

**The Multiple Myeloma Research  
Foundation, Inc. and Subsidiaries**

Consolidated Financial Statements

December 31, 2021 and 2020

## INDEPENDENT AUDITORS' REPORT

**The Board of Directors**  
**The Multiple Myeloma Research Foundation, Inc. and Subsidiaries**

### *Opinion*

We have audited the accompanying consolidated financial statements of The Multiple Myeloma Research Foundation, Inc. and Subsidiaries (the "Company") which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Multiple Myeloma Research Foundation, Inc. and Subsidiaries as of December 31, 2021 and 2020, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Multiple Myeloma Research Foundation, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Multiple Myeloma Research Foundation, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

**The Board of Directors**  
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report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Multiple Myeloma Research Foundation, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Multiple Myeloma Research Foundation, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*PKF O'Connor Davies, LLP*

May 3, 2022

**The Multiple Myeloma Research Foundation, Inc. and Subsidiaries**

Consolidated Statements of Financial Position

	December 31,	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 28,605,868	\$ 54,719,525
Investments	36,388,705	-
Contributions and grants receivable, net	5,289,425	6,260,471
Accounts receivable and contract assets	7,335,350	6,912,455
Prepaid expenses	225,493	403,337
Programmatic investments	5,648,228	2,595,830
Other assets	91,977	91,977
Property and equipment, net	1,816,801	2,293,328
	<b>\$ 85,401,847</b>	<b>\$ 73,276,923</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and research awards payable	\$ 5,768,654	\$ 3,749,881
Accrued expenses	9,161,796	6,370,949
Research grants payable	587,500	735,000
Deferred revenue	12,157,093	8,549,840
Deferred rent expense payable	492,004	604,023
Total Liabilities	28,167,047	20,009,693
 Net Assets		
Without donor restrictions	45,234,580	39,494,536
With donor restrictions	12,000,220	13,772,694
Total Net Assets	57,234,800	53,267,230
	<b>\$ 85,401,847</b>	<b>\$ 73,276,923</b>

See notes to consolidated financial statements

**The Multiple Myeloma Research Foundation, Inc. and Subsidiaries**

Consolidated Statements of Activities

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	<b>PUBLIC SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 19,493,069	\$ 4,874,064	\$ 24,367,133	\$ 14,242,759	\$ 1,301,379	\$ 15,544,138
Clinical trial revenue	2,348,850	-	2,348,850	2,546,093	-	2,546,093
Registry sponsorship	9,400,000	-	9,400,000	4,800,000	-	4,800,000
In-Kind contributions	726,437	-	726,437	574,289	-	574,289
Royalties	-	-	-	758,795	-	758,795
Allowance for doubtful contributions receivable	(606,582)	-	(606,582)	-	(256,000)	(256,000)
Net assets released from restriction	6,646,538	(6,646,538)	-	7,860,882	(7,860,882)	-
	<u>38,008,312</u>	<u>(1,772,474)</u>	<u>36,235,838</u>	<u>30,782,818</u>	<u>(6,815,503)</u>	<u>23,967,315</u>
Special Events						
Special event support	3,322,735	-	3,322,735	4,668,574	-	4,668,574
Net of direct donor benefit expenses	(841,169)	-	(841,169)	(693,123)	-	(693,123)
	<u>2,481,566</u>	<u>-</u>	<u>2,481,566</u>	<u>3,975,451</u>	<u>-</u>	<u>3,975,451</u>
Investment return	<u>2,822,775</u>	<u>-</u>	<u>2,822,775</u>	<u>(1,530,381)</u>	<u>-</u>	<u>(1,530,381)</u>
Total Public Support and Revenue	<u>43,312,653</u>	<u>(1,772,474)</u>	<u>41,540,179</u>	<u>33,227,888</u>	<u>(6,815,503)</u>	<u>26,412,385</u>
<b>EXPENSES</b>						
Program Services						
Research	20,750,280	-	20,750,280	14,716,548	-	14,716,548
Myeloma Investment Fund	1,003,485	-	1,003,485	1,048,869	-	1,048,869
Education	6,224,909	-	6,224,909	4,534,676	-	4,534,676
Awareness	5,195,541	-	5,195,541	4,129,329	-	4,129,329
Total Program Services	<u>33,174,215</u>	<u>-</u>	<u>33,174,215</u>	<u>24,429,422</u>	<u>-</u>	<u>24,429,422</u>
Supporting Services						
Management and general	1,319,456	-	1,319,456	1,115,430	-	1,115,430
Fundraising	3,038,660	-	3,038,660	2,882,046	-	2,882,046
Total Supporting Services	<u>4,358,116</u>	<u>-</u>	<u>4,358,116</u>	<u>3,997,476</u>	<u>-</u>	<u>3,997,476</u>
Total Expenses	<u>37,532,331</u>	<u>-</u>	<u>37,532,331</u>	<u>28,426,898</u>	<u>-</u>	<u>28,426,898</u>
Loss on disposal of assets	<u>(40,278)</u>	<u>-</u>	<u>(40,278)</u>	<u>(448,631)</u>	<u>-</u>	<u>(448,631)</u>
Change in Net Assets	5,740,044	(1,772,474)	3,967,570	4,352,359	(6,815,503)	(2,463,144)
<b>NET ASSETS</b>						
Beginning of year	<u>39,494,536</u>	<u>13,772,694</u>	<u>53,267,230</u>	<u>35,142,177</u>	<u>20,588,197</u>	<u>55,730,374</u>
End of year	<u>\$ 45,234,580</u>	<u>\$ 12,000,220</u>	<u>\$ 57,234,800</u>	<u>\$ 39,494,536</u>	<u>\$ 13,772,694</u>	<u>\$ 53,267,230</u>

