

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

**FORM 10-Q**

[Mark One]

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

For the Quarterly Period Ended March 31, 2026  
OR

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
Commission File No. 001-33057

**CATALYST PHARMACEUTICALS, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

355 Alhambra Circle  
Suite 801  
Coral Gables, Florida  
(Address of principal executive offices)

76-0837053  
(IRS Employer  
Identification No.)

33134  
(Zip Code)

Registrant's telephone number, including area code: (305) 420-3200

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

| Title of Each Class                       | Ticker<br>Symbol | Name of Exchange<br>on Which Registered |
|-------------------------------------------|------------------|-----------------------------------------|
| Common Stock, par value \$0.001 per share | CPRX             | NASDAQ Capital Market                   |

Indicate by checkmark 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 report(s), 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated Filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

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 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date 122,380,992 shares of common stock, \$0.001 par value per share, were outstanding as of May 7, 2026.

**CATALYST PHARMACEUTICALS, INC.**

**INDEX**

**PART I. FINANCIAL INFORMATION**

|         |                                                                                                                                                         |    |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Item 1. | FINANCIAL STATEMENTS                                                                                                                                    |    |
|         | <a href="#">Condensed consolidated balance sheets at March 31, 2026 (unaudited) and December 31, 2025</a>                                               | 3  |
|         | <a href="#">Condensed consolidated statements of operations and comprehensive income for the three months ended March 31, 2026 and 2025 (unaudited)</a> | 4  |
|         | <a href="#">Condensed consolidated statements of changes in stockholders' equity for the three months ended March 31, 2026 and 2025 (unaudited)</a>     | 5  |
|         | <a href="#">Condensed consolidated statements of cash flows for the three months ended March 31, 2026 and 2025 (unaudited)</a>                          | 6  |
|         | <a href="#">Notes to unaudited condensed consolidated financial statements</a>                                                                          | 7  |
| Item 2. | <a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>                                                   | 35 |
| Item 3. | <a href="#">QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK</a>                                                                               | 49 |
| Item 4. | <a href="#">CONTROLS AND PROCEDURES</a>                                                                                                                 | 49 |

**PART II. OTHER INFORMATION**

|          |                                                                             |    |
|----------|-----------------------------------------------------------------------------|----|
| Item 1.  | <a href="#">LEGAL PROCEEDINGS</a>                                           | 50 |
| Item 1A. | <a href="#">RISK FACTORS</a>                                                | 50 |
| Item 2.  | <a href="#">UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</a> | 51 |
| Item 3.  | <a href="#">DEFAULTS UPON SENIOR SECURITIES</a>                             | 51 |
| Item 4.  | <a href="#">MINE SAFETY DISCLOSURE</a>                                      | 51 |
| Item 5.  | <a href="#">OTHER INFORMATION</a>                                           | 51 |
| Item 6.  | <a href="#">EXHIBITS</a>                                                    | 52 |
|          | <a href="#">SIGNATURES</a>                                                  | 53 |

**CATALYST PHARMACEUTICALS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(in thousands, except share data)*

|                                                                                                                                                                                        | March 31,<br>2026<br>(unaudited) | December 31,<br>2025 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                                                          |                                  |                      |
| Current Assets:                                                                                                                                                                        |                                  |                      |
| Cash and cash equivalents                                                                                                                                                              | \$ 755,859                       | \$ 709,171           |
| Accounts receivable, net                                                                                                                                                               | 130,834                          | 126,477              |
| Inventory                                                                                                                                                                              | 34,930                           | 37,166               |
| Prepaid expenses and other current assets                                                                                                                                              | 18,767                           | 21,216               |
| Total current assets                                                                                                                                                                   | 940,390                          | 894,030              |
| Operating lease right-of-use asset, net                                                                                                                                                | 1,858                            | 1,935                |
| Property and equipment, net                                                                                                                                                            | 994                              | 1,037                |
| License and acquired intangibles, net                                                                                                                                                  | 121,971                          | 131,674              |
| Deferred tax assets, net                                                                                                                                                               | 55,111                           | 52,767               |
| Investment in equity securities                                                                                                                                                        | 27,286                           | 22,536               |
| Total assets                                                                                                                                                                           | <u>\$ 1,147,610</u>              | <u>\$ 1,103,979</u>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                            |                                  |                      |
| Current Liabilities:                                                                                                                                                                   |                                  |                      |
| Accounts payable                                                                                                                                                                       | \$ 7,151                         | \$ 11,202            |
| Accrued expenses and other liabilities                                                                                                                                                 | 125,247                          | 135,950              |
| Total current liabilities                                                                                                                                                              | 132,398                          | 147,152              |
| Operating lease liability, net of current portion                                                                                                                                      | 2,235                            | 2,350                |
| Other non-current liabilities                                                                                                                                                          | 280                              | 209                  |
| Total liabilities                                                                                                                                                                      | 134,913                          | 149,711              |
| Commitments and contingencies (Note 12)                                                                                                                                                |                                  |                      |
| Stockholders' equity:                                                                                                                                                                  |                                  |                      |
| Preferred stock, \$0.001 par value, 5,000,000 shares authorized: none issued and outstanding at March 31, 2026 and December 31, 2025                                                   | —                                | —                    |
| Common stock, \$0.001 par value, 200,000,000 shares authorized; 122,181,308 shares and 122,513,621 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively | 122                              | 123                  |
| Additional paid-in capital                                                                                                                                                             | 489,218                          | 479,957              |
| Retained earnings                                                                                                                                                                      | 523,349                          | 474,188              |
| Accumulated other comprehensive income (loss) (Note 4)                                                                                                                                 | 8                                | —                    |
| Total stockholders' equity                                                                                                                                                             | 1,012,697                        | 954,268              |
| Total liabilities and stockholders' equity                                                                                                                                             | <u>\$ 1,147,610</u>              | <u>\$ 1,103,979</u>  |

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

**CATALYST PHARMACEUTICALS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (unaudited)**  
*(in thousands, except share and per share data)*

|                                                                                                     | For the Three Months Ended March 31, |             |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|-------------|
|                                                                                                     | 2026                                 | 2025        |
| Revenues:                                                                                           |                                      |             |
| Product revenue, net                                                                                | \$ 149,343                           | \$ 141,400  |
| License and other revenue                                                                           | 47                                   | 21          |
| Total revenues                                                                                      | 149,390                              | 141,421     |
| Operating costs and expenses:                                                                       |                                      |             |
| Cost of sales (a)                                                                                   | 14,475                               | 17,911      |
| Research and development                                                                            | 2,661                                | 3,887       |
| Selling, general and administrative (a)                                                             | 49,319                               | 46,911      |
| Amortization of intangible assets                                                                   | 9,703                                | 9,345       |
| Total operating costs and expenses                                                                  | 76,158                               | 78,054      |
| Operating income                                                                                    | 73,232                               | 63,367      |
| Other income, net                                                                                   | 10,997                               | 7,919       |
| Net income before income taxes                                                                      | 84,229                               | 71,286      |
| Income tax provision                                                                                | 20,495                               | 14,549      |
| Net income                                                                                          | \$ 63,734                            | \$ 56,737   |
| Net income per share:                                                                               |                                      |             |
| Basic                                                                                               | \$ 0.52                              | \$ 0.47     |
| Diluted                                                                                             | \$ 0.50                              | \$ 0.45     |
| Weighted average shares outstanding:                                                                |                                      |             |
| Basic                                                                                               | 122,254,171                          | 121,472,468 |
| Diluted                                                                                             | 126,903,391                          | 126,957,982 |
| Net income                                                                                          | \$ 63,734                            | \$ 56,737   |
| Other comprehensive income (Note 4):                                                                |                                      |             |
| Unrealized gain (loss) on available-for-sale securities, net of tax of (\$3) and \$25, respectively | 8                                    | (81)        |
| Comprehensive income                                                                                | \$ 63,742                            | \$ 56,656   |

(a) exclusive of amortization of intangible assets

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

**CATALYST PHARMACEUTICALS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)**  
**For the three months ended March 31, 2026 and 2025**  
*(in thousands)*

|                                                                      | <u>Common Stock</u>        |                |               | <u>Additional<br/>Paid-in<br/>Capital</u> | <u>Retained<br/>Earnings</u> | <u>Accumulated<br/>Other<br/>Comprehensive<br/>Income (Loss)</u> | <u>Total</u>        |
|----------------------------------------------------------------------|----------------------------|----------------|---------------|-------------------------------------------|------------------------------|------------------------------------------------------------------|---------------------|
|                                                                      | <u>Preferred<br/>Stock</u> | <u>Shares</u>  | <u>Amount</u> |                                           |                              |                                                                  |                     |
| <b>Balance at December 31, 2025</b>                                  | \$ —                       | 122,514        | \$ 123        | \$ 479,957                                | \$ 474,188                   | \$ —                                                             | \$ 954,268          |
| Stock-based compensation                                             | —                          | —              | —             | 6,260                                     | —                            | —                                                                | 6,260               |
| Exercise of stock options for common stock                           | —                          | 246            | —             | 3,302                                     | —                            | —                                                                | 3,302               |
| Issuance of common stock upon vesting of restricted stock units, net | —                          | 37             | —             | (301)                                     | —                            | —                                                                | (301)               |
| Repurchase of common stock                                           | —                          | (616)          | (1)           | —                                         | (14,573)                     | —                                                                | (14,574)            |
| Other comprehensive gain (loss)                                      | —                          | —              | —             | —                                         | —                            | 8                                                                | 8                   |
| Net income                                                           | —                          | —              | —             | —                                         | 63,734                       | —                                                                | 63,734              |
| <b>Balance at March 31, 2026</b>                                     | <u>\$ —</u>                | <u>122,181</u> | <u>\$ 122</u> | <u>\$ 489,218</u>                         | <u>\$ 523,349</u>            | <u>\$ 8</u>                                                      | <u>\$ 1,012,697</u> |

|                                                                      | <u>Common Stock</u>        |                |               | <u>Additional<br/>Paid-in<br/>Capital</u> | <u>Retained<br/>Earnings</u> | <u>Accumulated<br/>Other<br/>Comprehensive<br/>Income (Loss)</u> | <u>Total</u>      |
|----------------------------------------------------------------------|----------------------------|----------------|---------------|-------------------------------------------|------------------------------|------------------------------------------------------------------|-------------------|
|                                                                      | <u>Preferred<br/>Stock</u> | <u>Shares</u>  | <u>Amount</u> |                                           |                              |                                                                  |                   |
| <b>Balance at December 31, 2024</b>                                  | \$ —                       | 120,879        | \$ 121        | \$ 442,286                                | \$ 285,161                   | \$ 64                                                            | \$ 727,632        |
| Stock-based compensation                                             | —                          | —              | —             | 5,850                                     | —                            | —                                                                | 5,850             |
| Exercise of stock options for common stock                           | —                          | 975            | 1             | 4,786                                     | —                            | —                                                                | 4,787             |
| Issuance of common stock upon vesting of restricted stock units, net | —                          | 105            | —             | (642)                                     | —                            | —                                                                | (642)             |
| Other comprehensive gain (loss)                                      | —                          | —              | —             | —                                         | —                            | (81)                                                             | (81)              |
| Net income                                                           | —                          | —              | —             | —                                         | 56,737                       | —                                                                | 56,737            |
| <b>Balance at March 31, 2025</b>                                     | <u>\$ —</u>                | <u>121,959</u> | <u>\$ 122</u> | <u>\$ 452,280</u>                         | <u>\$ 341,898</u>            | <u>\$ (17)</u>                                                   | <u>\$ 794,283</u> |

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

**CATALYST PHARMACEUTICALS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)**  
*(in thousands)*

|                                                                                             | For the Three Months Ended<br>March 31, |            |
|---------------------------------------------------------------------------------------------|-----------------------------------------|------------|
|                                                                                             | 2026                                    | 2025       |
| <b>Operating Activities:</b>                                                                |                                         |            |
| Net income                                                                                  | \$ 63,734                               | \$ 56,737  |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |                                         |            |
| Depreciation                                                                                | 70                                      | 115        |
| Stock-based compensation                                                                    | 6,260                                   | 5,850      |
| Amortization of intangible assets                                                           | 9,703                                   | 9,345      |
| Deferred taxes                                                                              | (2,336)                                 | (2,321)    |
| Accretion of discount                                                                       | (135)                                   | (60)       |
| Reduction in the carrying amount of right-of-use asset                                      | 77                                      | 72         |
| Change in fair value of equity securities                                                   | (4,750)                                 | (2,644)    |
| (Increase) decrease in:                                                                     |                                         |            |
| Accounts receivable, net                                                                    | (4,357)                                 | (5,789)    |
| Inventory                                                                                   | 2,236                                   | (237)      |
| Prepaid expenses and other current assets                                                   | 2,449                                   | 7,020      |
| Increase (decrease) in:                                                                     |                                         |            |
| Accounts payable                                                                            | (4,051)                                 | (5,396)    |
| Accrued expenses and other liabilities                                                      | (9,207)                                 | (2,552)    |
| Operating lease liability                                                                   | (106)                                   | (97)       |
| Net cash provided by (used in) operating activities                                         | 59,587                                  | 60,043     |
| <b>Investing Activities:</b>                                                                |                                         |            |
| Purchases of property and equipment                                                         | (27)                                    | —          |
| Net cash provided by (used in) investing activities                                         | (27)                                    | —          |
| <b>Financing Activities:</b>                                                                |                                         |            |
| Payment of employee withholding tax related to stock-based compensation                     | (301)                                   | (642)      |
| Proceeds from exercise of stock options                                                     | 3,302                                   | 4,787      |
| Repurchase of common stock                                                                  | (14,574)                                | —          |
| Payment of liabilities arising from asset acquisition                                       | (1,299)                                 | (1,085)    |
| Net cash provided by (used in) financing activities                                         | (12,872)                                | 3,060      |
| Net increase (decrease) in cash and cash equivalents                                        | 46,688                                  | 63,103     |
| Cash and cash equivalents – beginning of period                                             | 709,171                                 | 517,553    |
| Cash and cash equivalents – end of period                                                   | \$ 755,859                              | \$ 580,656 |
| <b>Supplemental disclosures of cash flow information:</b>                                   |                                         |            |
| Cash paid for income taxes                                                                  | \$ 1,839                                | \$ 639     |
| Cash paid for interest                                                                      | \$ 140                                  | \$ 103     |

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

**CATALYST PHARMACEUTICALS, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Organization and Description of Business.**

Catalyst Pharmaceuticals, Inc. and subsidiary (collectively, the Company) is a commercial-stage, patient-centric biopharmaceutical company focused on in-licensing, developing, and commercializing novel high-quality medicines for patients living with rare and difficult to treat diseases. The Company sells three commercial stage drug products, FIRDAPSE® (amifampridine), AGAMREE® (vamorolone), and FYCOMPA® (perampanel). The Company is currently seeking to further expand its product portfolio, with a focus on acquiring the rights to immediately and near-term accretive assets to treat rare (orphan) diseases across therapeutic areas, including clinical-stage opportunities with established proof of concept. With an unwavering patient focus embedded in everything it does, the Company is committed to providing innovative, best-in-class medications with the hope of making a meaningful positive impact on those affected by these conditions.

