP production, tumor metabolism was able to shift to mitochondrial metabolism for energy production to support continued tumor proliferation. In such cases of tumor plasticity in the presence of treatment with anti-angiogenics, contemporaneously targeting the mitochondria as an alternative metabolic source of ATP with ME-344 may open an important development opportunity.

Support for this combinatorial use of ME-344 was first published in the June 2016 edition of Cell Reports; pre-clinical data from a collaboration with the Spanish National Cancer Research Centre in Madrid demonstrated mitochondria-specific effects of ME-344 in cancer cells, including substantially enhanced anti-tumor activity when combined with agents that inhibit the activity of VEGF. These data demonstrating the potential anti-cancer effects of combining ME-344 with a VEGF inhibitor due to an inhibition of both mitochondrial and glycolytic metabolism provided a basis for commencement of an investigator-initiated trial of ME-344 in combination with bevacizumab in HER2 negative breast cancer patients.

Results published in the November 2019 issue of Clinical Cancer Research from a multi-center, investigator-initiated, randomized, controlled, clinical trial that evaluated the combination of ME-344 and bevacizumab in 42 women with early HER2-negative breast cancer provided evidence for the combinatorial use of ME-344 with anti-angiogenic therapeutics.

The primary objective of the trial was to show proof of ME-344 biologic activity as measured by reductions in the nuclear protein Ki67 (expression of which is strongly associated with tumor cell proliferation and growth) from days 0 to 28 compared to the control group who received bevacizumab alone. Secondary objectives included determining whether ME-344 biologic activity correlates with vascular normalization. The data demonstrated significant biologic activity in the ME-344 treatment group:

- In ME-344 treated patients, mean absolute Ki67 decreases were 13.3 compared to an increase of 1.1 in the bevacizumab monotherapy group (P=0.01).
- In ME-344 treated patients, mean relative Ki67 decreases were 23% compared to an increase of 186% in the bevacizumab monotherapy group (P < 0.01).
- The mean relative Ki67 reduction in patients experiencing vascular normalization in the ME-344 treated patients was 33%, compared to an increase of 11.8% in normalized patients from the bevacizumab monotherapy group (P=0.09). Approximately one-third of patients in each arm had vascular normalization.

Treatment was generally well tolerated; three grade 3 adverse events of high blood pressure were reported, two in the ME-344 arm and one in the bevacizumab monotherapy arm.

Building on the clinical study evaluating patients with breast cancer, a Phase 1b study evaluating ME-344 in combination with bevacizumab in patients with relapsed metastatic colorectal cancer ("mCRC") after failure of standard therapies was initiated. The study was designed to evaluate ME-344 plus bevacizumab in up to two cohorts of approximately 20 patients each. The option to enroll the second cohort was conditioned upon Cohort 1 reaching a predetermined non-progression threshold of at least 20% at four months. Patients in the study were treated until disease progression or intolerability. The primary endpoint of the study was 16-week progression free survival ("PFS"), and secondary endpoints included overall PFS, duration of response, overall survival and safety.

ME-344 was administered once weekly on Days 1, 8 and 15 combined with bevacizumab on Days 1 and 15 of each 28-day cycle. Cohort 1 enrolled a total of 23 patients with relapsed mCRC. Patients were generally heavily pretreated; the median number of prior lines of therapy was 4 (range 1-8), 18 (78%) patients had ≥3 prior lines, and all patients had previously received bevacizumab and standard chemotherapy. As reported in April 2024, the combination was generally well tolerated with no overlapping toxicities observed. Two patients (9%) discontinued therapy due to an adverse event: fatigue considered related to study drugs and sepsis considered unrelated. The most common (≥10% of patients) drug-related adverse events (all grades/grade ≥3) were fatigue in 8 (35%) / 3 (13%) patients and abdominal pain in 3 (13%) / 2 (9%) patients.

It was further reported that in the first cohort, 5 of 20 (25%) evaluable patients completed 16 weeks of therapy without evidence of disease progression, exceeding the 20% predetermined threshold as set forth in the Clinical Study Protocol to proceed to Cohort 2. The median PFS was 1.9 months, the 4-month PFS rate was 31.2%, and the median overall survival was 6.7 months with 15 patients censored at the time of analysis. Nine (45%) of the 20 evaluable patients had stable disease. Although Cohort 1 exceeded the predetermined PFS threshold, the Company decided not to initiate enrollment in a second cohort.

Results from an earlier, first-in-human, single-agent Phase 1 clinical trial of ME-344 in patients with refractory solid tumors were published in the April 1, 2015 edition of Cancer. The results indicated that eight of 21 evaluable patients (38%) treated with ME-344 achieved stable disease or better, including five who experienced progression-free survival that was at least twice the duration of their last prior treatment before entry into the trial. In addition, one of these patients, a heavily pre-treated patient with small cell lung cancer, achieved a confirmed partial response and remained on study for two years. ME-344 was generally well tolerated at doses equal to or less than 10 mg/kg delivered on a weekly schedule for extended durations. Treatment-related adverse events included nausea, dizziness and fatigue. Dose-limiting toxicities were observed at both the 15 mg/kg and 20 mg/kg dose levels, consisting primarily of grade 3 peripheral neuropathy.

We are continuing to pursue ME-344 via development of a new formulation to advance our novel approach to inducing synthetic lethality in tumors in combination with VEGF inhibitors such as bevacizumab (Avastin®). The Company has already initiated research and development activity of the new formulation, with the goal of increasing biological activity, improving convenience of administration and increasing commercial opportunity.

Zandelisib: PI3Kδ Inhibitor Overview

Zandelisib is an oral, once-daily, selective PI3Kδ inhibitor that we were jointly developing with KKC under a global license, development and commercialization agreement entered into in April 2020.

In March 2022, we and KKC reported the outcome of an end of Phase 2 meeting with the FDA wherein the agency discouraged a filing based on data from a single-arm Phase 2 TIDAL trial. At this meeting, the FDA stated that data generated from single arm studies such as the Phase 2 TIDAL trial are insufficient to adequately assess the risk/benefit of PI3Kδ inhibitors evaluating indolent non-Hodgkin lymphoma. At that time, the FDA emphasized that the company continue efforts with the ongoing randomized Phase 3 COASTAL trial evaluating patients with relapsed or refractory follicular or marginal zone lymphomas. Subsequently, at an April 2022 meeting of the FDA Oncology Drugs Advisory Committee, the committee voted that future approvals of PI3Kδ inhibitors for hematologic malignancies should be supported by randomized data.

In November 2022, we and KKC met with the FDA in a follow-up meeting to the March 2022 end of Phase 2 meeting. At this meeting, the FDA provided further guidance regarding the design and statistical analysis for the Phase 3 COASTAL trial. Following the November meeting, the companies jointly concluded that a clinical trial consistent with the recent FDA guidance, including

modification of the ongoing COASTAL trial, would likely not be feasible to complete within a time period that would support further investment or with sufficient certainty of the regulatory requirements for approval to justify continued global development efforts. As a result, we and KKC jointly decided to discontinue global development of zandelisib for indolent forms of non-Hodgkin lymphoma outside of Japan. The discontinuation of zandelisib development outside of Japan was a business decision based on the most recent regulatory guidance from the FDA and is not related to the zandelisib clinical data generated to date. After making the joint decision to terminate development outside of Japan, we and KKC began closing all ongoing zandelisib clinical studies outside of Japan, including the Phase 3 COASTAL trial, the Phase 2 TIDAL trial, and the Phase 2 CORAL trial.

Subsequently, in May 2023, KKC decided to discontinue development of zandelisib in Japan. The discontinuation of zandelisib in Japan was a business decision by KKC based on the most recent regulatory guidance from the Pharmaceuticals and Medical Devices Agency in Japan and was not related to the zandelisib clinical data generated to date.

On July 14, 2023, we entered into a Termination Agreement (the Termination Agreement) with KKC to terminate all agreements between the parties and cease further zandelisib clinical development globally. Activities associated with the compassionate use supply were completed during the first half of fiscal 2024. We anticipate completing the wind-down activities associated with the KKC Commercialization Agreement in fiscal year 2024.

KKC License, Development and Commercialization Agreement

In April 2020, we entered into the KKC Commercialization Agreement under which we granted to KKC a co-exclusive, sublicensable, payment-bearing license under certain patents and know-how controlled by us to develop and commercialize zandelisib and any pharmaceutical product containing zandelisib for all human indications in the U.S. (the U.S. License), and an exclusive (subject to certain retained rights to perform obligations under the KKC Commercialization Agreement), sublicensable, payment- bearing, license under certain patents and know-how controlled by us to develop and commercialize zandelisib and any pharmaceutical product containing zandelisib for all human indications in countries outside of the U.S. (the Ex-U.S. and the Ex-U.S. License). Also under the KKC Commercialization Agreement, we were granted a co-exclusive, sublicensable, license under certain patents and know-how controlled by KKC to develop and commercialize zandelisib for all human indications in the U.S., and a co-exclusive, sublicensable, royalty-free, fully paid license under certain patents and know-how controlled by KKC to perform our obligations in the Ex-U.S. and were paid an initial non-refundable payment of $100.0 million. Additionally, in Japan, the KKC Commercialization Agreement included potential regulatory and commercialization milestone payments plus royalties on net sales of zandelisib in Japan, which are tiered beginning in the teens. Prior to the execution of the Termination Agreement on July 14, 2023, KKC was responsible for the development and commercialization of zandelisib in the Ex-U.S. and, subject to certain exceptions, solely responsible for all costs related thereto. We also provided to KKC certain drug supplies necessary for the development and commercialization of zandelisib in the Ex-U.S., with the understanding that KKC would have assumed responsibility for manufacturing for the Ex-U.S. as soon as practicable.