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

Year Ended December 31, 2021

	Program Services							Direct Donor Benefit	Total
	Research	Myeloma Investment Fund	Education	Awareness	Total Program Services	Management and General	Fundraising		
<b>EXPENSES</b>									
Clinical trials and research expense	\$ 8,338,724	\$ -	\$ -	\$ 217	\$ 8,338,941	\$ -	\$ -	\$ -	\$ 8,338,941
Research and site investment grants	6,629,658	-	-	-	6,629,658	-	-	-	6,629,658
Salaries and related expenses	3,588,897	810,959	1,621,306	2,083,519	8,104,681	1,164,051	2,227,963	-	11,496,695
Summits and other event production	55,966	351	2,770,120	137,875	2,964,312	508	76,157	504,126	3,545,103
Occupancy, office, supplies, and other	761,153	69,640	252,743	632,700	1,716,236	97,384	524,259	1,235	2,339,114
Professional fees and outside services	762,868	94,740	274,018	1,780,903	2,912,529	40,751	118,235	60,675	3,132,190
Advertising, marketing, and public relations	203,392	69	435,667	516,173	1,155,301	99	1,114	56,843	1,213,357
Registration fees	29,253	3,652	1,819	3,443	38,167	491	920	218,290	257,868
Tissue banking	284,017	-	-	-	284,017	-	-	-	284,017
Travel	50,662	2,075	8,830	13,667	75,234	813	61,141	-	137,188
Depreciation and amortization	45,690	21,999	860,406	27,044	955,139	15,359	28,871	-	999,369
	<u>20,750,280</u>	<u>1,003,485</u>	<u>6,224,909</u>	<u>5,195,541</u>	<u>33,174,215</u>	<u>1,319,456</u>	<u>3,038,660</u>	<u>841,169</u>	<u>38,373,500</u>
Direct donor benefits	-	-	-	-	-	-	-	(841,169)	(841,169)
Total Expenses	<u>\$ 20,750,280</u>	<u>\$ 1,003,485</u>	<u>\$ 6,224,909</u>	<u>\$ 5,195,541</u>	<u>\$ 33,174,215</u>	<u>\$ 1,319,456</u>	<u>\$ 3,038,660</u>	<u>\$ -</u>	<u>\$ 37,532,331</u>

Year Ended December 31, 2020

	Program Services							Direct Donor Benefit	Total
	Research	Myeloma Investment Fund	Education	Awareness	Total Program Services	Management and General	Fundraising		
<b>EXPENSES</b>									
Clinical trials and research expense	\$ 8,549,177	\$ -	\$ -	\$ -	\$ 8,549,177	\$ -	\$ -	\$ -	\$ 8,549,177
Research and site investment grants	1,830,765	-	-	-	1,830,765	-	-	-	1,830,765
Salaries and related expenses	2,894,088	748,405	1,154,154	1,549,949	6,346,596	902,706	1,982,623	-	9,231,925
Summits and other event production	26,843	646	2,455,523	299,311	2,782,323	783	100,150	484,769	3,368,025
Occupancy, office, supplies, and other	617,360	78,780	391,111	457,350	1,544,601	155,876	591,307	-	2,291,784
Professional fees and outside services	336,250	190,316	176,391	827,431	1,530,388	40,237	122,809	768	1,694,202
Advertising, marketing, and public relations	786	92	116,128	959,465	1,076,471	111	22,931	3,000	1,102,513
Registration fees	25,174	1,838	428	2,788	30,228	335	388	204,586	235,537
Tissue banking	208,573	-	-	-	208,573	-	-	-	208,573
Travel	22,915	6,092	1,303	9,551	39,861	498	24,557	-	64,916
Depreciation and amortization	204,617	22,700	239,638	23,484	490,439	14,884	37,281	-	542,604
	<u>14,716,548</u>	<u>1,048,869</u>	<u>4,534,676</u>	<u>4,129,329</u>	<u>24,429,422</u>	<u>1,115,430</u>	<u>2,882,046</u>	<u>693,123</u>	<u>29,120,021</u>
Direct donor benefits	-	-	-	-	-	-	-	(693,123)	(693,123)
Total Expenses	<u>\$ 14,716,548</u>	<u>\$ 1,048,869</u>	<u>\$ 4,534,676</u>	<u>\$ 4,129,329</u>	<u>\$ 24,429,422</u>	<u>\$ 1,115,430</u>	<u>\$ 2,882,046</u>	<u>\$ -</u>	<u>\$ 28,426,898</u>