The Company's New Drug Application (NDA) for FIRDAPSE® Tablets 10 mg for the treatment of adults with Lambert-Eaton myasthenic syndrome (LEMS) was approved in 2018 by the U.S. Food & Drug Administration (FDA), and FIRDAPSE® is commercially available in the U.S. as a treatment for adults with LEMS. Additionally, Canada's national healthcare regulatory agency, Health Canada, approved the use of FIRDAPSE® for the treatment of adult patients in Canada with LEMS in 2020 and FIRDAPSE® is commercially available in Canada for the treatment of patients with LEMS through a license and supply agreement with KYE Pharmaceuticals, Inc. (KYE). Further, in the third quarter of 2022, the FDA approved the Company's supplemental New Drug Application approving an expansion of the FIRDAPSE® label to include pediatric patients (ages six and older). Additionally, in the second quarter of 2024, the FDA approved the Company's supplemental New Drug Application increasing the indicated maximum daily dose of FIRDAPSE® for adults and pediatric patients weighing more than 45 kg from 80 mg to 100 mg for the treatment of LEMS. Finally, Japan's national healthcare regulatory agency, the Ministry of Health, Labour and Welfare (MHLW), approved the use of FIRDAPSE® for the treatment of patients in Japan with LEMS in 2024 and beginning in January 2025, FIRDAPSE® is commercially available in Japan for the treatment of patients with LEMS through a license and supply agreement with DyDo Pharma, Inc. (DyDo).

On December 17, 2022, the Company entered into an asset purchase agreement with Eisai Co., Ltd. (Eisai) for the acquisition of the U.S. rights to FYCOMPA® CIII, a prescription medication used alone or in combination with other medicines to treat focal onset seizures with or without secondarily generalized seizures in people with epilepsy aged four and older and with other medicines to treat primary generalized tonic-clonic seizures in people with epilepsy aged 12 and older. The Company closed the acquisition of the U.S. rights to FYCOMPA® on January 24, 2023 and is currently selling FYCOMPA® in the U.S.

In July 2023, the Company completed its acquisition from Santhera Pharmaceuticals Holdings (Santhera) of an exclusive license for North America for AGAMREE®, a treatment for patients suffering from Duchenne muscular dystrophy (DMD). Additionally, the Company holds the North American rights for any future approved indications of AGAMREE®. AGAMREE® previously received FDA Orphan Drug and Fast-Track designations and on October 26, 2023, the FDA approved AGAMREE® oral suspension 40 mg/ml for the treatment of DMD in patients aged two years and older. On March 13, 2024, the Company commercially launched AGAMREE® in the U.S.

The Company has devoted substantially all its efforts since inception to selling its products, business planning, recruiting management and technical staff, acquiring operating assets, raising capital, and research and development. The Company has been able to fund its cash needs to date through profits generated from sales of its drug products and through offerings of its securities. See Note 15 (Stockholders' Equity).

*Recent Developments*

On May 6, 2026, the Company entered into an Agreement and Plan of Merger (the Merger Agreement) with Angelini Pharma S.p.A., an Italian Società per azioni (Angelini Pharma or Parent), and Angelini Cielo Inc., a Delaware corporation and wholly-owned subsidiary of Parent (Merger Sub), providing for the merger of Merger Sub with and into the Company (the Merger), with the Company surviving the Merger as a wholly-owned subsidiary of Parent.

For further information about the Merger Agreement and the Merger, see the Company's Current Report on Form 8-K filed on May 7, 2026 reporting on the terms of the Merger Agreement and the proposed Merger. See Note 17 (Subsequent Events).

**1. Organization and Description of Business (continued).**

*Capital Resources*

Based on the Company's current financial condition, including its profitability, cash flows generated from operations and forecasts of available cash, the Company believes it has sufficient funds to support operations for at least the next 12 months.

The Company may raise funds in the future through public or private equity offerings, debt financings, corporate collaborations, governmental research grants or other means. The Company may also seek to raise new capital to fund additional business development activities, even if it has sufficient funds for its planned operations. Any sale by the Company of additional equity or convertible debt securities could result in dilution to the Company's current stockholders. There can be no assurance that any required additional funding will be available to the Company at all or available on terms acceptable to the Company.

On January 9, 2024, the Company completed a public offering of 10 million shares of its common stock, raising net proceeds of approximately \$140.7 million. The proceeds of the offering will be used to acquire new products and for general corporate purposes.

**2. Basis of Presentation and Significant Accounting Policies.**

- a. INTERIM FINANCIAL STATEMENTS.** The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) for reporting of interim financial information. Pursuant to such rules and regulations, certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted. The condensed consolidated balance sheet as of December 31, 2025 included in this Form 10-Q was derived from the audited financial statements and does not include all disclosures required by U.S. GAAP.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements of the Company contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of the Company as of the dates and for the periods presented. Accordingly, these condensed consolidated statements should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2025 included in the 2025 Annual Report on Form 10-K filed by the Company with the SEC. Interim results are not necessarily indicative of the results to be expected for any future period or for the full fiscal year.

- b. PRINCIPLES OF CONSOLIDATION.** The condensed consolidated financial statements include the Company's accounts and those of its wholly-owned subsidiary, Catalyst Pharmaceuticals Ireland, Ltd. (Catalyst Ireland). All intercompany accounts and transactions have been eliminated in consolidation. Catalyst Ireland was organized in 2017.
- c. USE OF ESTIMATES.** The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.
- d. CASH AND CASH EQUIVALENTS.** The Company primarily invests in high credit-quality instruments in order to obtain higher yields on its cash equivalents. The Company considers all highly liquid instruments, purchased with an original maturity of three months or less, to be cash equivalents. Cash equivalents consist mainly of money market funds and U.S. Treasuries. The Company has its cash and cash equivalents deposited with two financial institutions.
- e. INVESTMENTS.** At March 31, 2026, investments consisted of U.S. Treasuries and an investment in equity securities and at December 31, 2025, investments consisted of an investment in equity securities. Such investments are not insured by the U.S. Federal Deposit Insurance Corporation.

U.S. Treasuries held at March 31, 2026 were classified as available-for-sale securities. The Company classifies U.S. Treasuries with stated maturities of greater than three months and less than one year in short-term investments. U.S. Treasuries with stated maturities greater than one year are classified as non-current investments in the Company's condensed consolidated balance sheets.

The Company records available-for-sale securities at fair value with unrealized gains and losses reported in accumulated other comprehensive income (loss) (in stockholders' equity). Realized gains and losses are included in other income, net in the condensed consolidated statements of operations and comprehensive income and are derived using the specific identification method for determining the cost of securities sold. Interest income is recognized when earned and is included in other income, net in the condensed consolidated statements of operations and comprehensive income. The Company recognizes a charge when the declines in the fair value below the amortized cost basis of its available-for-sale securities are judged to be as a result of a credit loss. The Company considers various factors in determining whether to recognize an allowance for credit losses including whether the Company intends to sell the security or whether it is more likely than not that the Company would be required to sell the security before recovery of the amortized cost basis. If the unrealized loss of an available-for-sale debt security is determined to be a result of a credit loss the Company would recognize an allowance and the corresponding credit loss would be included in the condensed consolidated statements of operations and comprehensive income. The Company has not recorded an allowance for credit loss on its available-for-sale securities. See Note 3 (Investments).

In July 2023, the Company made a strategic equity investment into Santhera by acquiring 1,414,688 of Santhera's ordinary shares (representing approximately 11.26% of Santhera's outstanding ordinary shares immediately following the transaction). The investment is denominated in Swiss Francs. The Company has determined that it does not have significant influence over the operations of Santhera and accordingly the investment in Santhera's ordinary shares is recorded under ASC 321, Equity Securities, with changes in fair value, inclusive of changes resulting from movements in foreign exchange rates, in other income, net in the condensed consolidated statements of operations and comprehensive income.

## 2. Basis of Presentation and Significant Accounting Policies (continued).

f. **ACCOUNTS RECEIVABLE, NET.** Accounts receivable are recorded net of customer allowances for distribution fees, trade discounts, prompt payment discounts, chargebacks and expected credit losses. Allowances for distribution fees, trade discounts, prompt payment discounts and chargebacks are based on contractual terms. The Company estimates the allowance for expected credit losses based on existing contractual payment terms, actual payment patterns of its customers, current and future economic and market conditions and individual customer circumstances. The Company has not historically experienced any significant credit losses. All customer accounts are actively managed. At March 31, 2026 and December 31, 2025, the Company determined that the allowance for expected credit losses was not material. No amounts were written off during the periods presented.

g. **INVENTORY.** Inventories are stated at the lower of cost or net realizable value. Inventories consist of raw materials, work-in-process and finished goods. Costs to be capitalized as inventories primarily include third-party manufacturing costs and other overhead costs. Cost is determined using a standard cost method, which approximates actual cost, and assumes a first-in, first out (FIFO) flow of goods. If information becomes available that suggests that inventories may not be realizable, the Company may be required to expense a portion or all of the previously capitalized inventories to cost of sales within the condensed consolidated statements of operations and comprehensive income.

Products that have been approved by the FDA or other regulatory authorities, such as FIRDAPSE®, AGAMREE® and FYCOMPA®, are also used in clinical programs to assess the safety and efficacy of the products for usage in treating diseases that have not been approved by the FDA or other regulatory authorities. The forms of FIRDAPSE®, AGAMREE® and FYCOMPA® utilized for both commercial and clinical programs are identical and, as a result, the inventories have an “alternative future use” as defined in authoritative guidance. Raw materials associated with clinical development programs are included in inventory and charged to research and development expense when the product enters the research and development process and no longer can be used for commercial purposes and, therefore, does not have an “alternative future use”.

The Company evaluates for potential excess inventory by analyzing current and future product demand relative to the remaining product shelf life. The Company builds demand forecasts by considering factors such as, but not limited to, overall market potential, market share, market acceptance, and patient usage. The Company records a write-down equal to the difference between the cost of the inventory and the estimated net realizable value to cost of sales within the accompanying condensed consolidated statements of operations and comprehensive income.

h. **PREPAID EXPENSES AND OTHER CURRENT ASSETS.** Prepaid expenses and other current assets consist primarily of prepaid manufacturing, prepaid tax, prepaid insurance, prepaid subscription fees, prepaid research fees, prepaid commercialization expenses, prepaid co-pay assistance program, prepaid conference and travel expenses, and interest receivable. Prepaid research fees consist of advances for the Company’s product development activities, including contracts for pre-clinical studies, clinical trials and studies, regulatory affairs and consulting. Prepaid manufacturing costs consist of advances for the Company’s drug manufacturing activities. Such advances are recorded as expense as the related goods are received or the related services are performed.

i. **PROPERTY AND EQUIPMENT, NET.** Property and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated to amortize the depreciable assets over their useful lives using the straight-line method and commences when the asset is placed in service. Leasehold improvements are amortized on a straight-line basis over the term of the lease or the estimated life of the improvement, whichever is shorter. Useful lives generally range from three to five years for computer equipment and software, from five to seven years for furniture and equipment, and from five to ten years for leasehold improvements. Expenditures for repairs and maintenance are charged to expenses as incurred.

j. **BUSINESS COMBINATIONS AND ASSET ACQUISITIONS.** The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen test is met, the transaction is accounted for as an asset acquisition. If the screen test is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the requirements of a business. If determined to be an asset acquisition, the Company accounts for the transaction under ASC 805-50, which requires the acquiring entity in an asset acquisition to recognize assets acquired and liabilities assumed based on the cost to the acquiring entity on a relative fair value basis, which includes transaction costs in addition to consideration given. Goodwill is not recognized in an asset acquisition and any excess consideration transferred over the fair value of the net assets acquired is allocated to the identifiable assets based on relative fair values. Contingent consideration payments in asset acquisitions are recognized when the contingency is resolved and the consideration is paid or becomes payable.

## 2. Basis of Presentation and Significant Accounting Policies (continued).

See Notes 12 (Commitments and Contingencies) and 13 (Agreements) for further discussion of the Company's exclusive license agreement with Jacobus Pharmaceutical Company, Inc. (Jacobus), for the rights to develop and commercialize RUZURGI® in the U.S. and Mexico, which the Company accounted for as an asset acquisition under ASC 805-50. See Note 13 (Agreements) for further discussion on the Company's acquisitions of the U.S. rights to FYCOMPA® from Eisai, and on the exclusive license for North America acquired from Santhera for AGAMREE®, both of which the Company accounted for as asset acquisitions under ASC 805-50.

- k. INTANGIBLE ASSETS, NET.** Identifiable intangible assets with a finite life are comprised of licensed rights and other acquired intangible assets and are amortized on a straight-line basis over the respective estimated useful life. Sales-based and regulatory milestones capitalized to license and acquired intangibles, net are amortized over the remaining useful life of the asset on a prospective basis.

The Company reviews intangible assets with finite lives for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable (triggering events). If indicators of impairment exist, an impairment test is performed to assess the recoverability of the affected assets by determining whether the carrying amount of such assets exceeds the undiscounted expected future cash flows. If the affected assets are deemed not recoverable, the Company would estimate the fair value of the assets and record an impairment loss.

- l. FAIR VALUE OF FINANCIAL INSTRUMENTS.** The Company's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable, and certain components of accrued expenses and other liabilities. At March 31, 2026 and December 31, 2025, the fair value of these instruments approximated their carrying value as a result of their respective short-term duration.