As noted above, on July 14, 2023, we entered into a Termination Agreement with KKC to mutually terminate the KKC Commercialization Agreement and all other related agreements between the parties. Pursuant to the Termination Agreement:

- we regained full, global rights to develop, manufacture and commercialize zandelisib, subject to KKC's limited rights to use zandelisib for compassionate use (as more specifically defined in the Termination Agreement) in certain expanded access programs for the existing patients who have been enrolled in Japanese clinical trial sponsored by KKC until November 30, 2027, and for which KKC is fully liable;
- each party released the other party from any and all claims, demands, etc. arising from the KKC Commercialization Agreement, excluding certain surviving claims; and
- we are obligated to deliver a discrete quantity of materials to facilitate KKC's compassionate use activities.

As of June 30, 2023, we had $64.9 million of aggregate deferred revenue associated with the KKC Commercialization Agreement, of which $64.5 million was allocated to the U.S. License and $0.3 million was allocated to the Development Services performance obligations which were recognized based on the proportional performance of these development activities through wind-down of the associated trials. As further discussed in *Note 7. License Agreements*, in connection with the execution of the Termination Agreement during the three months ended September 30, 2023, we recognized the $64.5 million of noncash long-term deferred revenue associated with the U.S. License as well as the remaining $0.3 million noncash deferred revenue associated with the completion of the underlying proportional performance activities. As of September 30, 2023, all deferred revenue associated with the KKC Commercialization Agreement had been recognized.

Components of Results of Operations

Operating Expenses

Research and development

Research and development expenses consist primarily of clinical trial costs and includes payments to contract research organizations (CROs), pre-clinical study costs, and costs to manufacture our drug candidates for non-clinical and clinical studies. Other research and development expenses consist primarily of salaries and personnel costs, share-based compensation, and other costs not allocated to specific drug programs.

We expense research and development costs as incurred. Research and development activities are central to our business model. In-licensing fees and other costs to acquire technologies used in research and development that have not yet received regulatory approval and that are not expected to have an alternative future use are expensed when incurred.

We expect research and development expenses will continue to increase for the foreseeable future and will comprise a larger percentage of our total expenses as we conduct clinical trials for our current product candidates in development and continue to discover and develop additional candidates.

General and Administrative

General and administrative expenses consist primarily of personnel costs, which include salaries and other related costs, including share-based compensation for personnel in our executive, finance, business development, operations and administrative functions. General and administrative expenses also include legal fees relating to intellectual property and corporate matters; professional fees for accounting, auditing, tax and consulting services; insurance costs; travel expenses; facilities-related costs, which include direct depreciation costs and expenses for rent and maintenance of facilities and other operating costs that are not specifically attributable to research activities.

Other Income (Expense)

Other income (expense) primarily relates to investment income received on our short-term investments. During fiscal 2023, other income (expense) also included changes in fair value related to our warrant liability.

Results of Operations

Comparison of Three Months Ended March 31, 2024 and 2023

The following table summarizes certain components of our results of operations (in thousands):

	For the Three Months Ended March 31,			
	2024	2023	$ Change	% Change
Revenues	$ —	$ 5,894	$ (5,894)	(100.0)%
Research and development	5,220	15,104	(9,884)	(65.4)%
General and administrative	4,609	7,181	(2,572)	(35.8)%
Other income, net	702	953	(251)	(26.3)%

Revenue: We recognized no revenue for the three months ended March 31, 2024 compared to $5.9 million for the three months ended March 31, 2023. The decrease in revenue was due to the termination of the KKC Commercialization Agreement in July 2023 and all remaining deferred revenue having been recognized during the three months ended September 30, 2023.

***Research and Development*:** The following is a summary of our research and development expenses to supplement the more detailed discussion below (in thousands).

	For the Three Months Ended March 31,	
	2024	2023
zandelisib	$ 26	$ 7,763
voruciclib	1,382	698
ME-344	1,791	205
Other	2,021	6,438
Total research and development expenses	$ 5,220	$ 15,104

Costs related to zandelisib decreased $7.7 million primarily due to the discontinuation of the program during fiscal year 2023. Costs related to voruciclib increased $0.7 million mainly due to increased clinical costs in the Phase 1 study. Costs related to ME-344 increased $1.6 million due to increased clinical costs related to the Phase 1b study and manufacturing costs of ME-344 to support clinical and non-clinical studies. Other research and development costs decreased $4.4 million primarily due to a decrease of $4.2 million in personnel costs resulting from our reductions in workforce including a $1.1 million decrease in one-time employee termination benefits.

***General and Administrative*:** General and administrative expenses decreased by $2.6 million to $4.6 million for the three months ended March 31, 2024 compared to $7.2 million for the three months ended March 31, 2023. The decrease was primarily due to $1.0 million less personnel costs resulting from our reductions in workforce, a $0.7 million decrease in legal fees and a $0.6 million decrease in external professional services.

Other Income, net: Other income, net, decreased by $0.3 million to $0.7 million for the three months ended March 31, 2024 compared to $1.0 million for the three months ended March 31, 2023 primarily due to lower interest and dividend income as a result of less short-term investments.

Comparison of Nine Months Ended March 31, 2024 and 2023

The following table summarizes certain components of our results of operations (in thousands):

	For the Nine Months Ended March 31,			
	2024	2023	$ Change	% Change
Revenues	$ 65,297	$ 47,359	$ 17,938	37.9 %
Research and development	12,617	49,880	(37,263)	(74.7)%
General and administrative	19,158	23,163	(4,005)	(17.3)%
Other income, net	2,662	3,875	(1,213)	(31.3)%

Revenue: We recognized revenue of $65.3 million for the nine months ended March 31, 2024 compared to $47.4 million for the nine months ended March 31, 2023. The increase in revenue was primarily due to the recognition of all remaining deferred revenue associated with the KKC Commercialization Agreement that was terminated in July 2023, offset by a decrease in revenue recognized during the nine months ended March 31, 2024, related to cost sharing from the KKC Commercialization Agreement.

***Research and Development*:** The following is a summary of our research and development expenses to supplement the more detailed discussion below (in thousands).

	For the Nine Months Ended March 31,	
	2024	2023
zandelisib	$ 417	$ 27,634
voruciclib	1,570	1,859
ME-344	4,396	1,053
Other	6,234	19,334
Total research and development expenses	$ 12,617	$ 49,880

Costs related to zandelisib decreased $27.2 million primarily as a result of the discontinuation of the program during fiscal year 2023 with lower costs in fiscal year 2024 associated with wind-down activities. Costs related to voruciclib decreased $0.3 million mainly due to lower manufacturing costs. Costs related to ME-344 increased $3.3 million due to higher clinical costs related to the Phase 1b study and manufacturing costs of ME-344 to support clinical and non-clinical studies. Other research and development costs decreased $13.1 million primarily due to a decrease of $11.6 million in personnel costs resulting from our reductions in workforce, including a $1.7 million decrease in one-time employee termination benefits and a $1.0 million decrease in noncash stock-based compensation.

***General and Administrative*:** General and administrative expenses decreased by $4.0 million to $19.2 million for the nine months ended March 31, 2024 compared to $23.2 million for the nine months ended March 31, 2023. The decrease was primarily due to $3.3 million less personnel costs resulting from our reductions in workforce, $0.7 million less external professional services, $0.6

million less corporate overhead costs and $0.4 million less noncash stock-based compensation partially offset by a $1.0 million increase in legal fees primarily associated with the Cooperation Agreement.

Other Income, net: Other income, net, decreased by approximately $1.2 million to $2.7 million for the nine months ended March 31, 2024 compared to $3.9 million for the nine months ended March 31, 2023. We recognized a noncash gain of $1.6 million during the nine months ended March 31, 2023, due to a change in the fair value of our warrant liability with no similar gain during the nine months ended March 31, 2024, because of the underlying warrants expiring in May 2023. Additionally, we received interest and dividend income of $2.7 million for the nine months ended March 31, 2024 compared to $2.3 million for the nine months ended March 31, 2023. The increase in interest and dividend income is primarily due to higher yields during the nine months ended March 31, 2024 compared to the nine months ended March 31, 2023.