See notes to consolidated financial statements

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

### Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,967,570	\$ (2,463,144)
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss on disposal of property and equipment	40,278	830,597
Loss on investments	473,894	1,928,570
(Gain) on programmatic investments	(2,789,711)	-
Depreciation and amortization	999,369	542,604
Allowance for doubtful contributions receivable	606,582	256,000
Accrued interest on programmatic investments	(86,520)	(70,712)
Changes in operating assets and liabilities		
Contributions receivable, net	364,464	8,152,365
Accounts receivable and contract assets	(422,895)	486,998
Prepaid expenses	177,844	501,770
Accounts payable and research awards payable	2,018,773	(8,227,224)
Accrued expenses	2,790,847	2,537,786
Research grants payable	(147,500)	(217,000)
Deferred revenue	3,607,253	2,581,497
Deferred rent expense payable	(112,019)	(89,347)
Net Cash from Operating Activities	11,488,229	6,750,760
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(563,120)	(2,024,510)
Purchases of programmatic investments	(4,157,686)	(1,907,693)
Proceeds from sales programmatic investments	3,981,519	-
Proceeds from sale of investments	94,169,465	41,219,718
Purchase of investments	(131,032,064)	(261,870)
Net Cash from Investing Activities	(37,601,886)	37,025,645
Net Change in Cash and Cash Equivalents	(26,113,657)	43,776,405
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	54,719,525	10,943,120
End of year	\$ 28,605,868	\$ 54,719,525

See notes to consolidated financial statements

# The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

## 1. Organization

The Multiple Myeloma Research Foundation, Inc. and its wholly owned subsidiaries, The Multiple Myeloma Research Consortium, LLC (“MMRC”) and Myeloma Investment Fund, LLC (“MIF”), collectively referred to as “the MMRF,” advances research to accelerate a cure for multiple myeloma – the second most common blood cancer. The MMRF, with its end-to-end precision medicine model, collaborates with its partners to accelerate basic and translational research, and move the best ideas rapidly into clinical trials. The MMRF also engages with patients and their friends and families to educate and empower them to optimize their outcomes. The MMRF was incorporated on January 13, 1998.

As a patient-founded organization, the MMRF stands together with those who are battling multiple myeloma - patients, families, physicians, researchers, and investors. At the same time, the MMRF stands apart with its innovative approach. The MMRF generates, interprets, and activates the largest collection of high quality data and places it in the public domain. The MMRF orchestrates the people, programs, and technologies necessary to speed the discovery of a cure.

The proven network of the MMRF engages the best new science and technology to accelerate development of treatments for patients as quickly as possible. The unique model removes barriers for cancer breakthroughs with its end-to-end solution in cancer research. It is based on three pillars: accelerating the development of new treatments, driving precision medicine, and empowering patients and the entire community.

During 2021, the MMRF continued enrolling patients into the MMRF CureCloud®, a direct-to-patient research study that aims to democratize access to genomic sequencing and data advance precision medicine approaches for every patient. The aggregated CureCloud data aims to drive new discoveries for researchers that will guide the development of new treatments and care pathways to improve outcomes for all patients.

MIF, a wholly-owned single member limited liability company, is the first and only mission-driven, self-sustaining, scalable venture philanthropy fund focused solely on multiple myeloma. The aim is to create major scientific breakthroughs by directing capital where financial support could have an immediate and meaningful impact on patients’ lives. Of particular interest are companies, clinical assets, and technologies that have profound potential to bring life extending treatments and cures to more patients more rapidly. As a venture philanthropy fund, neither management nor donors to the MIF receive distributions. All profits are reinvested into the MIF, allowing for continual investment in emerging science.

The MMRF anticipates making significant future investments to continue building the end-to-end precision model and immuno-oncology as the precision patient care model, sustain research through venture philanthropy and harness data to identify new targets and care pathways.

# The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

## 1. Organization *(continued)*

In 2021, the MMRF continued to build out the MMRF Immune Atlas initiative (“the Atlas”), an immune profiling and analytics platform using data and samples from the CoMMpass Study to generate data on the role of patient immunity in myeloma disease biology and response to therapy, and to support and speed efforts to make immunotherapy more precise to leverage immunotherapy for the treatment of multiple myeloma. The Atlas will describe the immune landscape in myeloma and how it changes throughout the course of the disease and treatment. This effort is a critical first step to establish guidelines and alignment on how immune data is produced, prioritized, aggregated, and shared. At scale, it has the potential to identify new immunologic factors predictive of patient response or relapse to therapy, to identify new immune targets for drug development and, eventually, enable clinicians to customize treatments and therapies based on an individual’s immune system.