- m. FAIR VALUE MEASUREMENTS.** Current Financial Accounting Standards Board (FASB) fair value guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, current FASB guidance establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions that it believes market participants would use in pricing assets or liabilities (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

|                                         | Fair Value Measurements at Reporting Date Using (in thousands) |                                                                                        |                                                     |                                                    |
|-----------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
|                                         | Balances as of<br>March 31, 2026                               | Quoted Prices in<br>Active Markets for<br>Identical<br>Assets/Liabilities<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <i>Cash and cash equivalents:</i>       |                                                                |                                                                                        |                                                     |                                                    |
| Money market funds                      | \$ 71,808                                                      | \$ 71,808                                                                              | \$ —                                                | \$ —                                               |
| U.S. Treasuries                         | \$ 574,153                                                     | \$ 574,153                                                                             | \$ —                                                | \$ —                                               |
| <i>Investment in equity securities:</i> |                                                                |                                                                                        |                                                     |                                                    |
| Equity securities                       | \$ 27,286                                                      | \$ 27,286                                                                              | \$ —                                                | \$ —                                               |

## 2. Basis of Presentation and Significant Accounting Policies (continued).

|                                         | Fair Value Measurements at Reporting Date Using (in thousands) |                                                                                        |                                                     |                                                    |
|-----------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
|                                         | Balances as of<br>December 31,<br>2025                         | Quoted Prices in<br>Active Markets for<br>Identical<br>Assets/Liabilities<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <i>Cash and cash equivalents:</i>       |                                                                |                                                                                        |                                                     |                                                    |
| Money market funds                      | \$ 569,457                                                     | \$ 569,457                                                                             | \$ —                                                | \$ —                                               |
| <i>Investment in equity securities:</i> |                                                                |                                                                                        |                                                     |                                                    |
| Equity securities                       | \$ 22,536                                                      | \$ 22,536                                                                              | \$ —                                                | \$ —                                               |

- n. **OPERATING LEASES.** The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, net, other current liabilities, and operating lease liabilities on its condensed consolidated balance sheets. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Company's lease does not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The Company's lease term includes options to extend or terminate the lease, however, these options are not considered in the lease term as the Company is not reasonably certain that it will exercise these options. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company has a lease agreement with lease and non-lease components, which are accounted for separately.
- o. **SHARE REPURCHASES.** The Company accounts for share repurchases by charging the excess of the repurchase price over the repurchased common stock's par value entirely to retained earnings. All repurchased shares are retired and become authorized but unissued shares. The Company accrues for the shares purchased under the share repurchase plan based on the trade date. The Company may terminate or modify its share repurchase program at any time.
- p. **REVENUE RECOGNITION.**

### *Product Revenues:*

To determine revenue recognition for arrangements that are within the scope of Accounting Standards Codification (ASC) Topic 606 – Revenue from Contracts with Customers (Topic 606), the Company performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company assesses the goods or services promised within each contract and determines those that are performance obligations by assessing whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. For a complete discussion of accounting for product revenue, see "Product Revenue, Net" below.

The Company also may generate revenues from payments received under collaborative and licensing arrangements. Collaborative and license agreement payments may include nonrefundable fees at the inception of the agreements, contingent payments for specific achievements designated in the agreements, and/or net profit-sharing payments on sales of products resulting from the collaborative and license arrangements. For a complete discussion of accounting for collaborative and licensing arrangements, see "Revenues from Collaboration and Licensing Arrangements" below.

The Company recognizes revenue when its customers obtain title of the promised goods, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for these goods. For FIRDAPSE® and AGAMREE®, subsequent to receiving FDA approvals, the Company entered into an arrangement with one distributor (the Customer), which is the exclusive distributor of FIRDAPSE® and AGAMREE® in the U.S. The Customer subsequently resells FIRDAPSE® and AGAMREE® to a small group of exclusive specialty pharmacies (SPs) whose dispensing activities for patients with specific payors may result in government-mandated or privately negotiated rebate obligations for the Company with respect to the purchase of FIRDAPSE® and AGAMREE®.

## 2. Basis of Presentation and Significant Accounting Policies (continued).

During 2023, the Company sold FYCOMPA® in the U.S. commercial market through a Transition Service Agreement with a U.S. subsidiary of Eisai to major wholesalers and specialty pharmaceutical distributors. The distribution services under the Transition Services Agreement ended on December 31, 2023, and beginning on January 1, 2024, the Company commenced direct sales of FYCOMPA® in the U.S. These sales are generally subject to contracts held with managed care organizations and government agencies.

**Product Revenue, Net:** The Company recognizes revenue on product sales when its customers obtain control of the Company's products, which occur at a point in time (upon delivery or upon dispense to patient). Product revenue is recorded net of applicable reserves for variable consideration, including discounts and allowances. The Company's payment terms range between 30 and 60 days.

Shipping and handling costs for product shipments occur prior to the customer obtaining control of the goods and are recorded in cost of sales.

If taxes should be collected from the Customer relating to product sales and remitted to governmental authorities, they will be excluded from revenue. The Company expenses incremental costs of obtaining a contract when incurred if the expected amortization period of the asset that the Company would have recognized is one year or less. However, no such costs were incurred during the three months ended March 31, 2026 and 2025.

During the three months ended March 31, 2026 and 2025, substantially all of the Company's product revenues were from sales to customers in the U.S.

The following table summarizes the Company's net product revenue disaggregated by product (in thousands):

|                            | For the Three Months Ended March 31, |                   |
|----------------------------|--------------------------------------|-------------------|
|                            | 2026                                 | 2025              |
| FIRDAPSE®                  | \$ 98,859                            | \$ 83,731         |
| AGAMREE®                   | 36,713                               | 22,042            |
| FYCOMPA®                   | 13,771                               | 35,627            |
| Total product revenue, net | <u>\$ 149,343</u>                    | <u>\$ 141,400</u> |

**Reserves for Variable Consideration:** Revenue from product sales is recorded at the net sales price (transaction price), which includes estimates of variable consideration (gross-to-net adjustments) for which reserves are established. Components of variable consideration include trade discounts and allowances, prompt payment discounts, product returns, provider chargebacks and discounts, government rebates, payor rebates, and other incentives, such as voluntary patient assistance, and other allowances that are offered within contracts between the Company and its customers relating to the Company's sale of its products. These reserves, as detailed below, are based on the amounts earned, or to be claimed on the related sales, and are classified as reductions of accounts receivable (if the amount is payable to its customers) or as accrued revenue allowances (if the amount is payable to a party other than its customers).

These estimates take into consideration a range of possible outcomes which are probability-weighted in accordance with the expected value method in Topic 606 for relevant factors such as current contractual and statutory requirements, specific known market events and trends, industry data, and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the respective underlying contracts.

The amount of variable consideration which is included in the transaction price may be constrained and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. The Company's analysis also contemplates application of the constraint in accordance with the guidance, under which it determined a material reversal of revenue would not occur in a future period for the estimates described below as of March 31, 2026 and, therefore, the transaction price was not reduced further during the three months ended March 31, 2026 and 2025. Actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from the Company's estimates, the Company will adjust these estimates, which would affect net product revenue and earnings in the period such variances become known. Adjustments to prior-period revenues due to such variances are immaterial for all periods presented.

2. **Basis of Presentation and Significant Accounting Policies (continued).**

**Trade Discounts, Allowances and Wholesaler Fees:** The Company provides its customers with a discount that is explicitly stated in its contract and is recorded as a reduction of revenue in the period the related product revenue is recognized. To the extent the services received are distinct from the sale of products to its customers, these payments are classified in selling, general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income. However, if the Company has determined such services received are not distinct from the Company's sale of products to its customers, these payments have been recorded as a reduction of revenue within the condensed consolidated statements of operations and comprehensive income through March 31, 2026 and 2025, as well as a reduction to accounts receivable, net on the condensed consolidated balance sheets.

**Prompt Payment Discounts:** The Company provides certain customers with prompt payment discounts which may result in adjustments to the price that is invoiced for the product transferred, in the case that payments are made within a defined period. The prompt payment discount reserve is based on actual invoice sales and contractual discount rates. Reserves for prompt payment discounts are included in accounts receivable, net on the condensed consolidated balance sheets.

**Funded Co-pay Assistance Program:** The Company contracts with a third-party to manage the co-pay assistance program intended to provide financial assistance to qualified commercially-insured patients. The calculation of the accrual for co-pay assistance is based on an estimate of claims and the cost per claim that the Company expects to receive associated with its products, that have been recognized as revenue, but remains in the distribution channel at the end of each reporting period. These payments are considered payable to the third-party vendor and the related reserve is recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses and other liabilities in the condensed consolidated balance sheets.

**Product Returns:** Consistent with industry practice, the Company offers its customers limited product return rights for damaged and expiring product, provided it is within a specified period around the product expiration date as set forth in the applicable individual distribution or master agreement. The Company estimates the amount of its product sales that may be returned by its customers and records this estimate as a reduction of revenue in the period in which the related product revenue is recognized. The Company currently estimates product return liabilities using available industry data and its own sales information, including its visibility into the inventory remaining in the distribution channel. Return payments related to the sale of products are considered payable to the third-party vendor and the related reserve is recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses and other liabilities in the condensed consolidated balance sheets.

**Provider Chargebacks and Discounts:** Chargebacks for fees and discounts to providers represent the estimated obligations resulting from contractual commitments to sell products to qualified healthcare providers at prices lower than the list prices charged to the customer, who directly purchases the product from the Company. The customer charges the Company for the difference between what they paid for the product and the ultimate selling price to the qualified healthcare providers. The Company also participates in programs with government entities and other parties, including covered entities under the 340B Drug Pricing Program, whereby pricing on FYCOMPA® is extended below wholesaler list price to participating entities (the FYCOMPA® Participants). These entities purchase FYCOMPA® through wholesalers at the lower program price and the wholesalers then charge the Company the difference between their acquisition cost and the lower program price.

These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue, net and accounts receivable, net. Chargeback amounts are generally determined at the time of resale to the qualified healthcare provider by the customer or at the time of a resale to a FYCOMPA® Participant by a wholesaler, and the Company generally issues credits for such amounts within a few weeks of the customer or wholesalers' notification to the Company of the resale. Reserves for chargebacks consist primarily of chargebacks that the customer or wholesalers have claimed, but for which the Company has not yet issued a credit, as well as an estimate of chargeback claims that the Company expects to receive associated with its products, that have been recognized as revenue but remains in the distribution channel at the end of each reporting period.

## 2. Basis of Presentation and Significant Accounting Policies (continued).

**Government Rebates:** The Company is subject to discount obligations under state Medicaid, Medicare and other government programs. These reserves are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue. For reserves related to the sale of its products, there is an establishment of a current liability, which is included in accrued expenses and other liabilities on the condensed consolidated balance sheets. For Medicare, the Company historically estimated the number of patients in the prescription drug coverage gap for whom the Company will owe an additional liability under the Medicare Part D program; however, the coverage gap program was replaced with a redesign of the Medicare program under the Inflation Reduction Act (IRA).

While most components of the new Medicare program began in 2025, the inflation penalty portion was effective as of 2024. Specifically, the program imposes manufacturer rebates on certain Part B and Part D drugs when prices rise faster than the rate of inflation. The Company has estimated this impact and has accounted for these inflation-related rebates, as well as the other components of the program, as a reduction of product revenue to the extent they apply to its drug portfolio. Similar to the coverage gap rebates, the associated reserve is accrued for as a current liability, which is included in accrued expenses and other liabilities on the condensed consolidated balance sheets.

The Company's liability for these rebates consists of invoices received for claims from prior quarters that have not been paid or for which an invoice has not yet been received, estimates of claims for the current quarter, and estimated future claims that will be made for product that has been recognized as revenue, but which remains in the distribution channel inventories at the end of each reporting period.

**Payor Rebates:** The Company contracts with certain private payor organizations, primarily insurance companies and pharmacy benefit managers, for the payment of rebates with respect to utilization of its products. The Company estimates these rebates and records such estimates in the same period the related revenue is recognized, resulting in a reduction of product revenue, net and the establishment of a current liability, which is included in accrued expenses and other liabilities on the condensed consolidated balances sheets.

**Bridge and Patient Assistance Programs:** The Company provides FIRDAPSE® and AGAMREE® free of charge to uninsured patients who satisfy pre-established criteria for either the Bridge Program or the Patient Assistance Program. Patients who meet the Bridge Program eligibility criteria and are transitioning from investigational product while they are waiting for a coverage determination, or later, for patients whose access is threatened by the complications arising from a change of insurer may receive a temporary supply of free FIRDAPSE® or AGAMREE® while the Company is determining the patient's third-party insurance, prescription drug benefit or other third-party coverage for FIRDAPSE® or AGAMREE®. The Patient Assistance Program provides FIRDAPSE® or AGAMREE® free of charge for longer periods of time for those who are uninsured or functionally uninsured with respect to FIRDAPSE® or AGAMREE® because they are unable to obtain coverage from their payor despite having health insurance, to the extent allowed by applicable law.

The Company provides FYCOMPA® free of charge to uninsured patients who satisfy pre-established criteria through a Patient Assistance Program. In addition, Catalyst provides programs to assist patients through the process for obtaining reimbursement approval for their FYCOMPA® prescriptions from their insurers. Catalyst also provides support for patients using FYCOMPA® through an Instant Savings Card Program.

The Company does not recognize any revenue related to these free products and the associated costs are classified in selling, general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income.

### ***Revenues from Collaboration and Licensing Arrangements:***

The Company analyzes license and collaboration arrangements pursuant to FASB ASC Topic 808, Collaborative Arrangement Guidance and Consideration (Topic 808), to assess whether such arrangements, or transactions between arrangement participants, 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 or are more akin to a vendor-customer relationship. In making this evaluation, the Company considers whether the activities of the collaboration are considered to be distinct and deemed to be within the scope of the collaborative arrangement guidance or if they are more reflective of a vendor-customer relationship and, therefore, within the scope of Topic 606. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement.

For elements of collaboration arrangements that are not accounted for pursuant to guidance in Topic 606, an appropriate recognition method is determined and applied consistently, generally by analogy to the revenue from contracts with customers guidance.

**2. Basis of Presentation and Significant Accounting Policies (continued).**

The Company evaluates the performance obligations promised in the contract that are based on goods and services that will be transferred to the customer and determines whether those obligations are both (i) capable of being distinct and (ii) distinct in the context of the contract. Goods or services that meet these criteria are considered distinct performance obligations. The Company estimates the transaction price based on the amount expected to be received for transferring the promised goods or services in the contract. The consideration may include fixed consideration or variable consideration. Revenue is included in product revenue, net in the Company's condensed consolidated statements of operations and comprehensive income.

The agreements provide for milestone payments upon achievement of development, regulatory and commercial events. The Company accounts for milestone payments as variable consideration in accordance with Topic 606. At the inception of each arrangement that includes variable consideration, the Company evaluates the amount of potential transaction price and the likelihood that the transaction price will be received. The Company utilizes either the most likely amount method or expected value method to estimate the amount expected to be received based on which method best predicts the amount expected to be received. The amount of variable consideration that is included in the transaction price may be constrained and is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. The Company assesses if these options provide a material right to the customer and, if so, these options are considered performance obligations. Revenue is included in license and other revenue in the Company's condensed consolidated statements of operations and comprehensive income.

After contract inception, the transaction price is reassessed at every period end and updated for changes such as resolution of uncertain events. Any change in the overall transaction price is allocated to the performance obligations based on the same methodology used at contract inception.