Liquidity and Capital Resources

We have accumulated losses of $369.8 million since inception and expect to incur operating losses and generate negative cash flows from operations for the foreseeable future. As of March 31, 2024, we had $56.6 million in cash and cash equivalents, and short-term investments. We believe that these resources will be sufficient to fund our operations for at least 12 months from the issuance of this Quarterly Report. Our current business operations are focused on continuing the clinical development of our drug candidates. Changes to our research and development plans or other changes affecting our operations and operating expenses may affect actual future use of existing cash resources. We cannot determine with certainty costs associated with ongoing and future clinical trials or the regulatory approval process. The duration, costs and timing associated with the development of our product candidates will depend on a variety of factors, including uncertainties associated with the results of our clinical trials.

To date, we have obtained cash and funded our operations primarily through equity financings and license agreements. In order to continue the development of our drug candidates, at some point in the future we expect to pursue one or more capital transactions, whether through the sale of equity securities, debt financing, license agreements or entry into strategic partnerships. There can be no assurance that we will be able to continue to raise additional capital in the future.

Cash Flows

Sources and Uses of Our Cash

Net cash used in operating activities for the nine months ended March 31, 2024 of $32.5 million consisted of our net income of $36.2 million and $3.3 million for noncash items offset by $71.9 million in changes in our operating assets and liabilities primarily due to recognition of $64.9 million in noncash deferred revenue. Net cash used in operating activities for the nine months ended March 31, 2023 of $41.2 million consisted of our net loss of $21.8 million and changes in our operating assets and liabilities of $22.9 million partially offset by $3.5 million in noncash items.

Net cash provided by investing activities for the nine months ended March 31, 2024 was $29.6 million as compared to $34.3 million cash provided by investing activities for the nine months ended March 31, 2023. The increase was primarily due to timing differences between the purchases of and maturities of short-term investments during the nine months ended March 31, 2024 against the comparative period.

Net cash used in financing activities during the nine months ended March 31, 2024 was $11.7 million due to the payment of dividends agreed to under the Cooperation Agreement. Net cash used in financing activities during the nine months ended March 31, 2023 was $40,000 due to the payment of withholding taxes upon the vesting of restricted stock units (RSU) in exchange for common shares surrendered by RSU holders.

Capital Resource Requirements

In January 2022, we amended our facility lease for an additional 20 months through November 2029. The amended lease agreement also provided for additional lease space that we took control over on July 1, 2022. Under the terms of the lease, we are obligated to make aggregate remaining lease payments as of March 31, 2024 of $14.6 million, excluding common area maintenance and other variable consideration due under the lease agreement. Estimated lease payments for the remainder of our fiscal year ended June 30, 2024 are expected to be $0.6 million, excluding common area maintenance and other variable consideration due under the lease agreement.

As of March 31, 2024, we have the following potential purchase obligations for which the timing and/or likelihood of occurrence is unknown; however, if such claims arise in the future, they could have a material effect on our financial position, results of operations, and cash flows.

- Under our remaining license agreements, we have payment obligations that are contingent upon future events such as our achievement of specified development, regulatory and commercial milestones and are required to make royalty payments

in connection with the sales of products developed under those agreements. For additional details regarding these agreements, see the section titled *Note 8—Other License Agreements* and *Note 6—Commitments and Contingencies* to our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report;

- Obligations under contracts that are cancelable without significant penalty;
- Purchase orders issued in the ordinary course of business as they represent authorizations to purchase the items rather than binding agreements; and
- Contracts in the normal course of business with clinical supply manufacturers and with vendors for preclinical studies, research supplies and other services and products for operating purposes. These contracts are cancelable and generally provide for termination after a notice period.

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

- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our product candidates;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs of establishing or contracting for sales, marketing and distribution capabilities if we obtain regulatory approvals to market our product candidates;
- the costs of securing and producing drug substance and drug product material for use in preclinical studies, clinical trials and for use as commercial supply;
- the costs of securing manufacturing arrangements for development activities and commercial production;
- the scope, prioritization and number of our research and development programs;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Estimate Considerations Related to Macroeconomic Conditions and other Geopolitical Conditions

Due to recent disruptions in access to bank deposits and lending commitments associated with bank failures, macroeconomic and geopolitical conditions, there has been uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require an update to our estimates or judgments or a revision of the carrying value of its assets or liabilities as of March 31, 2024. While there was no material impact to our condensed consolidated financial statements as of and for the three and nine months ended March 31, 2024, these estimates may change, as new events occur and additional information is obtained, which could materially impact our condensed consolidated financial statements in future reporting periods.

Critical Accounting Policies and Management Estimates

We describe our significant accounting policies in *Note 1. The Company and Summary of Significant Accounting Policies*, of the notes to the financial statements included in our 2023 Annual Report. We discuss our critical accounting estimates in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our 2023 Annual Report. There have been no changes in our significant accounting policies or critical accounting estimates since June 30, 2023.

Recent Accounting Pronouncement

See *Note 2. Summary of Significant Accounting Policies* in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our exposure to market interest rates relates primarily to the investments of cash balances and short-term investments. We have cash reserves held in U.S. dollars and we place funds on deposit with financial institutions, which are readily available. Our short-term investments consist solely of U.S. government securities with a maturity of three to twelve months.

We place our cash deposits with high credit quality financial institutions and by policy limit the amount of credit exposure to any one corporation or bank. These deposits are in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits. We are adverse to principal loss and we ensure the safety and preservation of our invested funds by limiting default risk, market risk and reinvestment risk. We seek to mitigate default risk by depositing funds with high credit quality financial institutions, by limiting the amount of credit exposure to any one corporation or bank, by purchasing short-term investments consisting of U.S. government securities, and by positioning our portfolio to respond appropriately to a significant reduction in a credit rating of any such financial institution.

We do not consider the effects of interest rate movements to be a material risk to our financial condition.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2024. Based on such evaluation, our CEO and CFO have concluded that, as of March 31, 2024, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission's, or SEC’s, rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the fiscal quarter ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those included in our 2023 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

(c) **Trading Plans.** During the three months ended March 31, 2024, no director or officer of the Company adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 trading arrangement") or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

Exhibit Index

Exhibit Number	Description	Incorporated by Reference Herein			
		Schedule/ Form	File No.	Exhibit	Filing Date
10.1*	Amended and Restated 2008 Stock Omnibus Equity Compensation Plan (December 2023)				
10.2	Employment Agreement between MEI Pharma, Inc. and Richard Ghalie dated January 16, 2024	10-Q	001-41827	10.4	February 13, 2024
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of Principal Executive Officer and Principal Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C 1350).				
101INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				
104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the XBRL document.				

* Filed herewith

** Furnished herewith

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.

MEI Pharma, Inc.

/s/ Justin J. File

Justin J. File
Chief Financial Officer and Secretary

Date: May 9, 2024

MEI PHARMA, INC.
AMENDED AND RESTATED
2008 STOCK OMNIBUS EQUITY COMPENSATION PLAN

Effective as of December 18, 2023

Section 1. Purpose

The Plan authorizes the Compensation Committee to provide Advisors, Employees and Non-Employee Directors that are providing services to the Company or its Affiliates, who are in a position to contribute to the long-term success of the Company or its Affiliates, with Grants. The Company believes that this incentive program will cause those Advisors, Employees and Non-Employee Directors to increase their interest in the welfare of the Company and its Affiliates, and aid in attracting, retaining and motivating Advisors, Employees and Non-Employee Directors of outstanding ability.

The Plan was originally effective as of December 9, 2008 upon approval by the stockholders of the Company. The Plan has been amended and restated several times since its original effective date, most recently as of December 18, 2023. This amendment and restatement of the Plan is effective as of the Restatement Effective Date.

Section 2. Definitions

Capitalized terms used herein shall have the meanings set forth in this Section.

(a) "Advisor" shall mean advisors who render bona fide services to the Company or its subsidiaries where the services are not in connection with the offer and sale of securities in a capital-raising transaction and the Advisors do not directly or indirectly promote or maintain a market for the Company's securities.

(b) "Affiliate" shall mean any Person which is included as a member with the Company in a controlled group of corporations, within the meaning of Code section 414(b), or which is a trade or business (whether or not incorporated) included with the Company in a group of trades or business under common control, within the meaning of Code section 414(c); provided, however, that in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code section 414(b), the language "at least 20 percent" is used instead of "at least 80 percent" each place it appears in Code sections 1563(a)(1), (2) and (3), and in applying Treas. Reg. section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code section 414(c), the language "at least 20 percent" is used instead of "at least 80 percent" each place it appears in Treas. Reg. section 1.414(c)-2.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Cause" shall have the meaning ascribed thereto in any effective employment or service agreement between the Company and the Grantee, or if no employment agreement is in effect that contains a definition of cause, then Cause shall mean a finding by the Compensation Committee, in its sole and absolute discretion, that the Grantee has (i) committed a felony or a crime involving moral turpitude, (ii) committed any act of gross negligence or fraud, (iii) failed,

refused or neglected to substantially perform his duties (other than by reason of a physical or mental impairment) or to implement the directives of the Company, (iv) materially violated any policy of the Company, or (v) engaged in conduct that is materially injurious to the Company, monetarily or otherwise.