The MMRC is a network of 21 leading cancer centers and addresses three critical areas of unmet need: high-risk smoldering myeloma, high-risk upfront treatment for symptomatic multiple myeloma, and relapsed/refractory treatment after anti-CD38 and BCMA-directed therapies. The MMRC has opened nearly 100 phase 1 and 2 trials to date. The first high-risk smoldering trial and at least three trials in relapsed/refractory are planned to open in 2022. The high-risk upfront project is in planning through 2022 with projected launch in 2023.

The MMRF and its subsidiaries are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. MMRC and MIF are disregarded entities for tax purposes.

## 2. Summary of Significant Accounting Policies

### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of the MMRF. All material inter-organizational balances and transactions have been eliminated in consolidation.

### ***Basis of Presentation and Use of Estimates***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported 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. Accordingly, actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

The MMRF considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Investments***

Investments are reported at their fair value in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets.

The MMRF is invested in a diversified portfolio of investment grade corporate bonds and commercial paper ranging in maturities of 3 months to 3 years. The goal of the investments is to preserve capital, ensure liquidity and achieve a modest return.

#### ***Contributions and Grants Receivable***

Contributions and grants receivable that are expected to be collected within one year are recorded at net realizable value. Contributions and grants receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution and grant revenue in the consolidated statements of activities. The allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

#### ***Contracts with Customers***

The MMRF has multiple revenue streams that are accounted for as exchange transactions including registry sponsorship, clinical trial revenue, and special events.

#### ***Registry Sponsorship***

Registry sponsorship involves several pharmaceutical companies paying for advanced access to data compiled by the MMRF through CoMMpass and Curecloud programs. The membership entitles the pharmaceutical companies to access data collected from multiple myeloma patients by the MMRF twice during a year. The MMRF recognizes revenue proportionally during the two access periods available to the pharmaceutical companies. Fees are collected before all obligations are satisfied. As of December 31, 2021 and 2020, there was \$9,300,000 and \$6,400,000 recorded in deferred revenue for future data releases.

#### ***Clinical Trial Revenue***

The MMRF contracts with several pharmaceutical companies to coordinate various clinical trials of drug treatments for multiple myeloma. The MMRF and its wholly-owned subsidiary MMRC, have entered into contracts with study sites to perform clinical research. The pharmaceutical companies contract with the MMRF to organize the drug trial among its various network of study sites. MMRF is responsible for entering into contracts to perform the drug trials in accordance with the specifications as determined by the pharmaceutical companies, ensuring the study sites perform the drug trials, collecting data produced by clinical trials, providing certain administrative support to the study sites, compelling the study sites to produce a final report, and paying study sites. The clinical trials typically span over multiple years. The length of time a clinical trial runs is dependent upon identifying subjects who meet the specific criteria to be eligible to participate in the trial. Therefore, the number of enrolled subjects is the input used to measure the delivery of services to the customer.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Contracts with Customers (continued)***

Receivables from clinical trial revenue and PMIC membership are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. Based on the MMRF's strong collection experience, the MMRF has concluded that all revenue recognized is probable of collection. As of December 31, 2021 and 2020, no allowance for clinical trial revenue receivables has been deemed necessary.

#### ***Special Events***

The MMRF conducts numerous special events to raise money. These events include the MMRF branded 5K races, selling entries into endurance events, and more. Fees for these events include both an exchange transaction component and contribution component. To the extent fees are collected prior to the event and are refundable to participants, they are reported as deferred revenue. The fees are recognized as revenue at a point in time, typically, when the event occurs.

Deferred revenue (contract liabilities) consists of amounts related to clinical trials, registry sponsorship, special events, and patient education.

The following is an analysis of contract assets, contract liabilities, and accounts receivable as of December 31:

	2021	2020	2019
Accounts receivable	\$ 6,076,209	\$ 5,197,932	\$ 4,010,399
Contract assets	<u>1,259,141</u>	<u>1,714,523</u>	<u>3,389,054</u>
Total accounts receivable and contract assets	<u>\$ 7,335,350</u>	<u>\$ 6,912,455</u>	<u>\$ 7,399,453</u>
Deferred revenue (contract liabilities)			
Clinical trials	\$ 933,936	\$ 1,048,440	\$ 619,608
Registry sponsorship	9,300,000	6,400,000	4,800,000
Special events	325,000	-	153,735
Patient education	<u>1,598,157</u>	<u>1,101,400</u>	<u>395,000</u>
Total deferred revenue (contract liabilities)	<u>\$ 12,157,093</u>	<u>\$ 8,549,840</u>	<u>\$ 5,968,343</u>

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Contracts with Customers (continued)***

##### *Revenue Recognition Practical Expedients*

Customer payment terms are typically less than one year and as such, the MMRF has applied the practical expedient to exclude consideration of significant financing components from the determination of the transaction price. If taxes are collected from customers and remitted to governmental authorities, they are excluded from net sales. Costs to obtain a contract are generally immaterial, but the MMRF has elected the practical expedient to expense these costs as incurred if the amortization period of the capitalized cost would be one year or less. As permitted by the guidance, the MMRF has applied a portfolio approach to evaluating the customer's ability to pay, rather than evaluating each customer's ability to pay separately.