The Company recognizes sales-based royalties or net profit-sharing when the latter of (a) the subsequent sale occurs, or (b) the performance obligation to which the sales-based royalty or net profit-sharing has been allocated has been satisfied. Revenue is included in license and other revenue in the Company's condensed consolidated statements of operations and comprehensive income.

Payments to and from the collaborator are presented in the statements of operations and comprehensive income based on the nature of the Company's business operations, the nature of the arrangement, including the contractual terms, and the nature of the payments.

See Note 11 (Collaborative and Licensing Arrangements), for further discussion on the Company's collaborative and licensing arrangements.

- q. RESEARCH AND DEVELOPMENT.** Costs incurred in connection with research and development activities are expensed as incurred. These costs consist of direct and indirect costs associated with specific projects, as well as fees paid to various entities that perform research-related services for the Company.

The Company records upfront and milestone payments made to third parties under licensing and collaboration arrangements that occur before a compound receives regulatory approval as acquired in-process research and development (IPR&D). IPR&D acquired as part of an asset acquisition with no alternative future use is expensed immediately to research and development. Milestone payments made after regulatory approval are capitalized as a developed asset and unless the asset is determined to have an indefinite life, the Company amortizes its definite-lived intangible assets using the straight-line method, which is considered the best estimate of economic benefit, over their estimated useful lives.

- r. ADVERTISING EXPENSE.** Advertising costs are expensed as incurred. The Company incurred approximately \$2.3 million and \$2.6 million in advertising costs during the three months ended March 31, 2026 and 2025, respectively, which are included in selling, general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income.
- s. STOCK-BASED COMPENSATION.** The Company recognizes expense in the condensed consolidated statements of operations and comprehensive income for the grant date fair value of all stock-based payments to employees, directors and consultants, including grants of stock options and grants of restricted stock units. For stock options, the Company uses the Black-Scholes option valuation model, the single-option award approach, and the straight-line attribution method. Using this approach, compensation cost is amortized on a straight-line basis over the vesting period of each respective stock option, generally options vest over three to five years. Restricted stock units generally vest over three to five years. Forfeitures are recognized as a reduction of stock-based compensation expense as they occur.

## 2. Basis of Presentation and Significant Accounting Policies (continued).

- t. **CONCENTRATION OF RISK.** The financial instruments that potentially subject the Company to concentration of credit risk are cash equivalents, investments and accounts receivable, net. The Company places its cash and cash equivalents with high-credit quality financial institutions. These amounts at times may exceed federally insured limits. The Company has not experienced any credit losses in these accounts.

The Company sells its products, FIRDAPSE® and AGAMREE®, in the U.S. through an exclusive distributor (its Customer) to SPs. Therefore, its distributor and SPs account for principally all of its trade receivables and net product revenues related to these products. The Company sells its product, FYCOMPA®, directly to major wholesalers and specialty pharmaceutical distributors and indirectly to managed care organizations and government agencies. The creditworthiness of its customers is continuously monitored, and the Company has internal policies regarding customer credit limits. The Company estimates an allowance for expected credit loss primarily based on the creditworthiness of its customers, historical payment patterns, aging of receivable balances and general economic conditions.

As of March 31, 2026, the Company had three FDA approved products, which makes it difficult to evaluate its current business, predict its future prospects, and forecast financial performance and growth. The Company had invested a significant portion of its efforts and financial resources in the development and commercialization of its lead product, FIRDAPSE®. The Company expects sales of FIRDAPSE®, AGAMREE® and FYCOMPA® to constitute virtually all of the Company's product revenue for the foreseeable future.

The Company relies exclusively on third parties to formulate and manufacture its products and any future drug candidates. The commercialization of its products and any other drug candidates, if approved, could be stopped, delayed or made less profitable if those third parties fail to provide sufficient quantities of product or fail to do so at acceptable quality levels or prices. The Company does not intend to establish its own manufacturing facilities. The Company is using the same third-party contractors to manufacture, supply, store and distribute drug supplies for clinical trials and for the commercialization of FIRDAPSE®. The Company relies on the same third-party manufacturers for FYCOMPA® as utilized by Eisai prior to the Company's acquisition of the U.S. rights to the product in January 2023. It also relies on Santhera and its supplier as its sole source of supply for AGAMREE®, although the Company is in the process of securing a second supplier. If the Company is unable to continue its relationships with one or more of these third-party contractors, it could experience delays in the development or commercialization efforts as it locates and qualifies new manufacturers. The Company intends to rely on one or more third-party contractors to manufacture the commercial supply of its drugs.

The following table illustrates the approximate percentage of the Company's total net product revenue attributed to the Company's largest customers for the periods presented:

|            | For the Three Months Ended March 31, |       |
|------------|--------------------------------------|-------|
|            | 2026                                 | 2025  |
| Customer A | 90.1%                                | 74.0% |
| Total      | 90.1%                                | 74.0% |

- u. **ROYALTIES.** Royalties incurred in connection with the Company's license agreements for its products, as disclosed in Note 13 (Agreements), are expensed to cost of sales as revenue from product sales is recognized.

Royalties incurred in connection with the Company's license agreement for RUZURGI®, as disclosed in Note 13 (Agreements), are expensed to cost of sales as revenue from product sales is recognized for any royalties in excess of the minimum annual royalty payment from July 11, 2022 (the Effective Date) through 2025. The minimum royalty payment that existed annually for calendar years from the Effective Date through 2025 of \$3 million were included in the purchase price of the agreement.

A minimum royalty payment exists annually for calendar years from 2026 through the expiration of the royalty term (which ends when there is no valid claim under the Company's FIRDAPSE® patents in the U.S.) of \$5 million unless a competing product or generic version of FIRDAPSE® is being marketed or sold in the U.S. If these minimum payments become probable in the future, the Company will recognize a contingent liability in the amount of the present value of the minimum \$5 million royalty payments with an offset to the value of the intangible asset acquired. Any royalties in excess of this amount will be charged to cost of sales as revenue from product sales is recognized. Royalties over the minimum, if any, will be paid based on the agreement terms on a quarterly basis. If these minimum payments are not considered probable, the royalties incurred are expensed to cost of sales as revenue from product sales is recognized.

## 2. Basis of Presentation and Significant Accounting Policies (continued).

- v. **INCOME TAXES.** The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company is subject to income taxes in the U.S. federal jurisdiction and various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company is not subject to U.S. federal, state and local tax examinations by tax authorities for years before 2022. If the Company were to subsequently record an unrecognized tax benefit, associated penalties and tax related interest expense would be reported as a component of income tax expense. See Note 14 (Income Taxes).

- w. **COMPREHENSIVE INCOME.** U.S. GAAP requires that all components of comprehensive income be reported in the financial statements in the period in which they are recognized. Comprehensive income is net income, plus certain other items that are recorded directly into stockholders' equity. The Company's comprehensive income is shown on the condensed consolidated statements of operations and comprehensive income for the three months ended March 31, 2026 and 2025, respectively, and is comprised of net unrealized gains (losses) on the Company's available-for-sale securities.

- x. **NET INCOME PER COMMON SHARE.** Basic net income per share is computed by dividing net income for the period by the weighted average number of common shares outstanding during the period. With regard to common stock subject to vesting requirements, the calculation includes only the vested portion of such stock and units.

Diluted net income per common share is computed by dividing net income by the weighted average number of common shares outstanding, increased by the assumed conversion of other potentially dilutive securities during the period.

The following table reconciles basic and diluted weighted average common shares:

|                                                    | For the Three Months Ended March 31, |             |
|----------------------------------------------------|--------------------------------------|-------------|
|                                                    | 2026                                 | 2025        |
| Basic weighted average common shares outstanding   | 122,254,171                          | 121,472,468 |
| Effect of dilutive securities                      | 4,649,220                            | 5,485,514   |
| Diluted weighted average common shares outstanding | 126,903,391                          | 126,957,982 |

Outstanding common stock equivalents totaling approximately 3.9 million and 2.4 million, were excluded from the calculation of diluted net income per common share for the three months ended March 31, 2026 and 2025, respectively, as their effect would be antidilutive.

- y. **SEGMENT INFORMATION.** Management has determined that the Company operates in one reportable segment, which is the development and commercialization of drug products. The Company's chief operating decision maker (CODM) is its president and chief executive officer, who reviews financial information presented on a consolidated basis. The CODM uses consolidated operating margin (operating income divided by product revenue, net) and net income to assess financial performance and allocate resources. These financial metrics are used by the CODM to make key operating decisions, such as the determination of the rate at which the Company seeks to grow operating margin and the allocation of budget between cost of revenues, selling, research and development, and general and administrative expenses. Segment assets are reported on the condensed consolidated balance sheets as total assets. Net product revenue disaggregated by product is disclosed in Note 2.p.

The following table illustrates information about significant segment expenses, inclusive of stock-based compensation:

|                                | For the Three Months Ended March 31, |           |
|--------------------------------|--------------------------------------|-----------|
|                                | 2026                                 | 2025      |
| Research and development       | \$ 2,661                             | \$ 3,887  |
| Selling                        | 31,491                               | 32,100    |
| General and administrative (a) | 17,828                               | 14,811    |
| Total                          | \$ 51,980                            | \$ 50,798 |

(a) exclusive of amortization of intangible assets

2. **Basis of Presentation and Significant Accounting Policies (continued).**

- z. RECLASSIFICATIONS.** Certain prior year amounts in the condensed consolidated financial statements have been reclassified to conform to the current year presentation.
- aa. RECENTLY ISSUED ACCOUNTING STANDARDS.** In November 2024, the FASB issued ASU 2024-03, *Income Statement: Reporting Comprehensive Income— Expense Disaggregation Disclosures (Subtopic 220-40)* which requires more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the face of the income statement, as well as disclosures about selling expenses. This ASU is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating this guidance to determine the impact it may have on its condensed consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets* which amends ASC 326, Financial Instruments—Credit Losses, introducing a practical expedient and an accounting policy election for certain entities in estimating expected credit losses for current accounts receivable and current contract assets arising from transactions within the scope of ASC 606, Revenue from Contracts with Customers. Under the practical expedient, entities may assume that current conditions as of the balance sheet date remain unchanged for the remaining life of the asset when developing forecasts. The ASU is effective for annual reporting periods beginning after December 15, 2025 and interim reporting within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods. The Company adopted this guidance on a prospective basis as of January 1, 2026 and elected the practical expedient. The updated guidance did not have a material impact on the Company's condensed consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software* which updates the requirements for capitalization of internal-use software, removing all references to project stages and clarifying the threshold to be applied to begin capitalizing. The Company may apply the guidance using a prospective, retrospective or modified transition approach. This ASU is effective for annual periods beginning after December 15, 2027, and for interim periods within those fiscal years. The Company is currently evaluating this guidance to determine the impact it may have on its condensed consolidated financial statements and related disclosures.

### 3. Investments.

Available-for-sale investments were as follows (in thousands):

|                                    | Estimated<br>Fair Value | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Amortized<br>Cost |
|------------------------------------|-------------------------|------------------------------|-------------------------------|-------------------|
| <b>At March 31, 2026:</b>          |                         |                              |                               |                   |
| U.S. Treasuries - Cash equivalents | \$ 574,153              | \$ 11                        | \$ —                          | \$ 574,142        |
| Total                              | <u>\$ 574,153</u>       | <u>\$ 11</u>                 | <u>\$ —</u>                   | <u>\$ 574,142</u> |
| <b>At December 31, 2025:</b>       |                         |                              |                               |                   |
| U.S. Treasuries - Cash equivalents | \$ —                    | \$ —                         | \$ —                          | \$ —              |
| Total                              | <u>\$ —</u>             | <u>\$ —</u>                  | <u>\$ —</u>                   | <u>\$ —</u>       |

There were no realized gains or losses from available-for-sale securities during the three months ended March 31, 2026 and 2025.

The estimated fair values of available-for-sale securities at March 31, 2026, by contractual maturity, are summarized as follows (in thousands):

|                                                                                                                  | March 31,<br>2026                           |                 |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------|
| Due in one year or less                                                                                          | <u>\$ 574,153</u>                           |                 |
|                                                                                                                  | <b>For the Three Months Ended March 31,</b> |                 |
|                                                                                                                  | <b>2026</b>                                 | <b>2025</b>     |
| <b>Equity securities:</b>                                                                                        |                                             |                 |
| Net gains (losses) recognized during the period on equity securities                                             | \$ 4,750                                    | \$ 2,644        |
| Unrealized net gains (losses) recognized during the period on equity securities still held at the reporting date | <u>\$ 4,750</u>                             | <u>\$ 2,644</u> |

There were no purchases or sales of equity securities during the three months ended March 31, 2026 and 2025.

#### 4. Accumulated Other Comprehensive Income (Loss).

The following table summarizes the changes in accumulated other comprehensive income (loss), net of tax from unrealized gains (losses) on available-for-sale securities (in thousands), the Company's only component of accumulated other comprehensive income (loss) for the three months ended March 31, 2026 and 2025.

There were no reclassifications out of accumulated other comprehensive income (loss) during the three months ended March 31, 2026 and 2025.

|                                                    | Total Accumulated<br>Other<br>Comprehensive<br>Income (Loss) |
|----------------------------------------------------|--------------------------------------------------------------|
| <b>Balance at December 31, 2025</b>                | <b>\$ —</b>                                                  |
| Other comprehensive loss before reclassifications  | 8                                                            |
| Net current period other comprehensive gain (loss) | 8                                                            |
| <b>Balance at March 31, 2026</b>                   | <b>\$ 8</b>                                                  |
|                                                    |                                                              |
|                                                    | Total Accumulated<br>Other<br>Comprehensive<br>Income (Loss) |
| <b>Balance at December 31, 2024</b>                | <b>\$ 64</b>                                                 |
| Other comprehensive loss before reclassifications  | (81)                                                         |
| Net current period other comprehensive gain (loss) | (81)                                                         |
| <b>Balance at March 31, 2025</b>                   | <b>\$ (17)</b>                                               |

#### 5. Inventory.

Inventory consists of the following (in thousands):

|                 | March 31, 2026   | December 31, 2025 |
|-----------------|------------------|-------------------|
| Raw materials   | \$ 16,879        | \$ 17,137         |
| Work-in-process | 2,770            | 3,871             |
| Finished goods  | 15,281           | 16,158            |
| Total inventory | <u>\$ 34,930</u> | <u>\$ 37,166</u>  |

The Company identified approximately \$0.5 million in unsalable product which is included in prepaid expenses and other current assets in the condensed consolidated balance sheet at March 31, 2026 as the Company believes it will be reimbursed. The Company's inventory write-downs were approximately \$0.5 million during the three months ended March 31, 2026, and was recorded within cost of sales in the condensed consolidated statements of operations and relates to slow-moving FYCOMPA® inventory and unsalable AGAMREE® inventory. There were no inventory reserves during the three months ended March 31, 2025.