(e) "Change in Control" shall be deemed to have occurred if:

(i) Any "person" (as such term is used in sections 13(d) and 14(d) of the Exchange Act) becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the voting power of the then outstanding securities of the Company; provided that a Change in Control shall not be deemed to occur as a result of a transaction in which the Company becomes a subsidiary of another corporation and in which the stockholders of the Company, immediately prior to the transaction, will beneficially own, immediately after the transaction, shares entitling such stockholders to more than 50% of all votes to which all stockholders of the parent corporation would be entitled in the election of directors.

(ii) The consummation of (A) a merger or consolidation of the Company with another corporation where the stockholders of the Company, immediately prior to the merger or consolidation, will not beneficially own, immediately after the merger or consolidation, shares entitling such stockholders to more than 50% of all votes to which all stockholders of the surviving corporation would be entitled in the election of directors, or where the members of the Board, immediately prior to the merger or consolidation, would not, immediately after the merger or consolidation, constitute a majority of the board of directors of the surviving corporation, (B) a sale or other disposition of all or substantially all of the assets of the Company, or (C) a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Grant constitutes deferred compensation subject to Code section 409A and the Grant provides for payment upon a Change in Control, then, for purposes of such payment provisions, no Change in Control shall be deemed to have occurred upon an event described in items (i) and (ii) above unless the event would also constitute a change in ownership or effective control of, or a change in the ownership of a substantial portion of the assets of, the Company under Code section 409A.

(f) "Clawback Policy" shall mean any applicable clawback policy approved by the Board or Compensation Committee, as in effect from time to time, whether approved before or after the award of a Grant.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder.

(h) "Company" shall mean MEI Pharma, Inc., a corporation organized under the laws of the State of Delaware.

"Compensation Committee" shall mean the members of the Board appointed by the Board to serve as the Compensation Committee with responsibility for the administration of the Plan, or if no such members of the Board are appointed, then the Compensation Committee

shall consist of all of the members of the Board. In any case, the Board shall approve and administer all grants made to Non-Employee Directors. The members of the Board appointed to serve as the Compensation Committee, if applicable, should consist of two or more Persons who are "non-employee directors" as defined under Rule 16b-3 under the Exchange Act. To the extent that the Board or a subcommittee administers the Plan, references in the Plan to the "Compensation Committee" shall be deemed to refer to the Board or such subcommittee.

"Disability" or "Disabled" shall mean a Grantee's becoming disabled within the meaning of Code section 22(e)(3) or as otherwise determined by the Compensation Committee.

(k) "Employee" shall mean any individual that is providing, or has agreed to provide, services to the Company or an Affiliate of the Company as an employee.

(1) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(m) "Exercise Price" shall mean the purchase price of a Share subject to an Option, which shall not be less than the Fair Market Value of a Share as of the date an Option is granted.

(n) "Fair Market Value" of a Share on any given date, unless the Compensation Committee determines otherwise with respect to a particular Grant, shall mean (i) if the principal trading market for the Shares is a national securities exchange, the last reported sale price during regular trading hours thereof of a Share on the relevant date or (if there were no trades on that date) the last reported sales price during regular trading hours on the latest preceding date upon which a sale was reported, (ii) if the Shares are not principally traded on such exchange, the mean between the last reported "bid" and "asked" prices of a Share during regular trading hours on the relevant date, as reported on the OTC Bulletin Board, or (iii) if the Shares are not publicly traded or, if publicly traded, are not so reported, the Fair Market Value per share shall be as determined by the Compensation Committee pursuant to any reasonable valuation method authorized under the Code.

(o) "Full Value Award" shall mean a Grant other than an Option or SAR, and which is settled in Shares.

(p) "Grant" shall mean a grant of Options, SARs, Stock Awards, Stock Units or Other Stock-Based Awards under the Plan.

(q) "Grant Letter" shall mean a letter, certificate or other agreement accepted by the Grantee (which may also be in electronic form), evidencing the making of a Grant hereunder and containing such terms and conditions, not inconsistent with the express provisions of the Plan, as the Compensation Committee shall approve.

(r) "Grantee" shall mean an Advisor, Employee or Non-Employee Director made a Grant under the Plan.

(s) "ISO" shall mean any Option or portion thereof that meets the requirements of an incentive stock option under Code section 422 and that is designated by the Compensation Committee to be an ISO.

(t) "Non-Employee Director" shall mean a member of the Board who is not an Employee.

(u) "Nonqualified Option" shall mean any Option or portion thereof that is not an ISO.

(v) "Options" shall refer to options issued under and subject to the Plan.

(w) "Other Stock-Based Award" shall mean any Grant based on, measured by or payable in Shares (other than those described in Sections 5, 6, 7 and 8 of the Plan), as described in Section 9.

(x) "Performance Goals" shall mean objectively determinable performance goals that may be based on one or more of the following criteria: stock price, earnings per share, net earnings, operating earnings, earnings before income taxes, EBITDA (earnings before income tax expense, interest expense, and depreciation and amortization expense), return on assets, shareholder return, return on equity, grow thin assets, unit volume, sales or market share, or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, geographic business expansion goals, cost targets or goals relating to acquisitions or divestitures; pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus); appreciation in and/or maintenance of the price of the Shares or any other publicly-traded securities of the Company; improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable; general and administrative expense savings; year-end cash; regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents and passing pre-approval inspections (whether of the Company or the Company's third-party manufacturer) and validation of manufacturing processes (whether the Company's or the Company's third-party manufacturer's)); clinical achievements (including initiating clinical studies, initiating enrollment, completing enrollment or enrolling particular numbers of subjects in clinical studies, completing phases of a clinical study (including the treatment phase), or announcing or presenting preliminary or final data from clinical studies, in each case, whether on particular timelines or generally); strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with commercial entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors); co-development, co-marketing, profit sharing, joint venture or other similar arrangements; financing and other capital raising transactions (including sales of the Company's equity or debt securities); debt level year-end cash position; competitive market metrics; timely completion of new product roll-outs; sales or licenses of the Company's assets (including its intellectual property, whether in a particular jurisdiction or territory or globally, or through partnering transactions); royalty income; implementation, completion or attainment of measurable objectives with respect to research, development, manufacturing, commercialization, products or projects, acquisitions and divestitures, or such other criteria as the Compensation Committee determines. The business

criteria may relate to the performance of the Company, or the performance of a parent company, a subsidiary, division, business segment or business unit of the Company or a subsidiary, or based upon performance relative to performance of other companies or upon comparisons or any of the indicators of performance relative to performance of other companies, or any combination of the foregoing. Any performance goals that are financial metrics, may be determined in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), in accordance with accounting principles established by the International Accounting Standards Board ("IASB Principles"), or may be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP or under IASB Principles. The Compensation Committee may provide for exclusion of the impact of an event or occurrence which the Compensation Committee determines should appropriately be excluded, including (A) restructurings, discontinued operations, and other unusual, infrequently occurring or non-recurring charges, (B) an event either not directly related to the operations of the Company, Company subsidiary, division, business segment or business unit or not within the reasonable control of management, or (C) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles.

(y) "Person" shall mean an individual, partnership, corporation, limited liability company or partnership, trust, unincorporated organization, joint venture, government (or agency or political subdivision thereof) or any other entity of any kind.

(z) "Plan" shall mean this Amended and Restated MEI Pharma, Inc. 2008 Omnibus Equity Compensation Plan as set forth herein and as amended from time to time.

(aa) "Restatement Effective Date" shall mean December 18, 2023.

(bb) "SAR" shall mean a stock appreciation right with respect to a Share.

(cc) "Share" shall mean a share of common stock of the Company.

(dd) "Stock Award" shall mean an award of Shares, with or without restrictions.

(ee) "Stock Unit" shall mean a unit that represents a hypothetical Share.

(ff) "Substitute Awards" shall mean Grants made or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Company subsidiary or with which the Company or any subsidiary combines.

Section 3. Shares Available under the Plan

(a) Shares Authorized. Subject to adjustments as provided in Sections 3(b) and 12 below, as of the Restatement Effective Date, the maximum aggregate number of Shares which may be issued pursuant to all Grants made on or after the Restatement Effective Date is 1,850,739 Shares. In addition, the Shares that remained available for Grants under the Plan as of the Restatement Effective Date, plus any Shares subject to outstanding Grants under the Plan that are forfeited, expire, or are settled in cash after the Restatement Effective Date, shall be available for issuance under this Plan. Shares subject to Grants made under the Plan prior to the

Restatement Effective Date will be issued from the Share reserve authorized under the Plan prior to the Restatement Effective Date. A maximum of 500,000 Shares may be subject to ISOs granted under the Plan. Any Shares issued hereunder may consist, in whole or in part, of
authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

(b) Share Counting.

(i) For each Share that is subject to an Option or SAR, the Share limit referred above in Section 3(a) shall be reduced by one Share for every one Share that was subject to an Option or SAR and for each Share that is subject to a Full Value Award, the Share limit shall be reduced by 1.25 Shares for every one Share that was subject to a Full Value Award.