#### ***Fair Value of Measurements***

The MMRF follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Property, Equipment and Depreciation***

Property and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are received. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is provided using the straight-line method over estimated useful lives of 3 to 8 years. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease inclusive of expected renewals.

#### ***Programmatic Investments***

The MMRF has elected to measure all nonmarketable equity securities in programmatic investments using the measurement alternative in ASU 2016-01 (i.e., cost plus or minus changes resulting from observable prices in orderly transactions for the identical or a similar investment of the same issuer), as amended by ASU 2018-03, on a prospective basis. The carrying value of the equity security is adjusted on the date of an observed transaction. Fair value may differ from the observed transaction price due to a number of factors, including marketability adjustments and differences in rights and obligations when the observed transaction is not for the identical investment held. Debt securities in programmatic investments are carried at cost plus accrued and unpaid interest.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Programmatic Investments (continued)***

Nonmarketable equity securities under the measurement alternative are also assessed for impairment. Impairment indicators that are considered include, but are not limited to, (a) a significant deterioration in the earnings performance, credit rating, asset quality or business prospects of the investee, (b) a significant adverse change in the regulatory, economic or technological environment of the investee, (c) a significant adverse change in the general market condition of either the geographical area or the industry in which the investee operates (d) a bona fide offer to purchase, an offer by the investee to sell or a completed auction process for the same or similar investment for an amount less than the carrying amount of that investment, and (d) factors that raise significant concerns about the investee's ability to continue as a going concern, such as negative cash flows from operations, working capital deficiencies or noncompliance with statutory capital requirements or debt covenants. When the qualitative assessment indicates that impairment exists, the investment is written down, with impairment recognized in earnings.

#### ***Deferred Rent and Rent Expense***

Lease agreements require increases in the minimum base rent over time and also contain free rent periods and lease incentive payments. Rent expense under these lease agreements is recognized on the straight-line basis over the term of these related leases. The difference between rent expense recognized on the straight-line basis and cash paid is accounted for as deferred rent and included in accrued expenses on the accompanying consolidated statements of financial position.

#### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Contributions restricted by donors are reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Contributions and Grants***

The MMRF recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contribution or grant revenue conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses are recognized when those requirements are met.

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the MMRF was eligible for a refundable employee retention credit subject to certain criteria. The MMRF recognized approximately \$1.5 million employee retention credit during 2021. The MMRF has filed for refunds of the employee retention credits and subsequent to December 31, 2021 and as of the date of this report has not received a refund and cannot reasonably estimate when it will receive any or all of the refunds.

#### ***Contributed Services***

For the years ended December 31, 2021 and 2020, donated services totaled approximately \$726,000 and \$574,000, respectively. Approximately \$9,050 and \$87,500 was recognized as special event support for 2021 and 2020. Such services are included in the consolidated financial statements as in-kind donations along with the corresponding expenses. Donated services consisted of legal, consulting, printing, and promotional services. In addition, a number of volunteers have contributed their time to the MMRF, none of which meet the requirements for consolidated financial statement recognition.

#### ***Royalties***

In exchange for various grant research awards the MMRF awarded, an unaffiliated company gave MMRF a royalty interest in any future sales or licensing of various products or patents developed from the related research. The royalty income is recognized as the payments are determined and they are received or receivable.

Royalties received were \$0 and \$758,795 for the years ended December 31, 2021 and 2020. Cumulative payments received by the MMRF for the year ended December 31, 2021 totaled approximately \$4,525,000. Royalties received under this agreement are capped at \$6,000,000.

#### ***Advertising***

The MMRF uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred.

# The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

## 2. Summary of Significant Accounting Policies *(continued)*

### ***Joint Costs***

During 2021 and 2020, the MMRF incurred joint costs of \$193,984 and \$187,961, for joint costs activities that included fundraising appeals, including various contacts and communications with multiple myeloma patients, doctors and caregivers in the form of meetings, informational emails, website, and mailing educational materials. For 2021 and 2020, the MMRF allocated \$98,594 and \$93,494 to fundraising expense and \$95,390 and \$94,467 to program expense.

### ***Functional Expenses***

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, professional fees, occupancy, information technology, travel, office expenses, depreciation and amortization, newsletter, insurance, temporary help, telephone, and miscellaneous which are allocated on the basis of estimated employee time spent on each functional area.

### ***Accounting for Uncertainty in Income Taxes***

The MMRF recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the MMRF had no uncertain tax positions that would require consolidated financial statement recognition or disclosure.

### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is May 3, 2022.

### ***Reclassifications***

Certain prior year amounts in the consolidated statements of functional expenses, accrued expenses, and research awards payable have been reclassified for consistency with the current year presentation. These reclassifications had no effect on ending net assets or the change in net assets for the year-ended December 31, 2020. This change in classification does not affect previously reported cash flows from operating activities in the consolidated statements of cash flows for the year-ended December 31, 2020.