**6. Prepaid Expenses and Other Current Assets.**

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

|                                                 | <b>March 31, 2026</b> | <b>December 31, 2025</b> |
|-------------------------------------------------|-----------------------|--------------------------|
| Prepaid manufacturing costs                     | \$ 2,122              | \$ 2,193                 |
| Prepaid tax                                     | 3,143                 | 5,916                    |
| Prepaid insurance                               | 1,131                 | 1,633                    |
| Prepaid subscriptions fees                      | 1,615                 | 873                      |
| Prepaid research fees                           | 1,015                 | 1,078                    |
| Prepaid commercialization expenses              | 4,776                 | 3,960                    |
| Prepaid conference and travel expenses          | 1,775                 | 980                      |
| Prepaid co-pay assistance program               | —                     | 755                      |
| Interest receivable                             | 472                   | 1,789                    |
| Other                                           | 2,718                 | 2,039                    |
| Total prepaid expenses and other current assets | <u>\$ 18,767</u>      | <u>\$ 21,216</u>         |

## 7. Operating Leases.

The Company has an operating lease agreement for its corporate office that commenced in March 2021 for approximately 10,700 square feet of space. The lease includes an option to extend the lease for up to 5 years and options to terminate the lease within 6 and 7.6 years. The Company has no obligations under finance leases.

The components of lease expense were as follows (in thousands):

|                      | For the Three Months Ended March 31, |        |
|----------------------|--------------------------------------|--------|
|                      | 2026                                 | 2025   |
| Operating lease cost | \$ 108                               | \$ 108 |

Supplemental cash flow information related to lease was as follows (in thousands):

|                                                                         | For the Three Months Ended March 31, |        |
|-------------------------------------------------------------------------|--------------------------------------|--------|
|                                                                         | 2026                                 | 2025   |
| Cash paid for amounts included in the measurement of lease liabilities: |                                      |        |
| Operating cash flows                                                    | \$ 136                               | \$ 132 |
| Right-of-use assets obtained in exchange for lease obligations:         |                                      |        |
| Operating lease                                                         | \$ 22                                | \$ 22  |

Supplemental balance sheet information related to lease was as follows (in thousands):

|                                                     | March 31, 2026 | December 31, 2025 |
|-----------------------------------------------------|----------------|-------------------|
| Operating lease right-of-use assets, net            | \$ 1,858       | \$ 1,935          |
| Other current liabilities                           | \$ 446         | \$ 437            |
| Operating lease liabilities, net of current portion | 2,235          | 2,350             |
| Total operating lease liabilities                   | \$ 2,681       | \$ 2,787          |

As of March 31, 2026 and December 31, 2025, the weighted average remaining lease term was 5.1 years and 5.3 years, respectively. The weighted average discount rate used to determine the operating lease liabilities was 4.5% as of March 31, 2026 and December 31, 2025.

Remaining payments of lease liabilities as of March 31, 2026 were as follows (in thousands):

|                              |          |
|------------------------------|----------|
| 2026 (remaining nine months) | 417      |
| 2027                         | 570      |
| 2028                         | 587      |
| 2029                         | 605      |
| 2030                         | 623      |
| Thereafter                   | 212      |
| Total lease payments         | 3,014    |
| Less: imputed interest       | (333)    |
| Total                        | \$ 2,681 |

Rent expense was approximately \$0.1 million for each of the three month periods ended March 31, 2026 and 2025.

## 8. Property and Equipment, Net.

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

|                                   | March 31, 2026 | December 31, 2025 |
|-----------------------------------|----------------|-------------------|
| Furniture and equipment           | \$ 1,135       | \$ 1,108          |
| Leasehold improvements            | 991            | 991               |
| Software                          | 433            | 433               |
| Less: Accumulated depreciation    | (1,565)        | (1,495)           |
| Total property and equipment, net | <u>\$ 994</u>  | <u>\$ 1,037</u>   |

## 9. License and Acquired Intangibles, Net.

The following table presents the Company's intangible assets at March 31, 2026 (in thousands):

|                                               | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
|-----------------------------------------------|----------------------|--------------------------|--------------------|
| <i>Intangible assets:</i>                     |                      |                          |                    |
| License and acquired intangibles for RUZURGI® | \$ 33,569            | \$ 8,639                 | \$ 24,930          |
| License and acquired intangibles for FYCOMPA® | 158,143              | 100,838                  | 57,305             |
| License and acquired intangibles for AGAMREE® | 48,500               | 8,764                    | 39,736             |
| Total                                         | <u>\$ 240,212</u>    | <u>\$ 118,241</u>        | <u>\$ 121,971</u>  |

The following table presents the Company's intangible assets at December 31, 2025 (in thousands):

|                                               | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
|-----------------------------------------------|----------------------|--------------------------|--------------------|
| <i>Intangible assets:</i>                     |                      |                          |                    |
| License and acquired intangibles for RUZURGI® | \$ 33,569            | \$ 8,059                 | \$ 25,510          |
| License and acquired intangibles for FYCOMPA® | 158,143              | 92,931                   | 65,212             |
| License and acquired intangibles for AGAMREE® | 48,500               | 7,548                    | 40,952             |
| Total                                         | <u>\$ 240,212</u>    | <u>\$ 108,538</u>        | <u>\$ 131,674</u>  |

The Company amortizes its definite-lived intangible assets using the straight-line method, which is considered the best estimate of economic benefit, over its estimated useful life. The estimated useful life used for this purpose for RUZURGI®, FYCOMPA® and AGAMREE® was approximately 14.5 years, 5 years and 10.5 years, respectively.

The Company recorded approximately \$0.6 million in amortization expense related to the license and acquired intangibles for RUZURGI® during each of the three months ended March 31, 2026 and 2025, within selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive income. The Company recorded approximately \$7.9 million in amortization expense related to the license and acquired intangibles for FYCOMPA® during each of the three months ended March 31, 2026 and 2025, respectively, within cost of sales in the condensed consolidated statements of operations and comprehensive income. The Company recorded approximately \$1.2 million and \$0.9 million in amortization expense related to the license and acquired intangibles for AGAMREE® during the three months ended March 31, 2026 and 2025, respectively, within cost of sales in the condensed consolidated statements of operations and comprehensive income.

The following table presents future amortization expense the Company expects for its intangible assets (in thousands):

|                              |                   |
|------------------------------|-------------------|
| 2026 (remaining nine months) | 29,112            |
| 2027                         | 38,815            |
| 2028                         | 9,142             |
| 2029                         | 7,186             |
| 2030                         | 7,186             |
| Thereafter                   | 30,530            |
| Total                        | <u>\$ 121,971</u> |

At March 31, 2026 and December 31, 2025, the weighted average amortization period remaining for intangible assets was 4.4 years and 4.7 years, respectively.

There were no impairment charges recognized on definite-lived intangibles for the three months ended March 31, 2026 or 2025.

# 10. Accrued Expenses and Other Liabilities.

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

|                                                    | March 31, 2026 | December 31, 2025 |
|----------------------------------------------------|----------------|-------------------|
| Accrued preclinical and clinical trial expenses    | \$ 644         | \$ 496            |
| Accrued professional fees                          | 8,461          | 9,314             |
| Accrued compensation and benefits                  | 6,526          | 11,358            |
| Accrued license fees                               | 7,571          | 37,581            |
| Accrued purchases                                  | 3,342          | 2,773             |
| Operating lease liability                          | 446            | 437               |
| Accrued revenue allowances                         | 75,454         | 57,821            |
| Accrued income tax                                 | 19,626         | 1,396             |
| Due to licensor                                    | 2,432          | 13,799            |
| Accrued interest payable                           | —              | 135               |
| Other                                              | 745            | 840               |
| Current accrued expenses and other liabilities     | 125,247        | 135,950           |
| Operating lease liability – non-current            | 2,235          | 2,350             |
| Other – non-current                                | 280            | 209               |
| Non-current accrued expenses and other liabilities | 2,515          | 2,559             |
| Total accrued expenses and other liabilities       | \$ 127,762     | \$ 138,509        |

# 11. Collaborative and Licensing Arrangements.

*KYE Pharmaceuticals, Inc.*

In August 2020, the Company entered into a collaboration and license agreement with KYE, for the commercialization of FIRDAPSE® in Canada. Under the agreement, KYE assumes all selling and marketing costs under the collaboration, while the Company is responsible for supply of FIRDAPSE® based on KYE's purchase orders.

Under the terms of the agreement, the Company received (i) an up-front payment, (ii) payment upon transfer of Marketing Authorization, and (iii) continues to receive payment for supply of FIRDAPSE®. Further, the Company will receive milestone payments and a sharing of defined net profits from KYE, consisting of a mid-double-digit percent of net sales of FIRDAPSE®. The Company has also agreed to the sharing of certain development expenses. Unless terminated earlier in accordance with its terms, the collaboration continues in effect until the date that is ten years following the commercial launch of the product in Canada.

In July 2024, the Company entered into a license, supply and commercialization agreement with KYE, for the commercialization of AGAMREE® in Canada granting KYE the exclusive Canadian commercial rights to market AGAMREE® in Canada for DMD and other indications. Under the agreement, KYE was responsible for obtaining regulatory approval of the product from Health Canada and the Company supplies product to KYE. Further, the Company received an upfront payment from KYE and will be eligible to receive further reimbursement, sales milestones and sales royalties for AGAMREE®.

Both of these agreements are in form identified as collaborative arrangements, although the Company has concluded for accounting purposes that they also represent contracts with a customer. This is because the Company grants to KYE a license and provides supply of FIRDAPSE® and AGAMREE® in exchange for consideration, which are outputs of the Company's ongoing activities. Accordingly, the Company has concluded that these collaborative arrangements will be accounted for pursuant to Topic 606. Revenue from sales by KYE are recognized in the quarter in which the sales occurred.

Revenues from the arrangements with KYE were not material for the three months ended March 31, 2026 and 2025, and are included in license and other revenue in the accompanying condensed consolidated statements of operations and comprehensive income and consisted of royalties. Expenses incurred, net have been included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive income.

**11. Collaborative and Licensing Arrangements (continued).**

*DyDo Pharma, Inc.*

On June 28, 2021, the Company entered into a license and supply agreement with DyDo, for the development and commercialization of FIRDAPSE® in Japan. Under the agreement, DyDo has joint rights to develop FIRDAPSE®, and exclusive rights to commercialize the product, in Japan. DyDo is responsible for funding all clinical, regulatory, marketing and commercialization activities in Japan, while the Company is responsible for clinical and commercial supply based on purchase orders, as well as providing support to DyDo in its efforts to obtain regulatory approval for the product from the Japanese regulatory authorities.

Under the terms of the agreement, the Company earned an up-front payment and certain regulatory milestones and may earn sales-based milestones for FIRDAPSE®, as well as revenue on sales of product supplied to DyDo.

The Company has concluded that this license agreement will be accounted for pursuant to Topic 606. The agreement included a nonrefundable upfront license fee that was recognized upon the effective date of the agreement, as the intellectual property existed at the point in time in which the right to the license was granted. The Company determined the granting of the right to the license is distinct from the supply of FIRDAPSE® and represents a separate performance obligation in the agreement.

The agreement includes milestones that are considered a sales-based royalty in which the license is deemed to be the predominant item to which these milestones relate. Revenue will be recognized when the later of (a) the subsequent sale occurs, or (b) the performance obligation to which the sales-based royalty has been allocated has been satisfied. Additionally, the agreement includes regulatory milestone payments which represent variable consideration, and due to uncertainty are fully constrained and only recognized when the uncertainty is subsequently resolved. For clinical and commercial supply of the product, the Company will recognize revenue when DyDo obtains control of the Company's product, which will occur at a point in time which is generally at time of shipment.

On September 24, 2024, DyDo advised the Company that the MHLW had approved DyDo's Japan NDA to commercialize FIRDAPSE® for the treatment of patients with LEMS and, on January 21, 2025, DyDo launched FIRDAPSE® in Japan.

There was \$1.0 million and \$1.1 million in revenue from the arrangement with DyDo for the three months ended March 31, 2026 and 2025, respectively, which is included in product revenue, net in the accompanying condensed consolidated statements of operations and comprehensive income.

## 12. Commitments and Contingencies.

In May 2019, the FDA approved a NDA for RUZURGI®, Jacobus' version of amifampridine (3,4-DAP), for the treatment of pediatric LEMS patients (ages 6 to under 17). In June 2019 the Company filed suit against the FDA and several related parties challenging this approval and related drug labeling. Jacobus later intervened in the case. The Company ultimately prevailed in its litigation in September 2021 when the U.S. Court of Appeals for the 11th Circuit determined that the FDA's approval of RUZURGI® violated the Company's rights to Orphan Drug Exclusivity.

On July 11, 2022, the Company settled certain of its disputes with Jacobus. In connection with the settlement, the Company licensed the rights to develop and commercialize RUZURGI® in the U.S. and Mexico (the Territory). Simultaneously, the Company purchased, among other intellectual property rights, Jacobus' U.S. patents related to RUZURGI®, its new drug applications in the U.S. for RUZURGI®, and certain RUZURGI® inventory previously manufactured by Jacobus. At the same time, the Company received a license from Jacobus for use of its know-how related to the manufacture of RUZURGI®. Further, the Company settled a patent case it filed against Jacobus to enforce its method of use patents, which was dismissed without prejudice. Finally, Jacobus agreed that until the later of (i) the expiration of the royalty term or (ii) December 31, 2034, Jacobus and its affiliates, will not, directly or indirectly, research, develop, manufacture, commercialize, distribute, use or otherwise exploit any product competitive to FIRDAPSE® or RUZURGI® in the Territory, and Laura Jacobus, the sole shareholder of Jacobus, and two of Jacobus' other officers, also signed individual non-competition agreements containing the same terms.

In connection with the settlement with Jacobus, the Company paid the following consideration to Jacobus:

- \$30 million of cash, of which \$10 million was paid at the closing of the settlement, \$10 million was paid on the first anniversary of the closing, and the remaining \$10 million was paid on the second anniversary of the closing; and
- An annual royalty on the Company's net sales (as defined in the License and Asset Purchase Agreement between Catalyst and Jacobus) of amifampridine products in the U.S. equal to: (a) for calendar years 2022 through 2025, 1.5% (with a minimum annual royalty of \$3.0 million per year), and (b) for calendar years 2026 through the expiration of the last to expire of the Company's FIRDAPSE® patents in the U.S., 2.5% (with a minimum annual royalty of \$5 million per year); provided, however, that the royalty rate may be reduced and the minimum annual royalty may be eliminated under certain circumstances. See Note 13b (Agreements).