(ii) If any Shares subject to a Grant are forfeited, a Grant expires or a Grant is settled for cash (in whole or in part), then the Shares subject to such Grant shall, to the extent of such forfeiture, expiration or cash settlement, be added to the Shares available for Grants under the Plan, subject to the mechanism set forth in Section 3(b)(iv). The term "Grant" as used in this Section 3(b)(ii) shall include Grants made under the Plan prior to the Restatement Effective Date.

(iii) Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares that may be subject to Grants under the Plan (including Grants made under the Plan prior to the Restatement Effective Date): (A) Shares tendered by the Grantee or withheld by the Company in payment of the Exercise Price of an Option, (B) Shares tendered by the Grantee or withheld by the Company to satisfy any tax withholding obligation with respect to Grants, (C) Shares subject to a SAR that are not issued in connection with its stock settlement on exercise thereof, and (D) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options.

(iv) Any Shares that again become available for Grants under the Plan pursuant to this Section 3 shall be added as (A) one Share for every one Share subject to Options or SARs granted under the Plan, and (B) as 1.25 Shares for every one Share subject to Full Value Awards granted under the Plan.

(c) Substitute Awards. Substitute Awards shall not reduce the Shares authorized for grant under the Plan or the limitations on grants to a Grantee under Section 3(e), nor shall Shares subject to a Substitute Award be added to the Shares available for issuance or transfer under the Plan as provided in Sections 3(a) and (b) above. Additionally, in the event that a company acquired by the Company or any Company subsidiary or with which the Company or any subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Grants under the Plan and shall not reduce the Shares authorized for Grants under the Plan (and Shares subject to such Grants shall not be added to the Shares available for Grants under the Plan as provided in

Sections 3(a) and (b) above); provided that Grants using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan,
absent the acquisition or combination, and shall only be made to individuals who were not Employees or directors prior to such acquisition or combination.

(d) Individual Limits on Grants to Non-Employee Directors. Notwithstanding any other provision of the Plan to the contrary, including but not limited to Section 3(e) below, the aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all Grants granted to any Non-Employee Director during any single calendar year for services provided as a Non-Employee Director, plus the sum of all cash payments paid or payable to such director for services provided as a Non-Employee Director during such year (including but not limited to annual retainer and similar fees) shall not exceed $400,000. For the avoidance of doubt, compensation shall be counted towards this limit for the year in which it is earned, and not a later year in the event it is deferred.

(e) Individual Limits on Grants to Advisors and Employees. Subject to adjustment as provided in Section 12, no Advisor or Employee may be awarded Grants during any calendar year with respect to more than 4,000,000 Shares. The limitation in this Section 3(e) shall be multiplied by two with respect to Grants made to an Employee during the first calendar year in which the Employee commences employment or service with the Company and its subsidiaries. If a Grant is cancelled, the cancelled Grant shall continue to be counted toward the applicable limitation in this Section 3(e).

Section 4. Administration of the Plan

(a) Authority of the Compensation Committee. The Plan shall be administered by the Compensation Committee. The Compensation Committee shall have full and final authority to take the following actions, in each case subject to and consistent with the provisions of the Plan:

(i) to select the Advisors, Employees and Non-Employee Directors to whom Grants may be made;

(ii) to determine the number of Shares subject to each such Grant;

(iii) to determine the terms and conditions of any Grant made under the Plan;

(iv) to determine whether to accelerate the exercisability of any or all applicable outstanding Grants at any time for any reason;

(v) to determine the restrictions or conditions related to the delivery, holding and disposition of Shares acquired pursuant to a Grant;

(vi) to prescribe the form of each Grant Letter;

(vii) to adopt, amend, suspend, waive and rescind such rules and regulations and appoint such agents as the Compensation Committee may deem necessary or advisable to administer the Plan;

(viii) to correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Grant, Grant Letter or other instrument hereunder; and

(ix) to make all other decisions and determinations as may be required under the terms of the Plan or as the Compensation Committee may deem necessary or advisable for the administration of the Plan.

All Grants shall be made conditional upon the Grantee's acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Compensation Committee shall be final and binding on the Grantee, his or her beneficiaries and any other Person having or claiming an interest under such Grant.

(b) Manner of Exercise of Compensation Committee Authority. Any action of the Compensation Committee with respect to the Plan shall be final, conclusive and binding on all Persons, including the Company, its Affiliates, Grantees, or any Person claiming any rights under the Plan from or through any Grantee, except to the extent the Compensation Committee may subsequently modify, or take further action not inconsistent with, its prior action. If not specified in the Plan, the time at which the Compensation Committee must or may make any determination shall be determined by the Compensation Committee, and any such determination may thereafter be modified by the Compensation Committee. The express grant of any specific power to the Compensation Committee, and the taking of any action by the Compensation Committee, shall not be construed as limiting any power or authority of the Compensation Committee. The Compensation Committee may delegate to officers or managers of the Company or any Affiliate of the Company the authority, subject to such terms as the Compensation Committee shall determine, to perform such functions as the Compensation Committee may determine, to the extent permitted under applicable law.

(c) Limitation of Liability. Each member of the Compensation Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him by any officer or other employee of the Company or any of its Affiliates, the Company's independent certified public accountants or any executive compensation consultant, legal counsel or other professional retained by the Company to assist in the administration of the Plan. To the fullest extent permitted by applicable law, no member of the Compensation Committee, nor any officer or employee of the Company acting on behalf of the Compensation Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Plan, and all members of the Compensation Committee and any officer or employee of the Company acting on its behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action, determination or interpretation.

Section 5. Options

The Compensation Committee may grant Options to an Employee, Advisor or member of the Board upon such terms as the Compensation Committee deems appropriate. The following provisions are applicable to Options:

(a) Number of Shares. The Compensation Committee shall determine the number of Shares that will be subject to each Grant of Options to an Employee, Advisor or member of the Board.

(b) Type of Option and Price.

(i) The Compensation Committee may grant ISOs or Nonqualified Stock Options or any combination of the two, all in accordance with the terms and conditions set forth herein. ISOs may be granted only to employees of the Company or its parent or subsidiary corporations, as defined in Code section 424. Nonqualified Options may be granted to Employees, Advisors or members of the Board.

(ii) The Exercise Price of Shares subject to an Option shall be determined by the Compensation Committee and may be equal to or greater than the Fair Market Value of a Share on the date the Option is granted. However, an ISO may not be granted to an Employee who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, or any parent or subsidiary corporation of the Company, as defined in Code section 424, unless the Exercise Price per Share is not less than 110% of the Fair Market Value of a Share on the date of grant.

(iii) Each ISO shall provide that, if the aggregate Fair Market Value of the Shares on the date of the grant with respect to which ISOs are exercisable for the first time by a Grantee during any calendar year, under the Plan or any other stock option plan of the Company or a parent or subsidiary of the Company, exceeds $100,000, then the Option, as to the excess, shall be treated as a Nonqualified Option.

(c) Option Term. The Compensation Committee shall determine the term of each Option. Notwithstanding the foregoing, the term of any Option shall not exceed ten years from the date of grant.

(d) Option Termination. Except as provided below, an Option may only be exercised while the Grantee is employed or engaged by the Company or any Affiliate as an Advisor, Employee or member of the Board. Unless otherwise determined by the Compensation Committee and set forth in a Grant Letter, Options shall terminate on the earliest of:

(i) the date on which the Grantee is no longer employed or engaged by the Company and any Affiliate on account of the Grantee's termination for Cause. In addition, notwithstanding any other provisions of this Section 5, if the Compensation Committee determines that the Grantee has engaged in conduct that constitutes Cause at any time while the Grantee is employed or engaged by the Company and any Affiliate or after the Grantee's termination of employment or engagement, any Option held by the Grantee shall immediately terminate and the Grantee shall automatically forfeit all Shares underlying any exercised portion of an Option for which the Company has not yet delivered the Share certificates, upon refund by the Company of the Exercise Price paid by the Grantee for such Shares. Upon any exercise of an Option, the Company may withhold delivery of Share certificates pending resolution of an inquiry that could lead to a finding resulting in a forfeiture;

(ii) the 91st day following the date the Grantee is no longer employed or engaged by the Company and any Affiliate for any reason other than Cause, death, or Disability;

provided, however, that in all cases the portion of any Option that is not vested on the date of termination of employment or engagement shall terminate immediately upon such termination;

(iii) the first anniversary of the date the Grantee's employment or engagement by the Company and any Affiliate terminates on account of the Grantee's death or Disability; provided, however, that the portion of any Option that is not vested on the date of such termination of employment or engagement shall terminate immediately upon such termination;

(iv) the tenth anniversary of the date of grant as set forth in the Grant Letter; and

(v) cancellation, termination or expiration of the Options pursuant to action taken by the Compensation Committee in accordance with Section 12.

Notwithstanding the foregoing, in the event that on the last business day of the term of an Option (other than an ISO) (i) the exercise of the Option is prohibited by applicable law or (ii) Shares may not be purchased or sold by certain employees or directors of the Company due to the "black-out period" of a Company policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Option shall be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement, to the extent permitted under Code section 409A.