## 3. Liquidity and Availability

The following reflects MMRF's available financial assets, reduced by amounts not available for general use within one year. Amounts not available for use within one year include financial assets received with donor restrictions that are designated for a specific purpose, timeline or contractual obligation, and have been earmarked as resources available for future years.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 3. Liquidity and Availability *(continued)*

Total consolidated financial assets available to meet cash needs for general expenditure within one year at December 31, are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 28,605,868	\$ 54,719,525
Investments	36,388,705	-
Contributions receivable within one year	5,358,307	5,705,271
Accounts receivable and contract assets	<u>7,335,350</u>	<u>6,912,455</u>
Total financial assets available		
Within One Year	77,688,230	67,337,251
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	<u>9,845,366</u>	<u>12,571,312</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 67,842,864</u>	<u>\$ 54,765,939</u>

The principal source of liquidity is cash flow generated from contributions and grants from donors through fundraising efforts. As part of the MMRF's liquidity strategy, management structures its financial assets, consisting of cash, cash equivalents or investments, and receivables to be available as its general expenditures, liabilities and obligations come due within one year. Excess cash is invested in highly liquid fixed income securities, which could be drawn upon readily in the event of an unanticipated liquidity need. In addition, the MMRF receives cash flows from providing services related to clinical trials of drugs and royalties. Much of these amounts are expected to be collected within one year.

### 4. Concentrations

The MMRF maintains cash or cash equivalent balances at multiple financial institutions. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC insured") up to \$250,000. As of December 31, 2021, cash and cash equivalents held in banks in excess of the federally insured limits was approximately \$26,449,000. As of December 31, 2020, cash held in banks in excess of the federally insured limits was approximately \$46,384,000.

The MMRF maintains investment balances at multiple financial institutions. Investment accounts are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. As of December 31, 2021, investments held in excess of the SIPC limits was approximately \$35,889,000. As of December 31, 2020, the MMRF held no investments.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 4. Concentrations *(continued)*

The cash, cash equivalent and investment concentrations are as follows at December 31:

	2021	2020
Cash on hand	\$28,605,868	\$54,719,525
Cash in excess of FDIC limit	26,448,784	46,383,904
Investments	36,388,705	-
Investments in excess of SIPC limit	35,888,705	-

The MMRF believes it is not exposed to any significant credit risk on its cash and investment balances.

At December 31, 2021, approximately \$3,550,000 or 67% of contributions receivable was receivable from three donors and at December 31, 2020, approximately \$3,712,000 or 57% of contributions receivable was receivable from three donors.

As of December 31, 2021, three customers represent 49% of accounts receivable and contract assets. As of December 31, 2020, three customers represent 54% of accounts receivable and contract assets.

For 2021 and 2020, no donor represented 10% or more of contributions.

### 5. Investments

The following are major categories of investments measured at fair value on a recurring basis at December 31, 2021, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2021		Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Cash alternatives			
Money market funds	\$ 5,547,820	\$ -	\$ 5,547,820
Fixed income			
Short-term commercial paper	-	6,740,128	6,740,128
Corporate bonds and notes	-	29,648,577	29,648,577
	\$ 5,547,820	\$ 36,388,705	\$ 41,936,525

**The Multiple Myeloma Research Foundation, Inc. and Subsidiaries**

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

**5. Investments (continued)**

The following are major categories of investments measured at fair value on a recurring basis at December 31, 2020, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2020		Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Cash alternatives			
Money market funds	\$ 42,000,023	\$ -	\$ 42,000,023
	<u>\$ 42,000,023</u>	<u>\$ -</u>	<u>\$ 42,000,023</u>

**6. Contributions and Grants Receivable**

Contributions and grants receivable at December 31 are due as follows:

	2021	2020
Receivables currently due	\$ 2,392,207	\$ 2,642,028
Receivable in less than one year	2,966,100	3,063,243
Receivable in one to five years	<u>837,500</u>	<u>1,620,000</u>
Total contributions receivable	6,195,807	7,325,271
Discount to net present value	(64,800)	(64,800)
Allowance for doubtful accounts	<u>(841,582)</u>	<u>(1,000,000)</u>
	<u>\$ 5,289,425</u>	<u>\$ 6,260,471</u>

Pledges receivable with due dates extending beyond one year have discounted rates at December 31, 2021 and 2020 between 2% and 4%.

The aforementioned pledges have been included in the following net asset categories at December 31:

	2021	2020
Without donor restrictions	\$ 147,692	\$ 295,164
With donor restrictions	<u>5,141,733</u>	<u>5,965,307</u>
	<u>\$ 5,289,425</u>	<u>\$ 6,260,471</u>

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 7. Programmatic Investments

The MIF invests in entities that are pursuing research into a cure and/or treatment for multiple myeloma. The goal of these investments is for the research of new cures or treatments. Returns from the investments will be reinvested into other entities or utilized by the MMRF for program expenses. Since its inception, the MIF has invested in eight innovative companies and provided valuable strategic guidance to accelerate their clinical programs.