In January 2023, the Company received Paragraph IV Certification Notice Letters from three generic drug manufacturers (Teva Pharmaceuticals USA, Inc. and Teva Pharmaceuticals, Inc. (collectively Teva), Hetero USA, Inc. (Hetero), and Lupin Pharmaceuticals, Inc. (Lupin)) advising that they had each submitted an Abbreviated New Drug Application (ANDA) to the FDA seeking authorization from the FDA to manufacture, use or sell a generic version of FIRDAPSE® in the U.S. The notice letters each alleged that the six patents listed in the FDA Orange Book covering FIRDAPSE® are not valid, not enforceable, and/or will not be infringed by the commercial manufacture, use or sale of the proposed product described in these ANDA submissions. Under the Federal Food, Drug, and Cosmetic Act (FDCA), as amended by the Drug Price Competition and Patent Term Restoration Act of 1984, the Company had 45 days from receipt of the notice letters to commence patent infringement lawsuits against these generic drug manufacturers in a federal district court to trigger a stay precluding the FDA from approving any ANDA until May 2026 or entry of judgment holding the patents invalid, unenforceable, or not infringed, whichever occurs first. In that regard, after conducting the necessary due diligence, the Company filed lawsuits on March 1, 2023 in the U.S. District Court for the District of New Jersey against each of the three generic drug manufacturers who notified the Company of their ANDA submissions, thus triggering the stay.

Additionally, in October 2023, the Company received a Paragraph IV Certification Notice Letter from a fourth generic drug manufacturer (Inventia Healthcare Limited (Inventia)), and the Company filed a similar lawsuit against that manufacturer in November 2023. On July 30, 2024, the Company settled its patent litigation with Inventia for FIRDAPSE®. In that settlement, Inventia acknowledged both the validity of the Company's FIRDAPSE® patents and also the infringement by the ANDA filer's product of the Company's patents. As part of the settlement, Inventia also agreed not to commercialize its product until the earlier of all FIRDAPSE® patents expiration scheduled for February 2037, or the earlier entry into the market of another ANDA product meeting certain conditions.

In June 2024, Lupin converted five of its Paragraph IV Certifications in its ANDA to Paragraph III certifications acknowledging the validity and the ANDA's infringement of five of those patents, the latest ending in 2034. The Company subsequently dismissed all of its claims against Lupin related to those five patents but maintained its claims against Lupin for the remaining Paragraph IV certification for U.S. Patent No. 10,626,088 which is the patent expiring in 2037.

**12. Commitments and Contingencies (continued).**

Further, on January 8, 2025, the Company reached a settlement with Teva in which Teva agreed not to market a generic version of FIRDAPSE® in the U.S. any earlier than February 25, 2035, if approved by the FDA, unless certain limited circumstances customarily included in these types of agreements occur. In accordance with the settlement agreement, the parties terminated all ongoing patent litigation between the Company and Teva regarding FIRDAPSE® patents pending in the U.S. District Court for the District of New Jersey. Later, on August 26, 2025, the Company reached a settlement with Lupin on substantially the same terms for market entry.

As of March 31, 2026, the pending FIRDAPSE® patent litigation against the remaining defendant, Hetero (for all of FIRDAPSE®'s Orange Book-listed patents), remains ongoing, and there could be no assurance as to whether the ongoing litigation with Hetero would allow a generic version of FIRDAPSE® to be marketed in the U.S. prior to February 25, 2035. At this time, this trial was scheduled to start on May 18, 2026, shortly before the expiration of the 30-month stay on May 26, 2026. See Note 17 (Subsequent Events) for a description of the recent settlement of this litigation.

On February 20, 2023, the Company received a Paragraph IV Certification Notice Letter from a company that appears to have filed the first ANDA for the oral suspension formulation for FYCOMPA®. The same company sent a similar letter to the Company later in February with a similar certification for the tablet formulation for FYCOMPA®. Similar to the actions with the FIRDAPSE® Paragraph IV Certifications described above, after due diligence the Company filed lawsuits on April 5, 2023, in the U.S. District Court for the District of New Jersey against the drug manufacturer who notified the Company of their ANDA submissions for both FYCOMPA® formulations, thus triggering the 30-month stay for each application. This lawsuit was settled in June 2024. As part of this settlement, this Paragraph IV filer agreed not to commercialize their proposed ANDA products for both the oral suspension formulation of FYCOMPA® and for FYCOMPA® tablets until at least December 15, 2025. As of the date of this report, three generic versions of the tablets and one generic version of the oral suspension are on the market.

Finally, from time to time the Company may become involved in legal proceedings arising in the ordinary course of business. Except as set forth above, the Company believes that there is no other litigation pending at this time that could have, individually or in the aggregate, a material adverse effect on its results of operations, financial condition, or cash flows.

**13. Agreements.**

- a. LICENSE AGREEMENT FOR FIRDAPSE®.** On October 26, 2012, the Company entered into a license agreement with BioMarin Pharmaceutical, Inc. (BioMarin) for the North American rights to FIRDAPSE®. Under the license agreement, the Company pays: (i) royalties to the licensor for seven years from the first commercial sale of FIRDAPSE® equal to 7% of net sales (as defined in the license agreement) in each country for any calendar year for sales up to \$100 million, with the rate increasing to 10% of net sales for any total net sales in excess of \$100 million in North America; and (ii) royalties to the third-party licensor of the rights sublicensed to the Company for seven years from the approval of the U.S. NDA for FIRDAPSE® at 7% of U.S. net sales (as defined in the license agreement between BioMarin and the third-party licensor) in any calendar year and after that 7th anniversary of the U.S. approval, royalties at 3.5% of U.S. net sales in any calendar year until the earlier of the 12th anniversary of the U.S. approval or the entry of a U.S. generic competitor. All royalty obligations to the third-party licensor for non-U.S. sales have concluded.

On May 29, 2019, the Company and BioMarin entered into an amendment to the Company's license agreement for FIRDAPSE®. Under the amendment, the Company expanded its commercial territory for FIRDAPSE®, which originally was comprised of North America, to include Japan. Additionally, the Company's commercial territory was further expanded under the license agreement in December 2023 to include most of Asia, as well as Latin America, upon the acceptance by the Pharmaceuticals and Medical Devices Agency (PMDA) of a Japan MAA for FIRDAPSE® for LEMS. Under the amendment, the Company will pay royalties to its licensor on net sales in Japan of a similar percentage to the royalties that the Company is currently paying under its original license agreement for North America.

In January 2020, the Company was advised that BioMarin has transferred substantially all of its rights under the license agreement to SERB S.A. (SERB), and SERB is now the Company's licensor under the license agreement.

- b. LICENSE AGREEMENT FOR RUZURGI®.** On July 11, 2022 (the Effective Date), the Company entered into an exclusive license agreement with Jacobus, for the rights to develop and commercialize RUZURGI® in the U.S. and Mexico.

Pursuant to the terms of the license agreement, the Company paid Jacobus a \$10 million up-front payment on the Effective Date, \$10 million on the first annual anniversary of the Effective Date (July 11, 2023), and \$10 million on the second annual anniversary of the Effective Date (July 11, 2024). The Company is also obligated to pay tiered royalty payments on net sales (as defined in the license agreement) of all of the Company's amifampridine products in the U.S. that range from 1.25% to 2.5% based on whether there is a competing product or generic version of FIRDAPSE® being marketed or sold in the U.S. See Note 12 (Commitments and Contingencies) for further details.

A minimum royalty payment existed annually for calendar years from the Effective Date through 2025 of \$3 million, provided that such minimum annual royalty payment was prorated in the first calendar year of the agreement. As these minimum payments were both probable and estimable, they were included in the purchase price of the agreement and any royalties in excess of this amount were charged to cost of sales as revenue from product sales is recognized. A minimum royalty payment exists annually for calendar years from 2026 through the expiration of the royalty term (which ends when there is no valid claim under the Company's FIRDAPSE® patents in the U.S.) of \$5 million unless a competing product or generic version of FIRDAPSE® is being marketed or sold in the U.S. If these minimum payments become probable in the future, the Company will recognize a contingent liability in the amount of the present value of the minimum \$5 million royalty payments with an offset to the value of the intangible asset acquired. Any royalties in excess of this amount will be charged to cost of sales as revenue from product sales is recognized. Royalties over the minimum, if any, will be paid based on the agreement terms on a quarterly basis. If these minimum payments are not considered probable, the royalties incurred are expensed to cost of sales as revenue from product sales is recognized.

Assets acquired as part of the license agreement include among other intellectual property rights, Jacobus' U.S. patents related to RUZURGI®, its new drug applications in the U.S. for RUZURGI®, its U.S. Trademark for RUZURGI®, the Orphan Drug Designation for RUZURGI® and a license from Jacobus for use of its know-how related to the manufacture of RUZURGI®.

### 13. Agreements (continued).

Under business combination guidance, the screen test states that if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the set is not considered a business and is accounted for as an asset acquisition. The Company has determined that the screen test was not met. However, the Company determined that the acquisition did not meet the definition of a business under ASC 805, Business Combination. The Company believes that the licensing agreement and other assets acquired from Jacobus are similar and considered them all to be intangible assets with the exception of the inventory acquired. As the screen test was not met, further determination was required to determine that the Company had not acquired inputs and processes that have the ability to create outputs, which would meet the requirements of a business, and therefore, determined that this was an asset acquisition. The Company accounted for the Jacobus license agreement as an asset acquisition under ASC 805-50, which requires the acquiring entity in an asset acquisition to recognize assets acquired and liabilities assumed based on the cost to the acquiring entity on a relative fair value basis, which includes consideration given.

The total purchase price was allocated to the acquired assets based on their relative fair values, as follows (in thousands):

|                                                                             |    |               |
|-----------------------------------------------------------------------------|----|---------------|
| License and acquired intangibles                                            | \$ | 33,569        |
| Acquired research and development inventory expensed from asset acquisition |    | 4,130         |
| Total purchase price                                                        | \$ | <u>37,699</u> |

The straight-line method is used to amortize the license and acquired intangibles, as disclosed in Note 9 (License and Acquired Intangibles, Net).

- c. **ACQUISITION OF U.S. RIGHTS FOR FYCOMPA®.** On January 24, 2023, the Company acquired the U.S. rights for FYCOMPA® CIII a commercial stage epilepsy asset, from Eisai. The aggregate consideration for the acquisition was \$164.2 million in cash, including the reimbursement of certain liabilities and the payment of transaction costs.

Eisai was eligible to receive a contingent payment of \$25 million if a certain regulatory milestone was met. As meeting the regulatory milestone was determined to be not probable as of the acquisition date, the Company did not recognize any amount related to the milestone payments in the purchase price. Additionally, after the loss of patent protection for FYCOMPA®, the Company may be obligated to pay certain royalties to Eisai on net sales of FYCOMPA®. As the transaction is accounted for as an asset acquisition under U.S. GAAP, the Company will recognize the royalty payments in cost of sales as revenue from product sales is recognized.

Royalties commencing on the expiration of the last patent for the product for each calendar year during the royalty term equal to 12% on net sales greater than \$10 million and less than \$100 million, 17% on net sales of greater than \$100 million and less than \$125 million and 22% on net sales greater than \$125 million prior to the date of generic entry. Upon the entry of generic competition, these royalties will be reduced to 6% on net sales greater than \$10 million and less than \$100 million, 8.5% on net sales of greater than \$100 million and less than \$125 million and 11% on net sales greater than \$125 million.

The following table summarizes the aggregate amount paid for the assets acquired by the Company in connection with the acquisition of FYCOMPA® (in thousands):

|                                                     |    |                |
|-----------------------------------------------------|----|----------------|
| Base cash payment                                   | \$ | 160,000        |
| Cash paid for pro-rated prepaid expenses            |    | 1,576          |
| Reimbursement on base purchase price <sup>(i)</sup> |    | (3,238)        |
| Transaction costs <sup>(ii)</sup>                   |    | 5,870          |
| Total purchase consideration                        | \$ | <u>164,208</u> |

- (i) Recorded in prepaid expenses and other current assets in the accompanying condensed consolidated balance sheet as of the acquisition date and reimbursement was fully applied as of June 30, 2023.
- (ii) As of September 30, 2023, the full \$5.9 million was paid in cash.

### 13. Agreements (continued).

The acquisition of FYCOMPA® was accounted for as an asset acquisition in accordance with FASB ASC 805-50. The Company accounted for the acquisition of FYCOMPA® as an asset acquisition because substantially all of the fair value of the assets acquired is concentrated in a single asset, the FYCOMPA® product rights. The FYCOMPA® product rights consist of certain patents and trademarks, at-market contracts and regulatory approvals, marketing assets, and other records, and are considered a single asset as they are inextricably linked. ASC 805-10-55-5A includes a screen test, which provides that if substantially all of the fair value of the assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the assets acquired are not considered to be a business. ASC 805 requires the acquiring entity in an asset acquisition to recognize assets acquired and liabilities assumed based on the cost to the acquiring entity on a relative fair value basis, which includes consideration given.

The total purchase price was allocated to the acquired assets based on their relative fair values, as follows (in thousands):

|                                                     |    |         |
|-----------------------------------------------------|----|---------|
| Inventory                                           | \$ | 4,100   |
| Prepaid expenses and other current assets (samples) |    | 130     |
| Prepaid commercialization expenses                  |    | 1,576   |
| Property and equipment, net                         |    | 433     |
| License and acquired intangibles for FYCOMPA®       |    | 158,143 |
| Accrued preclinical and clinical trial expenses     |    | (174)   |
| Total purchase consideration                        | \$ | 164,208 |

The straight-line method is used to amortize the license and acquired intangibles, as disclosed in Note 9 (License and Acquired Intangibles, Net).

- d. **LICENSE AGREEMENT FOR AGAMREE®.** In July 2023, the Company completed its acquisition from Santhera of an exclusive license for North America for AGAMREE®, a treatment for patients suffering with DMD which was approved by the FDA on October 26, 2023. On March 13, 2024, the Company announced the U.S. commercial launch of AGAMREE® for the treatment of DMD in patients aged two years or older. The license is for exclusive commercial rights in the U.S., Canada, and Mexico. Additionally, the Company will hold North American rights for any future approved indications of AGAMREE®. The Company made an all-cash initial payment of \$75 million at the closing of the acquisition to acquire the license.