For purposes of the Plan, employment or engagement by the Company and any Affiliate shall mean employment or service as an Employee, Advisor or member of the Board (so that, for purposes of exercising Options, a Grantee shall not be considered to have terminated his employment or engagement until the Grantee ceases to be an Employee, Advisor and member of the Board), unless the Compensation Committee determines otherwise.

(e) Exercise of Options. Only the vested portion of any Option may be exercised. A Grantee may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company. The Grantee shall pay the Exercise Price for an Option as specified by the Compensation Committee (i) in cash, (ii) unless the Compensation Committee determines otherwise, by delivering Shares owned by the Grantee and having a Fair Market Value on the date of exercise at least equal to the Exercise Price or by attestation (on a form prescribed by the Compensation Committee) to ownership of Shares having a Fair Market Value on the date of exercise at least equal to the Exercise Price, (iii) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, or (iv) by such other method as the Compensation Committee may approve. In addition, in the event the Compensation Committee so determines, to the extent an Option is at the time exercisable for vested shares of Company Stock, all or any part of that vested portion may be surrendered to the Company for an appreciation distribution payable in Shares with a Fair Market Value at the time of the Option surrender equal to the dollar amount by which the then Fair Market Value of the Shares subject to the surrendered portion exceeds the aggregate Exercise Price payable for those Shares. Shares used to exercise an Option shall have been held by the Grantee for the requisite period of time necessary to avoid adverse accounting consequences to the Company with respect to the Option. Payment for the Shares to be issued or transferred pursuant to the Option, and any applicable withholding taxes, must be received by the Company by the time specified by the

Compensation Committee depending on the type of payment being made, but in all cases prior to the issuance or transfer of such Shares.

Notwithstanding the foregoing, a Grant Letter may provide that if on the last day of the term of an Option the Fair Market Value of one Share exceeds the Exercise Price per Share, the Grantee has not exercised the Option (or a tandem SAR, if applicable) and the Option has not expired, the Option shall be deemed to have been exercised by the Grantee on such day with payment made by withholding Shares otherwise issuable in connection with the exercise of the Option. In such event, the Company shall deliver to the Grantee the number of Shares for which the Option was deemed exercised, less the number of Shares required to be withheld for the payment of the total Exercise Price and applicable withholding taxes; provided, however, any fractional Share shall be settled in cash.

(f) Grants to Non-Exempt Employees. Notwithstanding the foregoing, Options granted to persons who are non-exempt employees under the Fair Labor Standards Act of 1938, as amended, may not be exercisable for at least six months after the date of grant (except that such Options may become exercisable, as determined by the Compensation Committee, upon the Grantee's death, Disability or retirement, or upon a Change in Control or other circumstances permitted by applicable regulations).

Section 6. Stock Awards

The Compensation Committee may issue or transfer Shares to an Employee, Advisor or member of the Board under a Stock Award, upon such terms as the Compensation Committee deems appropriate. The following provisions are applicable to Stock Awards:

(a) General Requirements. Shares issued or transferred pursuant to Stock Awards may be issued or transferred for consideration or for no consideration, and subject to restrictions or no restrictions, as determined by the Compensation Committee. The Compensation Committee may, but shall not be required to, establish conditions under which restrictions on Stock Awards shall lapse over a period of time or according to such other criteria as the Compensation Committee deems appropriate, including, without limitation, restrictions based upon the achievement of specific Performance Goals. The period of time during which the Stock Awards will remain subject to restrictions will be designated in the Grant Letter as the "Restriction Period."

(b) Number of Shares. The Compensation Committee shall determine the number of Shares to be issued or transferred pursuant to a Stock Award and the restrictions applicable to such Shares.

(c) Requirement of Employment or Service. If the Grantee is no longer employed or engaged by the Company or any Affiliate during a period designated in the Grant Letter as the Restriction Period, or if other specified conditions are not met, the Stock Award shall terminate as to all Shares covered by the Grant as to which the restrictions have not lapsed, and those Shares must be immediately returned to the Company. The Compensation Committee may, however, provide for complete or partial exceptions to this requirement as it deems appropriate.

(d) Restrictions on Transfer and Legend on Stock Certificate. During the Restriction Period, a Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Shares of a

Stock Award except under Section 13(b) below. Unless otherwise determined by the Compensation Committee, the Company will retain possession of certificates for Shares of Stock Awards until all restrictions on such Shares have lapsed. Each certificate for a Stock Award, unless held by the Company, shall contain a legend giving appropriate notice of the restrictions in the Grant. The Grantee shall be entitled to have the legend removed from the stock certificate covering the Shares subject to restrictions when all restrictions on such Shares have lapsed. The Compensation Committee may determine that the Company will not issue certificates for Stock Awards until all restrictions on such Shares have lapsed.

(e) Right to Vote and to Receive Dividends. Unless the Compensation Committee determines otherwise, during the Restriction Period, the Grantee shall have the right to vote Shares of Stock Awards and to receive any dividends or other distributions paid on such Shares, subject to any restrictions deemed appropriate by the Compensation Committee, including, without limitation, the achievement of specific Performance Goals. Notwithstanding the provisions of this Section, any cash dividends, stock and any other property (other than cash) distributed as a dividend or otherwise with respect to any unvested Stock Award shall either (i) not be paid or credited or (ii) be accumulated and subject to restrictions and risk of forfeiture to the same extent as the Shares underlying the Stock Award with respect to which such cash, stock or other property has been distributed and shall not be paid unless and until the time such restrictions and risk of forfeiture lapse.

(f) Lapse of Restrictions. All restrictions imposed on Stock Awards shall lapse upon the expiration of the applicable Restriction Period and the satisfaction of all conditions, if any, imposed by the Compensation Committee. The Compensation Committee may determine, as to any or all Stock Awards, that the restrictions shall lapse without regard to any Restriction Period.

Section 7. Stock Units

The Compensation Committee may grant Stock Units, each of which shall represent one hypothetical Share, to an Employee, Advisor or member of the Board, upon such terms and conditions as the Compensation Committee deems appropriate. The following provisions are applicable to Stock Units:

(a) Crediting of Units. Each Stock Unit shall represent the right of the Grantee to receive a Share or an amount of cash based on the value of a Share, if and when specified conditions are met. All Stock Units shall be credited to bookkeeping accounts established on the Company's records for purposes of the Plan.

(b) Terms of Stock Units. The Compensation Committee may grant Stock Units that are payable if specified Performance Goals or other conditions are met, or under other circumstances. Stock Units may be paid at the end of a specified performance period or other period, or payment may be deferred to a date authorized by the Compensation Committee. The Compensation Committee shall determine the number of Stock Units to be granted and the requirements applicable to such Stock Units.

(c) Requirement of Employment or Service. If the Grantee is no longer employed or engaged by the Company or any Affiliate prior to the vesting of Stock Units, or if other conditions established by the Compensation Committee are not met, the Grantee's Stock Units

shall be forfeited. The Compensation Committee may, however, provide for complete or partial exceptions to this requirement as it deems appropriate.

(d) Payment With Respect to Stock Units. Payments with respect to Stock Units shall be made in cash, Shares or any combination of the foregoing, as the Compensation Committee shall determine.

Section 8. Stock Appreciation Rights

The following provisions are applicable to SARs:

(a) General Requirements. The Compensation Committee may grant SARs to an Employee, Advisor or member of the Board separately or in tandem with any Option (for all or a portion of the applicable Option). Tandem SARs may be granted either at the time the Option is granted or at any time thereafter while the Option remains outstanding; provided, however, that, in the case of an ISO, SARs may be granted only at the time of the grant of the ISO. The Compensation Committee shall establish the base amount of the SAR at the time the SAR is granted, which shall be equal to or greater than the Fair Market Value of a Share as of the date of grant of the SAR. The base amount of each SAR shall be equal to the per Share Exercise Price of the related Option, provided such Exercise Price is equal to or greater than the Fair Market Value of a Share as of the date of grant of the SAR or, if there is no related Option, an amount equal to or greater than the Fair Market Value of a Share as of the date of grant of the SAR. No SAR shall have a term that is greater than ten years.

Notwithstanding the foregoing, in the event that on the last business day of the term of a SAR (x) the exercise of the SAR is prohibited by applicable law or (y) Shares may not be purchased or sold by certain employees or directors of the Company due to the "black-out period" of a Company policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term shall be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement, to the extent permitted under Code section 409A.

(b) Tandem SARs. In the case of tandem SARs, the number of SARs granted to a Grantee that shall be exercisable during a specified period shall not exceed the number of Shares that the Grantee may purchase upon the exercise of the related Option during such period. Upon the exercise of an Option, the SARs relating to the Shares covered by such Option shall terminate. Upon the exercise of SARs, the related Option shall terminate to the extent of an equal number of Shares.

(c) Exercisability. A SAR shall be exercisable during the period specified by the Compensation Committee in the Grant Letter and shall be subject to such vesting and other restrictions as may be specified in the Grant Letter. SARs may only be exercised while the Grantee is employed or engaged by the Company or Affiliate or during the applicable period after termination of employment or engagement as described in Section 5(c) above. A tandem SAR shall be exercisable only during the period when the Option to which it is related is also exercisable.