The MIF continues to accelerate research and attract promising new companies to the field of multiple myeloma. During 2021, the MIF made three early-stage equity investments totaling \$2,949,996 and invested \$807,690 in two follow-on investments. During 2020, the MIF made three investments totaling \$1,407,693 and invested \$500,000 in one follow-on investment.

As of December 31, 2021, the MIF Portfolio consisted of the following investments:

Investment	Area of Focus
Cullinan Oncology, Inc.	MICA/B antibody for preventing cleavage of surface antigen
Abcuro, Inc.	Antibody targeting a novel immune target
Indapta Therapeutics, Inc.	Adaptive NK cells + antibody therapy
Fortis Inc.	Antibody-drug conjugate targeting CD46
CytoImmune Therapeutics	CAR-NK cell therapy
Triumvira Immunologics	Engineered T cell therapy

As of December 31, 2020, the MIF Portfolio consisted of the following investments:

Investment	Area of Focus
NexImmune	Antigen-directed immunotherapies
Tidal Therapeutics	mRNA-based approach for vivo reprogramming of immune cells
Cullinan Oncology, Inc.	MICA/B antibody for preventing cleavage of surface antigen
Abcuro, Inc.	Antibody targeting a novel immune target
Indapta Therapeutics, Inc.	Adaptive NK cells + antibody therapy

During the year ended December 31, 2021, the MMRF sold one investment in convertible promissory notes and one investment in preferred stock securities. The return on the sale of these investments totaled \$2,672,929 and is included in investment return on the consolidated statements of activities. There was no return on the programmatic investments in 2020.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 7. Programmatic Investments *(continued)*

In April 2021, the MIF received approximately \$3,700,000 for the sale of its investment in Tidal Therapeutics. MIF first invested in Tidal Therapeutics in 2019 with an additional investment in 2020 for a total of approximately \$1,000,000 (included in convertible promissory notes below), realizing a gain of approximately \$2,700,000. Under the terms of the agreement, the MIF is entitled to potentially earn an additional \$7,240,000 based on achieving certain milestones as outlined in the purchase agreement. Tidal Therapeutics is a pre-clinical stage biotech company with a novel mRNA-based approach for in vivo reprogramming of immune cells. Additionally, in February 2021, NexImmune filed an initial public offering (“IPO”). Under the terms of the IPO, the MIF was subject to lockup provisions which expired in August 2021 at which time the common shares held by the MIF were freely tradeable securities. The MIF sold its 16,440 remaining shares in NexImmune for \$194,412 in multiple tranches at an average market price of \$11.83, with a cost basis of \$100,000 resulting in a realized gain of \$94,412.

As of December 31, programmatic investments were comprised of the following:

	2021	2020
Convertible promissory notes	\$ 1,082,849	\$ 2,088,137
Preferred stock securities	4,565,379	507,693
	\$ 5,648,228	\$ 2,595,830

### 8. Property and Equipment

At December 31, property and equipment, and related accumulated depreciation and their depreciable lives consisted of the following:

	Estimated useful lives	2021	2020
Equipment	5 years	\$ 355,912	\$ 342,245
Leasehold improvements	7 - 8 years	635,825	635,825
Furniture and fixtures	7 years	61,691	61,691
Software and website development	3 years	3,579,858	3,080,406
		4,633,286	4,120,167
Accumulated depreciation and amortization		(2,816,485)	(1,826,839)
		\$ 1,816,801	\$ 2,293,328

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 9. Research Awards

The MMRF granted research awards and grants were recognized at the recommendation of its medical/scientific advisory board. Included in research expense on the statements of activities for the year ended December 31, the MMRF made the following awards:

	2021	2020
Immunotherapy	\$ 2,822,162	\$ 655,890
Prevention program	2,767,477	-
Site investment grants	572,500	689,500
Fellows research award	346,875	235,375
Translational core	120,644	-
Other awards	-	250,000
	\$ 6,629,658	\$ 1,830,765

Grants and awards payable within the next 12 months as of December 31, 2021 and 2020 are \$3,265,756 and \$2,551,261.

The MMRF made conditional grant payments totaling \$1,219,655 to seven academic institutions in 2021 and conditional grant payments totaling \$2,287,000 to five academic institutions in 2020.