Under the license agreement, the Company pays: (i) royalties to the licensor until the later of expiration of product exclusivity or ten years from the first commercial sale of AGAMREE® equal to 5% of net sales (as defined in the license agreement) in North America for any calendar year for sales equal to or less than \$100 million (prior to December 31, 2025 only), 7% of net sales for sales in excess of \$100 million and up to \$200 million, 9% of net sales for sales in excess of \$200 million and up to \$300 million, 11% of net sales for sales in excess of \$300 million; and (ii) royalties to the third-party licensor of the rights sublicensed to the Company until the later of expiration of product exclusivity or ten years from the first commercial sale of AGAMREE® equal to 7% of net sales (as defined in the license agreement) in North America for any single calendar year for sales equal to or less than \$250 million, 8.5% of net sales for sales in excess of \$250 million and up to \$500 million, 10% of net sales for sales in excess of \$500 million and up to \$750 million, 12% of net sales for sales in excess of \$750 million and up to \$1 billion, 13% of net sales for sales in excess of \$1 billion and up to \$2 billion and 15% of net sales for sales in excess of \$2 billion. Furthermore, the Company may be obligated to pay Santhera sales-based milestones of up to \$105 million as well as up to 11% percent royalties for all additional indications and milestones of up to \$50 million for each of the first three additional indications.

Simultaneously, the Company made a strategic equity investment into Santhera by acquiring 1,414,688 of Santhera's post reverse-split ordinary shares (representing approximately 11.26% of Santhera's outstanding ordinary shares immediately following the transaction), which are traded on the SIX Swiss Exchange, at an investment price of CHF 9.477 per share (corresponding to a mutually agreed volume-weighted average price prior to signing), with the funds invested into Santhera to be used by Santhera for Phase IV studies in DMD and further development of additional indications for AGAMREE®.

The following table summarizes the aggregate amount paid for the assets acquired by the Company in connection with the acquisition of AGAMREE® and the strategic equity investment (in thousands):

### 13. Agreements (continued).

|                              |    |        |
|------------------------------|----|--------|
| Initial cash payment         | \$ | 75,000 |
| Investment in Santhera       |    | 13,465 |
| Transaction costs            |    | 6,513  |
| Total purchase consideration | \$ | 94,978 |

The transaction was accounted for as an asset acquisition in accordance with ASC 805-50. The Company accounted for the transaction as an asset acquisition because substantially all of the fair value of the assets acquired is concentrated in a single asset, the rights to develop, commercialize and manufacture AGAMREE®. The AGAMREE® rights consist of certain licenses and regulatory approvals and are considered a single asset as they are inextricably linked. ASC 805-10-55-5A includes a screen test, which provides that if substantially all of the fair value of the assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the assets acquired are not considered to be a business. Additionally, the Company did not acquire a substantive process. ASC 805 requires the acquiring entity in an asset acquisition to recognize assets acquired and liabilities assumed based on the cost to the acquiring entity on a relative fair value basis, which includes consideration given. Goodwill is not recognized in an asset acquisition and any excess consideration transferred over the fair value of the net assets acquired is allocated to the non-financial assets based on relative fair values.

The total purchase price was allocated to the acquired assets based on their relative fair values, as follows (in thousands):

|                                                       |    |        |
|-------------------------------------------------------|----|--------|
| License and acquired intangibles for AGAMREE® (IPR&D) | \$ | 81,513 |
| Investment in Santhera <sup>(i)</sup>                 |    | 13,465 |
| Total purchase consideration                          | \$ | 94,978 |

- (i) The fair value of the investment in Santhera was determined based on the closing market price (CHF 8.25) of Santhera shares and the exchange rate (1.1537) of CHF to USD on the date the shares were transferred, July 19, 2023.

In accordance with FASB ASC 730-10-25, as AGAMREE® had not achieved regulatory approval when acquired, the portion of the purchase price allocated to the IPR&D asset acquired (which includes all transaction costs related to the transactions with Santhera) was immediately expensed to research and development. The Company may be obligated to pay Santhera sales-based milestones of up to \$105 million, which includes a sales-based milestone payment of up to \$12.5 million upon achievement of revenues of \$100 million (which was achieved in the fourth quarter of 2025). Such additional sales-based milestone payments will be capitalized as intangible assets and amortized to cost of sales over the remaining estimated useful life of the approved product when the milestone is achieved and becomes payable by the Company. As the transaction is accounted for as an asset acquisition under U.S. GAAP, the Company will recognize all royalty payments in cost of sales as revenue from product sales is recognized.

Following the approval of the NDA for AGAMREE® on October 26, 2023, the Company became obligated to make a milestone payment of \$36 million to Santhera. The \$36 million payment was made during the fourth quarter of 2023. The Company capitalized the \$36 million payment to license and acquired intangibles, net in the accompanying condensed consolidated balance sheets which is being amortized using the straight-line method over the product's remaining estimated useful life of 10.5 years. The Company also became obligated to make a sales-based milestone payment of \$12.5 million upon achievement of net revenues of \$100 million in a fiscal year, which was achieved in the fourth quarter of 2025 and paid in the first quarter of 2026. This sales-based milestone payment was capitalized in 2025 to license and acquired intangibles, net in the accompanying condensed consolidated balance sheets which is being amortized using the straight-line method over the product's remaining estimated useful life of 10.5 years.

The strategic equity investment in Santhera is accounted for as an investment in equity securities, and is recognized as a non-current asset, as the Company does not intend to sell the shares within 12 months. Since Santhera shares have a readily determinable fair value, the investment will be measured quarterly at fair value with changes reported in earnings in other income, net in the accompanying condensed consolidated statements of operations and comprehensive income.

- e. **AGREEMENTS FOR DRUG MANUFACTURING, DEVELOPMENT, PRECLINICAL AND CLINICAL STUDIES.** The Company has entered into agreements with contract manufacturers for the manufacture of commercial drug and drug and study placebo for the Company's trials and studies, with contract research organizations (CROs) to conduct and monitor the Company's trials and studies and with various entities for laboratories and other testing related to the Company's trials and studies. The contractual terms of the agreements vary, but most require certain advances as well as payments based on the achievement of milestones. Further, these agreements are cancellable at any time, but obligate the Company to reimburse the providers for any time or costs incurred through the date of termination.

**14. Income Taxes.**

The Company's effective income tax rate was 24.3% and 20.4% for the three months ended March 31, 2026 and 2025, respectively. Differences in the effective tax and the statutory federal income tax rate of 21% are primarily driven by state income taxes and anticipated annual permanent differences offset by equity compensation deductions.

The Company had no material uncertain tax positions as of March 31, 2026 and December 31, 2025.

**15. Stockholders' Equity.*****Preferred Stock***

The Company has 5,000,000 shares of authorized preferred stock, \$0.001 par value per share. At March 31, 2026 and December 31, 2025, no shares of preferred stock were outstanding.

***Common Stock***

The Company has 200,000,000 shares of authorized common stock, par value \$0.001 per share. At March 31, 2026 and December 31, 2025, 122,181,308 and 122,513,621 shares, respectively, of common stock were issued and outstanding. Each holder of common stock is entitled to one vote of each share of common stock held of record on all matters on which stockholders generally are entitled to vote.

***Share Repurchases***

In October 2025, the Company's Board of Directors approved a share repurchase program that authorizes the repurchase of up to \$200 million of the Company's common stock, pursuant to a repurchase plan under Rule 10b-18 of the Securities Act. The share repurchase program commenced on October 1, 2025 and currently expires on December 31, 2026. During the three months ended March 31, 2026, 615,765 shares were repurchased for an aggregate purchase price of approximately \$14.6 million (\$23.67 average price per share). No shares were repurchased during the three months ended March 31, 2025.

***2023 Shelf Registration Statement***

On September 8, 2023, the Company filed a shelf registration statement with the SEC to sell up to \$500 million of common stock, preferred stock, warrants to purchase common stock, debt securities and units consisting of one or more of such securities (the 2023 Shelf Registration Statement). The 2023 Shelf Registration Statement (file no. 333-274427) became effective upon filing. On January 9, 2024, the Company completed a public offering of 10 million shares of its common stock, raising net proceeds of approximately \$140.7 million under the Company's 2023 Shelf Registration Statement.

**16. Stock Compensation.**

For the three months ended March 31, 2026 and 2025, the Company recorded stock-based compensation expense as follows (in thousands):

|                                     | <b>For the Three Months Ended March 31,</b> |                 |
|-------------------------------------|---------------------------------------------|-----------------|
|                                     | <b>2026</b>                                 | <b>2025</b>     |
| Research and development            | \$ 462                                      | \$ 425          |
| Selling, general and administrative | 5,798                                       | 5,425           |
| Total stock-based compensation      | <u>\$ 6,260</u>                             | <u>\$ 5,850</u> |

**16. Stock Compensation (continued).**

***Stock Options***

As of March 31, 2026, there were outstanding stock options to purchase 12,434,188 shares of common stock, of which stock options to purchase 7,546,703 shares of common stock were exercisable. Further, as of that date, 4,759,006 shares of common stock remain available for issuance in the future under the 2018 Stock Incentive Plan.

During the three months ended March 31, 2026 and 2025, the Company granted seven-year term options to purchase an aggregate of 531,654 and 510,956 shares, respectively, of the Company's common stock to employees. The Company recorded stock-based compensation related to stock options totaling \$4.9 million and \$4.8 million, respectively, during the three months ended March 31, 2026 and 2025.

During the three months ended March 31, 2026 and 2025, options to purchase 246,389 shares and 975,155 shares, respectively, of the Company's common stock were exercised, with proceeds of \$3.3 million and \$4.8 million, respectively, to the Company.

As of March 31, 2026, there was approximately \$39.7 million of unrecognized compensation expense related to non-vested stock option awards granted under the 2018 Stock Incentive Plan. The cost is expected to be recognized over a weighted average period of approximately 2.4 years.

***Restricted Stock Units***

The Company granted 12,258 and 3,439 restricted stock units during the three months ended March 31, 2026 and 2025, respectively. During the three months ended March 31, 2026 and 2025, the Company recorded non-cash stock-based compensation expense related to restricted stock units totaling \$1.4 million and \$1.1 million, respectively.

As of March 31, 2026, there was approximately \$12.5 million of unrecognized compensation expense related to non-vested restricted stock units granted under the 2018 Stock Incentive Plan. The cost is expected to be recognized over a weighted average period of approximately 2.5 years.

**17. Subsequent Events.**

On May 6, 2026, the Company entered into an Agreement and Plan of Merger (the Merger Agreement) with Angelini Pharma S.p.A., an Italian Società per azioni (Angelini Pharma or Parent), and Angelini Cielo Inc., a Delaware corporation and wholly-owned subsidiary of Parent (Merger Sub), providing for the merger of Merger Sub with and into the Company (the Merger), with the Company surviving the Merger as a wholly-owned subsidiary of Parent. At the effective time of the Merger (the Effective Time), each share of the Company's common stock, par value \$0.001 per share (Shares), issued and outstanding immediately prior to the Effective Time (other than Shares held by the Company, Parent, and any of their respective subsidiaries, and Shares held by stockholders who have properly exercised and perfected appraisal rights and not withdrawn or waived such rights) will be canceled and converted into the right to receive \$31.50 per Share in cash, without interest thereon (Merger Consideration) and subject to any applicable tax withholding. The Merger Agreement contains customary representations, warranties, and covenants, including covenants obligating the Company to use reasonable best efforts to conduct its business and operations in all material respects in the ordinary course of business consistent with past practice, to take all actions necessary or advisable to obtain required regulatory approvals, and not to engage in certain specified activities without Angelini Pharma's prior written consent. If the Merger Agreement is terminated under specified circumstances, the Company will be required to pay Parent a termination fee of approximately \$155.5 million. The Company also expects to incur significant costs, expenses, and fees for professional services and other transaction costs in connection with the Merger. The foregoing description of the Merger Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, a copy of which is attached as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on May 7, 2026.

On May 7, 2026, the Company issued a press release announcing that it and its licensor, SERB, have entered into a settlement agreement (Settlement Agreement) with Hetero. This Settlement Agreement resolves the patent litigation brought by the Company and SERB in response to Hetero's ANDA seeking approval to market a generic version of FIRDAPSE® (amifampridine) 10 mg tablets prior to expiration of the applicable patents. Pursuant to the terms of the Settlement Agreement, Hetero will not market its generic version of FIRDAPSE® in the United States any earlier than January 2035, if approved by the FDA, unless certain limited circumstances customarily included in these types of agreements occur. In accordance with the Settlement Agreement, the parties will terminate all ongoing patent litigation between the Company/SERB and Hetero regarding FIRDAPSE® patents pending in the U.S. District Court for the District of New Jersey. The Company previously settled similar litigation regarding ANDA applications for FIRDAPSE® with Teva, Inventia and Lupin. The Company also agreed to pay a litigation avoidance fee in the amount of \$11.0 million to Hetero as part of the settlement. As required by law, the Company and Hetero will submit the Settlement Agreement to the U.S. Federal Trade Commission and the U.S. Department of Justice for review.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Introduction

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide an understanding of our financial condition, changes in financial condition and results of operations. The discussion and analysis is organized as follows:

- Overview. This section provides a general description of our business and information about our business that we believe is important in understanding our financial condition and results of operations.
- Basis of Presentation. This section provides information about key accounting estimates and policies that we followed in preparing our condensed consolidated financial statements for the first quarter of fiscal 2026.
- Critical Accounting Policies and Estimates. This section discusses those accounting policies that are both considered important to our financial condition and results of operations and require significant judgment and estimates on the part of management in their application. All of our significant accounting policies, including the critical accounting policies, are also summarized in the notes to our interim condensed consolidated financial statements that are included in this report.
- Results of Operations. This section provides an analysis of our results of operations for the three months ended March 31, 2026 as compared to the three months ended March 31, 2025.
- Liquidity and Capital Resources. This section provides an analysis of our cash flows, capital resources, off-balance sheet arrangements, and outstanding commitments.
- Caution Concerning Forward-Looking Statements. This section discusses how certain forward-looking statements made throughout this MD&A and in other sections of this report are based on management's present expectations about future events and are inherently susceptible to uncertainty and changes in circumstance.

### OVERVIEW

We are a commercial-stage, patient-centric biopharmaceutical company focused on in-licensing, developing, and commercializing novel high-quality medicines for patients living with rare and difficult to treat diseases. We currently sell three commercial stage drug products, FIRDAPSE® (amifampridine), AGAMREE® (vamorolone), and FYCOMPA® (perampanel) in the United States. We are also currently seeking to further expand our product portfolio, with a focus on acquiring the rights to immediately and near-term accretive assets to treat rare (orphan) diseases across therapeutic areas, including clinical-stage opportunities with established proof of concept and a clear regulatory pathway to approval. With an unwavering patient focus embedded in everything we do, we are committed to providing innovative, best-in-class medications with the hope of making a meaningful positive impact on those affected by these conditions.

Currently, we have a total of 74 field personnel supporting FIRDAPSE® and AGAMREE® which includes Regional Account Managers, Area Business Directors, National Account Directors, Thought Leader Liaisons and Area Marketing Directors. This also includes 17 Patient Access Liaisons and insurance navigation support personnel who support both FIRDAPSE® and AGAMREE® and 15 Medical Science Liaisons who help educate the medical community about scientific literature concerning our drug products and the diseases they treat.