A Grant Letter may provide that if on the last day of the term of a SAR the Fair Market Value of one Share exceeds the base amount per Share of the SAR, the Grantee has not

exercised the SAR or the tandem Option (if applicable), and the SAR has not otherwise expired, the SAR shall be deemed to have been exercised by the Grantee on such day. In such event, the Company shall make payment to the Grantee in accordance with this Section, reduced by the number of Shares (or cash) for applicable withholding taxes; any fractional Share shall be settled in cash.

(d) Grants to Non-Exempt Employees. Notwithstanding the foregoing, SARs granted to persons who are non-exempt employees under the Fair Labor Standards Act of 1938, as amended, may not be exercisable for at least six months after the date of grant (except that such SARs may become exercisable, as determined by the Compensation Committee, upon the Grantee's death, Disability or retirement, or upon a Change in Control or other circumstances permitted by applicable regulations).

(e) Value of SARs. When a Grantee exercises SARs, the Grantee shall receive in settlement of such SARs an amount equal to the value of the stock appreciation for the number of SARs exercised. The stock appreciation for a SAR is the amount by which the Fair Market Value of the underlying Share on the date of exercise of the SAR exceeds the base amount of the SAR as described in subsection (a) above.

(f) Form of Payment. The appreciation in a SAR shall be paid in Shares, cash or any combination of the foregoing, as the Compensation Committee shall determine. For purposes of calculating the number of Shares to be received, Shares shall be valued at their Fair Market Value on the date of exercise of the SAR.

Section 9. Other Stock-Based Awards

The Compensation Committee may grant Other Stock-Based Awards to any Employee, Advisor or member of the Board, on such terms and conditions as the Compensation Committee shall determine. Other Stock-Based Awards may be awarded subject to the achievement of Performance Goals or other conditions and may be payable in cash, Company Stock or any combination of the foregoing, as the Compensation Committee shall determine.

Section 10. Dividend Equivalents

The Compensation Committee may grant Dividend Equivalents in connection Stock Units or Other Stock-Based Awards. No Dividend Equivalents or dividends may be granted in connection with Options or SARs. Dividend Equivalents may be accrued as contingent cash obligations and may be payable in cash or Shares, and upon such terms as the Compensation Committee may establish, including, without limitation, the achievement of specific Performance Goals. Notwithstanding the foregoing in this Section 10, any Dividend Equivalents granted in connection with unvested Stock Units or Other Stock-Based Awards shall be payable only if and to the extent the underlying Stock Units or Other Stock-Based Awards are payable, as determined by the Compensation Committee.

Section 11. Deferrals

The Compensation Committee may permit or require a Grantee to defer receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Grantee in

connection with any Stock Units or Other Stock-Based Awards. If any such deferral election is permitted or required, the Compensation Committee shall establish rules and procedures for such deferrals and may provide for interest or other earnings to be paid on such deferrals. The rules and procedures for any such deferrals shall be consistent with applicable requirements of Code section 409A.

Section 12. Adjustment Upon Changes in Capitalization.

In the event any recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, exchange or issuance of Shares or other securities, any stock dividend or other special and nonrecurring dividend or distribution (whether in the form of cash, securities or other property other than a regular cash dividend), liquidation, dissolution, or other similar transactions or events, affects the Shares or the value thereof, then the Compensation Committee shall make such adjustment, in such manner as the Compensation Committee deems appropriate, in order to prevent dilution or enlargement of the rights of Grantees under the Plan, including adjustment in (i) the number and kind of Shares deemed to be available thereafter for Grants under Section 3, (ii) the number and kind of Shares that may be delivered or deliverable in respect of outstanding Grants, and (iii) the price per share or the applicable market value of such Grants. In addition, the Compensation Committee shall make such adjustments as are appropriate in the terms and conditions of, and the criteria included in, Grants (including, without limitation, cancellation of Grants in exchange for the in-the-money value, if any, of the vested portion thereof, cancellation of unvested Grants for no consideration, cancellation of out-of-the-money Grants for no consideration, substitution of Grants using securities of a successor or other entity, acceleration of the time that Grants expire, or adjustment of performance targets) in recognition of unusual or nonrecurring events (including, without limitation, a Change in Control or an event described in the preceding sentence) affecting the Company or any Affiliate of the Company or the financial statements of the Company or any Affiliate of the Company, or in response to changes in applicable laws, regulations or accounting principles. Any adjustments to outstanding Grants shall be consistent with Code section 409A or 424, to the extent applicable. Any adjustments determined by the Compensation Committee shall be final, binding and conclusive.

Section 13. Restrictions on Shares.

(a) Restrictions on Issuing Shares. No Shares shall be issued or transferred under the Plan unless and until all applicable legal requirements have been complied with to the satisfaction of the Compensation Committee. The Compensation Committee shall have the right to condition any Grant on the Grantee's undertaking in writing to comply with such restrictions on any subsequent disposition of the Shares issued or transferred thereunder as the Compensation Committee shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof

(b) Transfer Restrictions.

(i) Non transferability of Grants. Except as provided below, only the Grantee may exercise rights under a Grant during the Grantee's lifetime. No Grant under the Plan and no Shares that have not been issued or as to which any applicable restriction, performance or

deferral period has not lapsed, may be sold, assigned, transferred, pledged or otherwise encumbered, except (A) by will or by the laws of descent and distribution or (B) with respect to Grants other than ISOs, pursuant to a domestic relations order. When a Grantee dies, the personal representative or other Person entitled to succeed to the rights of the Grantee may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Grantee's will or under the applicable laws of descent and distribution.

(ii) Transfer of Nonqualified Stock Options. Notwithstanding (i) above, the Compensation Committee may provide, in a Grant Letter, that a Grantee may transfer Nonqualified Options to family members, or one or more trusts or other entities for the benefit of or owned by family members, consistent with the applicable securities laws, according to such terms as the Compensation Committee may determine; provided that the Grantee receives no consideration for the transfer of the Nonqualified Option and the transferred Nonqualified Option shall continue to be subject to the same terms and conditions as were applicable to the Nonqualified Option immediately before the transfer.

(c) ISO Notice. A Grantee shall notify the Company of any disposition of Shares acquired upon exercise of an ISO if such disposition occurs within one year of the date of such exercise or within two years of the date of grant of such ISO. The Company may impose such procedures as it determines may be necessary to ensure that such notification is made.

(d) Requirements for Issuance or Transfer of Shares. No Shares shall be issued or transferred in connection with any Grant made hereunder unless and until all legal requirements applicable to the issuance or transfer of such Shares have been complied with to the satisfaction of the Compensation Committee. The Compensation Committee shall have the right to condition any Grant on the Grantee's undertaking in writing to comply with such restrictions on his or her subsequent disposition of the Shares as the Compensation Committee shall deem necessary or advisable, and certificates representing such Shares may be legended to reflect any such restrictions. Certificates representing Shares issued or transferred under the Plan may be subject to such stop-transfer orders and other restrictions as the Compensation Committee deems appropriate to comply with applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon.

Section 14. Withholding of Taxes.

All Grants made under the Plan shall be subject to applicable federal (including FICA), state, local and foreign tax withholding requirements. The Company may require that the Grantee or other Person receiving or exercising Grants pay to the Company or any Affiliate the amount of any federal, state, local or foreign taxes that the Company or any Affiliate is required to withhold with respect to such Grants, or the Company or any Affiliate may deduct from other wages paid by the Company or any Affiliate the amount of any withholding taxes due with respect to such Grants. If the Compensation Committee deems it appropriate, the Compensation Committee shall be authorized to establish procedures that permit or require a Grantee to satisfy the applicable tax withholding obligation with respect to a Grant by having Shares that are otherwise deliverable in connection with a Grant withheld, subject to such limitations as may be imposed by the Compensation Committee.

Section 15. Consequences of a Change in Control.

The Compensation Committee may provide in a Grant Letter or otherwise terms under which Grants may vest and, as applicable, be exercisable or payable in the event of a Change in Control or in the event of a Grantee's termination of employment or engagement by the Company and any Affiliate in connection with, upon or within a specified time period after a Change of Control. In addition, in the event of a Change in Control, the Compensation Committee may take one or more of the following actions with respect to any or all outstanding Grants: the Compensation Committee may (i) require that Grantees surrender their outstanding vested Options and SARs in exchange for one or more payments by the Company, in cash or Shares as determined by the Compensation Committee, in an amount equal to the amount by which the then Fair Market Value of the Shares subject to the Grantee's unexercised, vested Options and SARs exceeds the Exercise Price of the vested Options or the base amount of the vested SARs, as applicable, (ii) provide for the cancellation of unvested Grants for no consideration, (iii) provide for the cancellation of out-of-the-money Grants for no consideration, (iv) after giving Grantees an opportunity to exercise their outstanding Options and SARs, terminate any or all unexercised Options and SARs at such time as the Compensation Committee deems appropriate, or (v) determine that outstanding Options and SARs that are not exercised shall be assumed by, or replaced with comparable options or rights by, the surviving corporation, (or a parent or subsidiary of the surviving corporation), and other outstanding Grants that remain in effect after the Change in Control shall be converted to similar grants of the surviving corporation (or a parent or subsidiary of the surviving corporation). Such surrender or termination shall take place as of the date of the Change in Control or such other date as the Compensation Committee may specify (subject to consummation of the Change in Control).