### 10. Restrictions and Designation of Net Assets

Net assets released from donor restrictions and disbursed during the year ended December 31 consist of the following:

	2021	2020
Myeloma Investment Fund	\$ 3,022,931	\$ 2,060,793
Prevention program	1,593,651	1,825,000
Time restricted	821,182	560,261
Immunotherapy	440,000	1,334,828
General research	250,000	-
Precision medicine	200,000	200,000
Health system pilot	142,750	800,000
CureCloud	100,000	100,000
Special events - 2021 Teams for Cures 5K	65,000	410,000
Other	11,024	270,000
Patient summits	-	205,000
Webcast	-	95,000
	\$ 6,646,538	\$ 7,860,882

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 10. Restrictions and Designations of Net Assets *(continued)*

Donor restricted net assets as of December 31 were available for the following:

	2021	2020
Myeloma Investment Fund	\$ 7,270,357	\$ 8,743,878
Prevention program	437,076	2,030,727
Time restricted	2,219,654	1,266,182
Immunotherapy	30,000	480,000
General research	-	250,000
Precision medicine	-	200,000
Health system pilot	247,933	390,683
CureCloud	1,860,000	400,000
Special events - 2021 Teams for Cures 5K	-	65,000
Other	-	11,024
Present value discount	(64,800)	(64,800)
	<u>\$ 12,000,220</u>	<u>\$ 13,772,694</u>

### 11. Related Party Transactions

#### ***Board of Directors***

For the years ended December 31, 2021 and 2020, the MMRF received contributions from the members of the board of directors or entities related to the members of the board of directors totaling approximately \$2,380,000 or 10% and \$332,000 or 2% of total contributions, respectively. As of December 31, 2021 and 2020, approximately \$450,000 or 8% and \$490,000 or 6% of contributions receivable are due from board members or entities related to board members.

#### ***The MMRF Minority Interests***

During the years ended December 31, 2021 and 2020, the MMRF held a 5% minority interest in a for-profit company. The MMRF received ownership in this entity as part of the service agreement executed when the MMRF hired them to perform services for the MMRF in 2012. The MMRF considered the payments under the services agreement to be solely for services rendered and did not allocate any portion to investment in the entity. Additionally, the MMRF considers any cost that would have been allocated, based on the financial condition of the entity, to be immaterial to the consolidated financial statements. Accordingly, no investment in the entities has been recorded. There were no related party transactions in 2021 and 2020 with this entity.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 12. CoMMpass (*unaudited*)

The MMRF-sponsored CoMMpass study commenced in 2011, and approximately 1,150 newly diagnosed, untreated patients with active multiple myeloma from 76 sites (i.e., hospitals, academic medical centers, and other community health centers) in four countries had been enrolled by 2015, at which time the study was closed to new patient recruitment. Patients are followed for eight years through 2023. No experimental treatments are tested in the study, rather, patients are prescribed standard of care agents by their physician, and blood and bone marrow samples are taken from the patients when there is a change in their disease status. The tissue samples collected are placed in a bio-bank. An unrelated, third party, not-for-profit biomedical research institute then performs laboratory tests on a portion of each of the samples resulting in genomic data about each patient. In December 2016, the MMRF launched a similar sample/data sharing collaboration with Eastern Cooperative Oncology Group (the “ECOG”).

### 13. MMRF CureCloud® (*unaudited*)

In July 2020, the MMRF launched the MMRF CureCloud® (“CureCloud”), an IRB-approved, direct-to-patient research effort that aims to advance precision medicine approaches for every patient. CureCloud offers patients the first at-home genomic testing program and the return of a clinical-grade report that can be used to identify treatments and trials that may be right for their care. The aggregated CureCloud data will also be instrumental in driving new scientific discoveries for researchers that will guide the development of new treatments and care pathways to improve outcomes for all patients. The MMRF plans to recruit 5,000 patients with smoldering and active multiple myeloma, with 890 patients enrolled by the end of 2021.

CureCloud development continued adding functionality to support the MMRF’s patients with the addition of data visualizations based on their clinical data in their own dashboards. These visualizations make their medical history, staging and genomic results steadily accessible for meaningful conversations with their providers.

## The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 14. Lease Commitments

The MMRF leases office space under an operating lease that expires on February 28, 2026. Minimum annual rentals under the lease at December 31, 2021 are payable as follows:

Year ending December 31,	Minimum Lease Commitment
2022	\$ 329,433
2023	335,088
2024	340,744
2025	346,399
2026	58,440
	<u>\$ 1,410,104</u>

Rent expense amounted to approximately \$212,000 and \$229,000 for 2021 and 2020.

### 15. 403(b) Plan

The MMRF sponsors a 403(b) plan (the "Plan") covering all employees. The Plan requires the MMRF to contribute 4% of all participants' allowable compensation as defined by the Plan. Total expense for 2021 and 2020, was approximately \$289,000 and \$288,000, respectively.

### 16. Uncertainties and Contingencies

The MMRF's operations and financial performance may be affected by the coronavirus outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. As a result of the pandemic, many of the events and fundraisers were cancelled and to the extent possible went virtual. The MMRF halted new enrollment to MMRC trials from April to June 2020 in compliance with Food and Drug Administration guidance. There were similar reductions in enrollments from November 2020 through December 2021 due to site restrictions. The outbreak is likely to adversely affect the MMRF business, financial conditions, cash flows, and results of operations only on an interim basis.

From time to time, the Organization is a party to litigation, claims, and assessments, which arise in the normal course of business. Management cannot predict or determine the outcome of these matters but does not believe that there are any material claims or assessments made for the years ended December 31, 2021 and 2020.

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