Section 16. General Provisions

(a) Grant Letter. Each Grant shall be evidenced by a Grant Letter. The terms and provisions of such Grant Letters may vary among Grantees and among different Grants made to the same Grantee.

(b) No Right to Employment. The making of a Grant in any year shall not give the Grantee any right to similar grants in future years, any right to continue such Grantee's employment relationship with the Company or its Affiliates, or, until Shares are issued, any rights as a stockholder of the Company. All Grantees shall remain subject to discharge to the same extent as if the Plan were not in effect. For purposes of the Plan, a sale of any Affiliate of the Company that employs or engages a Grantee shall be treated as the termination of such Grantee's employment or engagement, unless the Grantee shall otherwise continue to provide services to the Company or another subsidiary of the Company as an employee or director.

(c) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Grant. Except as otherwise provided under the Plan, the Compensation Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

(d) No Funding. No Grantee, and no beneficiary or other Persons claiming under or through the Grantee, shall have any right, title or interest by reason of any Option to any particular assets of the Company or Affiliates of the Company, or any Shares allocated or reserved for the purposes of the Plan or subject to any Grant except as set forth herein. The Company shall not be required to establish any fund or make any other segregation of assets to assure satisfaction of the Company's obligations under the Plan.

(e) Governing Law; Jurisdiction. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. To the extent the Grantee is a party to an employment agreement with the Company or any of its subsidiaries that provides for binding arbitration of employment disputes, then any disputes between the Company and such Grantee arising under the Plan shall be arbitrated in accordance with the procedures set forth in such employment agreement.

(f) Compliance with Law. The Plan, the exercise of Options and SARs and the obligations of the Company to issue or transfer Shares under Grants shall be subject to all applicable laws and regulations, and to approvals by any governmental or regulatory agency as may be required. With respect to Persons subject to section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that ISOs comply with the applicable provisions of Code section 422 and that, to the extent applicable, Grants be exempt from or comply with the requirements of Code section 409A. Notwithstanding the foregoing, the Compensation Committee makes no representation that the Grants awarded under the Plan shall be exempt from or comply with Code section 409A and makes no undertaking to preclude Code section 409A from applying to Grants awarded under the Plan. To the extent that any legal requirement of section 16 of the Exchange Act or Code sections 422 or 409A as set forth in the Plan ceases to be required under section 16 of the Exchange Act or Code sections 422 or 409A, that Plan provision shall cease to apply. To the extent applicable, if on the date of a Grantee's "separation from service" (as such term is defined under Code section 409A), Shares (or shares of any other company required to be aggregated with the Company for purposes of Code section 409A and its corresponding regulations) are publicly-traded on an established securities market or otherwise and the Grantee is a "specified employee" (as such term is defined in Code section 409A(a)(2)(B)(i) and its corresponding regulations) as determined by the Compensation Committee (or its delegate) in its discretion in accordance with the requirements of Code sections 409A and 416, then all Grants that are deemed to be deferred compensation subject to the requirements of Code section 409A and payable within six months following such Grantee's "separation from service" shall be postponed for a period of six months following the Grantee's "separation from service" with the Company, to the extent necessary to avoid the imposition of penalty taxes thereunder. The Compensation Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Compensation Committee may, in its sole discretion, agree to limit its authority under this Section.

(g) Grants made in Connection with Corporate Transactions and Otherwise. Nothing contained in the Plan shall be construed to (i) limit the right of the Compensation Committee to

make Grants under the Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or (ii) limit the right of the Company to grant stock options or make other awards outside of the Plan. The Compensation Committee may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company, in substitution for awards made by such corporation. Notwithstanding anything in the Plan to the contrary, the Compensation Committee may establish such terms and conditions of the new Grants as it deems appropriate, including setting the Exercise Price of Options at a price necessary to retain for the Grantee the same economic value as the prior options.

(h) Application of Company Policies. All Grants under the Plan are subject to the applicable share trading policies, Clawback Policies and other policies that may be approved or implemented by the Board or the Compensation Committee from time to time. To the extent permitted by applicable law, including without limitation Code section 409A, all amounts payable under the Plan are subject to offset in the event that a Grantee has an outstanding clawback, recoupment or forfeiture obligation to the Company under the terms of any applicable Clawback Policy. Grants are not considered earned, and the eligibility requirements with respect to Grants are not considered met, until all requirements of the Grant Letter, the Plan and any Clawback Policy are met. In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited pursuant to such policy shall be deemed not to have been earned under the terms of the Plan, and the Company shall be entitled to recover from the Grantee the amount specified under the Clawback Policy to be clawed back, recouped or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to the Grantee satisfying all eligibility conditions for earning the Grant).

Section 17. Amendment or Termination.

(a) Amendment. The Board may amend or terminate the Plan at any time; provided, however, that the Board shall not amend the Plan without stockholder approval if such approval is required in order to comply with the Code or other applicable law (including Rule 16b-3 under the Exchange Act), or to comply with applicable stock exchange requirements; and further provided that the Board may not, without the approval of the Company's stockholders, to the extent required by such applicable law, amend the Plan to (a) increase the number of Shares that may be the subject of Grants under the Plan (except for adjustments pursuant to Section 12), (b) expand the types of awards available under the Plan, (c) materially expand the class of persons eligible to participate in the Plan, (d) amend Section 5 and Section 8 to eliminate the requirements relating to minimum exercise price, minimum grant price and stockholder approval, (e) increase the maximum permissible term of any Option or the maximum permissible term of a SAR, (f) increase any of the limitations in Section 3, or (g) amend Section 17(b).

(b) No Repricing Without Stockholder Approval. Notwithstanding anything in the Plan to the contrary, and other than pursuant to Section 12, the Compensation Committee shall not without the approval of the Company's stockholders (a) lower the Exercise Price per Share of an Option(or grant price of a SAR) after it is granted, (b) cancel an Option or SAR in exchange for an Option or SAR with a lower Exercise Price, cash or another Grant (other than in

connection with a Change in Control), or (c) take any other action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the Shares are listed.

(c) Termination of Plan. The Plan shall terminate on November 28, 2028, unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the stockholders; provided, however, in no event may an ISO be granted more than ten years after the date of the adoption of the Plan by the Board.

(d) Termination and Amendment of Outstanding Grants. A termination or amendment of the Plan that occurs after a Grant is made shall not materially impair the rights of a Grantee unless the Grantee consents or unless the Compensation Committee acts under Section 16(f) above. The termination of the Plan shall not impair the power and authority of the Compensation Committee with respect to an outstanding Grant. Whether or not the Plan has terminated, an outstanding Grant may be terminated or amended under Section 16(f) above or may be amended by agreement of the Company and the Grantee consistent with the Plan.

(e) Prior Plan. Any Grants made under the Plan prior to the Restatement Effective Date shall be governed by the terms of the Plan in effect at the time each such Grant was made, including, to the extent applicable, the requirement that the Compensation Committee be composed of "outside directors" as defined under Code section 162(m) and related Treasury Regulations with respect to any action taken after the Restatement Effective Date with respect to Grants made under the Plan before such date and that are intended to meet the requirements of the performance-based compensation exception for purposes of Code section 162(m), unless further amended in accordance with the terms of the Grant and such version of the Plan. For the avoidance of doubt, any Grants made under the Plan on or after the Restatement Effective Date shall be subject to the terms of the Plan in effect on and after the Restatement Effective Date.

Exhibit 31.1

CERTIFICATION

I, David M. Urso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MEI Pharma, Inc.;

2. Based on my knowledge, this Quarterly 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 Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly 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 Quarterly 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 Quarterly 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 the Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   (d) disclosed in this Quarterly 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.

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:

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

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

Date: May 9, 2024

/s/ David M. Urso

David M. Urso
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Justin J. File, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MEI Pharma, Inc.;

2. Based on my knowledge, this Quarterly 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 Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly 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 Quarterly 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 Quarterly 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 the Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   (d) disclosed in this Quarterly 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.

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:

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

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

Date: May 9, 2024

/s/ Justin J. File

Justin J. File
Chief Financial Officer and Secretary
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), David M. Urso, the President and Chief Executive Officer of MEI Pharma, Inc. (the "Registrant"), and Justin J. File, the Chief Financial Officer of the Registrant, each hereby certifies that, to his knowledge:

1. The Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2024, (the "Form 10-Q") to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition of the Registrant at the end of the period covered by the Form 10-Q and results of operations of the Registrant for the period covered by the Form 10-Q.

These certifications accompanying the Form 10-Q to which they relate, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Dated: May 9, 2024

/s/ David. M. Urso
David. M. Urso
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Justin J. File
Justin J. File
Chief Financial Officer and Secretary
(Principal Financial Officer)