When we launched AGAMREE® in March 2024, we utilized the FIRDAPSE® commercial and medical field-based forces to market AGAMREE®. Effective April 1, 2025, we separated these field-based forces into two distinct units, one for each function expressly focused on supporting FIRDAPSE® and one for each function expressly focused on supporting AGAMREE®, respectively. This strategic change was made in an effort to allow us to better focus the support for each product. Further, we have two National Account Directors on our commercial team who exclusively focus on the oncology market for Lambert-Eaton Myasthenic Syndrome (LEMS) patients who also have cancer.

#### *Recent Developments*

On May 6, 2026, we entered into an Agreement and Plan of Merger (the Merger Agreement) with Angelini Pharma S.p.A., an Italian Società per azioni (Angelini Pharma or Parent) and Angelini Cielo Inc., a Delaware corporation and wholly-owned subsidiary of Parent (Merger Sub), providing for the merger of Merger Sub with and into the Company (the Merger), with the Company surviving the Merger as a wholly-owned subsidiary of Parent.

For further information about the Merger Agreement and the Merger, see the Current Report on Form 8-K that we filed with the SEC on May 7, 2026 reporting with more particularity on the terms of the Merger Agreement and the proposed Merger.

#### *FIRDAPSE®*

On November 28, 2018, we received approval from the U.S. Food & Drug Administration (FDA) for our new drug application (NDA) for FIRDAPSE® Tablets 10 mg for the treatment of adult patients (ages 17 and above) with LEMS, and in January 2019, we launched FIRDAPSE® in the U.S. Further, on September 29, 2022, the FDA approved our supplemental NDA (sNDA) to expand the indicated age range for FIRDAPSE® Tablets 10 mg for the treatment of LEMS to include pediatric patients six years of age and older. Additionally, on May 30, 2024, the FDA approved our sNDA increasing the indicated maximum daily dosage of FIRDAPSE® tablets for the treatment of patients with LEMS from 80 mg to 100 mg. We are also planning to evaluate FIRDAPSE® in the future for the treatment of other diseases.

We sell FIRDAPSE® in the U.S. through a field-based force experienced in neurologic, central nervous system or rare disease products consisting at this time of approximately 26 field personnel, including sales (Regional Account Managers and Area Business Directors), National Account Directors and Thought Leader Liaisons. This includes two National Account Directors and three Thought Leader Liaisons who exclusively focus on the oncology market for LEMS patients with cancer. We also use non-personal promotion to reach the 20,000 neurologists who are potential LEMS treaters and the 16,000 oncologists who might be treating a LEMS patient who also has cancer (principally small cell lung cancer). Finally, we make available for online ordering a no-cost LEMS voltage gated calcium channel (VGCC) antibody diagnostic testing program for use by physicians who suspect that one of their patients may have LEMS and wish to reach a definitive diagnosis.

Further, we are continuing to expand our digital and social media activities to introduce our products and services to potential patients and their healthcare providers. We also work with several rare disease advocacy organizations (including the Myasthenia Gravis Foundation of America, the National Organization for Rare Disorders, and the LEMS Family Association) to help increase awareness and level of support for patients living with LEMS and to provide education for the physicians who treat this rare disease and the patients they treat.

On August 6, 2025, we reported that the National Comprehensive Cancer Network (NCCN) Clinical Practice Guidelines in Oncology (NCCN Guidelines®) for Small Cell Lung Cancer (SCLC) now include additions involving LEMS, amifampridine, and the tests for PQ- and N-type VGCC antibodies. The updated NCCN Guidelines® for SCLC relating to LEMS now include symptom specificity—characterized by proximal muscle weakness and autonomic dysfunction. Under "Signs and Symptoms of Small Cell Lung Cancer" (SCL-A 2 of 2), the guidelines recommend diagnosis through a neurological evaluation, ideally in consultation with a neurologist, which may include testing for PQ- and N-type VGCC antibodies. Additionally, under "Principles of Supportive Care" (SCL-D), the guidelines recommend that amifampridine should be considered as a treatment in consultation with neurology. We are currently working to increase awareness of these oncology clinical practice guidelines among oncology practices that treat patients with SCLC.

We are supporting the distribution in the U.S. of FIRDAPSE® through Catalyst Pathways®, our personalized treatment support program for patients who enroll in it. Catalyst Pathways® is a single source for personalized treatment support, education and guidance through the challenging dosing and titration regimen required to reach an effective therapeutic dose. The program also includes distributing the drug through a very small group of exclusive specialty pharmacies (primarily AnovoRx), which is consistent with the way that most drug products for ultra-orphan diseases are distributed and dispensed to patients. We believe that by using specialty pharmacies in this way, the task, which can be difficult, of navigating the health care system is far better for the patient needing treatment for their rare disease and the health care community in general.

In order to help patients with LEMS afford their medication, we, like other pharmaceutical companies that market drug products for orphan and ultra-orphan, rare diseases, have developed an array of financial assistance programs intended to reduce out-of-pocket costs in order to make FIRDAPSE® accessible and affordable. A co-pay assistance program has been designed to reduce commercial patients' out of pocket costs to as little as \$0 whenever possible (currently an average of less than \$2 per month). Our co-pay assistance programs, including the one for FIRDAPSE®, are not available to patients enrolled in state or federal healthcare programs, including Medicare, Medicaid, Department of Veterans Affairs (VA), Department of Defense (DoD), or TRICARE. However, we have, at times, donated funds to one or more qualified, independent charitable foundations dedicated to providing assistance to any U.S. LEMS patients in financial need who meet those independent organizations' guidelines. In addition, we have a program in place to help patients who are uninsured and underinsured. Subject to compliance with applicable regulatory requirements, our goal is that no LEMS patient is ever denied access to their medication for financial reasons.

FIRDAPSE® is currently marketed for the treatment of LEMS in Canada through our exclusive sublicensee, KYE Pharmaceuticals, Inc. (KYE). We supply product to KYE at agreed upon prices and we are also eligible to earn sales milestones and sales royalties based on net revenues from sales of the product in Canada. Further, FIRDAPSE® is commercially available (since January 21, 2025) for the treatment of LEMS in Japan through our sublicensee for Japan, DyDo Pharma, Inc. (DyDo). We generate revenue from DyDo through the receipt of additional milestone payments, as such milestones are achieved, and a transfer price on the product supplied by us to DyDo (in lieu of royalties).

We control six U.S. patents for FIRDAPSE® that are listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book), the earliest of which expires in 2032 and the latest of which expires in 2037. Generic drug manufacturers were permitted to submit applications for the product challenging our patents starting in 2023 and the FDA is now permitted to approve such ANDA products following the expiration of our orphan drug exclusivity (ODE) on November 26, 2025, subject to any pending

30-month stays of approval as required under the Drug Price Competition and Patent Term Restoration Act of 1984 (Hatch-Waxman Amendments).

With respect to ANDA filers, in January 2023, we received Paragraph IV Certification Notice Letters from three generic drug manufacturers (Teva Pharmaceuticals USA, Inc. and Teva Pharmaceuticals, Inc. (collectively Teva), Hetero USA, Inc. (Hetero), and Lupin Pharmaceuticals, Inc. (Lupin)) advising that they each had submitted an ANDA to the FDA seeking authorization from the FDA to manufacture, use or sell a generic version of FIRDAPSE® in the U.S. The notice letters each alleged that the six patents protecting FIRDAPSE® that are listed in the Orange Book in connection with FIRDAPSE® are not valid, not enforceable, and/or will not be infringed by the commercial manufacture, use or sale of the proposed product described in these ANDA submissions. Under the Federal Food, Drug, and Cosmetic Act (FDCA), as amended by the Drug Price Competition and Patent Term Restoration Act of 1984, we had 45 days from receipt of the notice letters to determine if there were grounds to bring a lawsuit and, if so, to commence patent infringement lawsuits against these generic drug manufacturers in a federal district court, which would trigger a statutory stay precluding the FDA from final approval of the subject ANDA until May 26, 2026 or entry of judgment holding the patents invalid, unenforceable, or not infringed, whichever occurs first in all cases. In that regard, after conducting the necessary due diligence, we filed lawsuits on March 1, 2023 in the U.S. District Court for the District of New Jersey against each of the three generic drug manufacturers who notified us of their ANDA submissions, thus triggering the stay.

In June 2024, Lupin converted five of its Paragraph IV Certifications in its ANDA to Paragraph III certifications acknowledging the validity and their ANDA's infringement of five of those patents, the latest ending in 2034. We subsequently dismissed all of our claims against Lupin related to those five patents but maintained our claim against Lupin for the remaining Paragraph IV certification for U.S. Patent No. 10,626,088, which is the patent expiring in 2037.

On January 8, 2025, we reached a settlement with Teva in which Teva agreed not to market a generic version of FIRDAPSE® in the U.S. any earlier than February 25, 2035, if approved by the FDA, unless certain limited circumstances customarily included in these types of agreements occur. In accordance with the settlement agreement, the parties terminated all ongoing patent litigation between us and Teva regarding FIRDAPSE® patents pending in the U.S. District Court for the District of New Jersey. Later, on August 26, 2025, we reached a settlement with Lupin on substantially the same terms for market entry.

The pending FIRDAPSE® patent litigation against the remaining defendant, Hetero (relating to the FIRDAPSE® Orange Book-listed patents expiring in 2032, 2034 and 2037) was settled on May 6, 2026. This Settlement Agreement resolves the patent litigation brought by SERB and us in response to Hetero's ANDA seeking approval to market a generic version of FIRDAPSE® prior to expiration of the applicable patents. Pursuant to the terms of the Settlement Agreement, Hetero will not market its generic version of FIRDAPSE® in the United States any earlier than January 2035, if approved by the FDA, unless certain limited circumstances customarily included in these types of agreements occur. In accordance with the Settlement Agreement, the parties will terminate all ongoing patent litigation between us and Hetero regarding FIRDAPSE® patents pending in the U.S. District Court for the District of New Jersey. We also agreed to pay a litigation avoidance fee in the amount of \$11.0 million to Hetero as part of the settlement. As required by law, Hetero and we will submit the Settlement Agreement to the U.S. Federal Trade Commission and the U.S. Department of Justice for review.

#### *AGAMREE®*

On June 19, 2023, we entered into a License and Collaboration Agreement (AGAMREE® License Agreement) and an Investment Agreement (Investment Agreement) with Santhera Pharmaceuticals Holding AG (collectively, Santhera). Under the AGAMREE® License Agreement, we contracted to obtain an exclusive North America license, manufacturing and supply agreement for product candidate, AGAMREE®, a novel corticosteroid for the treatment of Duchenne muscular dystrophy (DMD). We also obtained the North American rights to any future approved indications for AGAMREE®. Under the Investment Agreement, we agreed to make a strategic investment into Santhera. Both transactions closed on July 18, 2023.

Finally, under our AGAMREE® License Agreement with Santhera, we agreed to purchase commercial supply of AGAMREE® from Santhera at agreed upon prices until we completed our process to transition to our own direct supplier. In that regard, we are in the process of transitioning final goods manufacturing to a U.S. location (estimated to be completed by the end of 2026).

Concurrent with the closing of the AGAMREE® License Agreement, we made a strategic investment into Santhera in which we acquired 1,414,688 of Santhera's ordinary shares (representing approximately 11.26% of Santhera's outstanding ordinary shares immediately following the transaction) at an investment price of CHF 9.477 per share, with the approximately \$15.7 million USD in equity investment proceeds to be used by Santhera for Phase IV studies of AGAMREE® in DMD and future development of additional indications for AGAMREE®. On April 29, 2026, we filed a disclosure of significant shareholdings under the Swiss Financial Markets Infrastructure Act (FMIA) to disclose that our 1,414,688 shares of Santhera's ordinary shares represented 9.39% of Santhera's outstanding ordinary shares as of that date. On May 7, 2026, the closing price of Santhera's common shares on the SIX Swiss Exchange was CHF 17.56 per share (approximately \$22.55 USD based on then-current exchange rates).

When we launched AGAMREE® in March 2024, we utilized our FIRDAPSE® commercial and medical field-based forces to market AGAMREE®. Effective April 1, 2025, we separated these field-based forces into two units, one for each function expressly focused on

supporting FIRDAPSE® and one for each function expressly focused on supporting AGAMREE®, respectively. This strategic change was made in an effort to allow us to better focus the support for each product.

Since April 1, 2025, we have sold AGAMREE® in the U.S. through a dedicated field-based force of approximately 16, including sales (12 Regional Account Managers and two Area Business Directors) and two Area Marketing Directors. We are further supporting the distribution of AGAMREE® through our Catalyst Pathways® patient services program to ensure that patients have access to a dedicated, personalized support team that assists families through the AGAMREE® patient journey, from answering questions to coordinating financial assistance programs for eligible patients. Additionally, we have also donated to qualified, independent charitable foundations dedicated to providing assistance to DMD patients in financial need who meet the independent organization's guidelines. Subject to applicable regulatory requirements, our goal is to ensure that no DMD patient is ever denied access to their medication for financial reasons.

DMD, the most common form of muscular dystrophy, is a rare and life-threatening neuromuscular disorder characterized by progressive muscle dysfunction, ultimately leading to loss of ambulation, respiratory failure, and fatality. Current standard treatment for DMD involves corticosteroids, which often come with significant side effects. It is estimated that between 11,000 and 13,000 people in the U.S. are affected by DMD, with approximately 70% of patients currently receiving a corticosteroid treatment. We believe that steroids are and will continue to remain the foundational therapy for DMD patients and dosed concomitantly with other therapies.

AGAMREE®'s unique mode of action is based on differential effects on glucocorticoid and mineralocorticoid receptors and modifying further downstream activity. As such, it is considered a novel corticosteroid that we hope has the potential to demonstrate a better tolerated side effect profile relative to traditional corticosteroids, while demonstrating comparable efficacy. This mechanism of action may allow vamorolone to emerge as an effective alternative to traditional corticosteroids in children, adolescents, and adult patients with DMD. In that regard, we are currently enrolling up to 250 patients in our SUMMIT registry study to evaluate long-term patient safety and quality of life data in patients treated with vamorolone, with the hope of offering a deeper understanding of the product's potential long-term benefits for patients, such as in the areas of growth parameters, bone health status (including the occurrence of fractures), BMI, cardiovascular status, muscular, hormonal and ophthalmologic status, QoL, and adverse events.

On October 13, 2023, Santhera announced that the European Union's Committee for Medicinal Products for Human Use (CHMP) adopted a positive position in favor of AGAMREE® for the treatment of DMD patients aged four and older. In its recommendation for approval, CHMP acknowledged that there was a positive benefit-risk profile of AGAMREE® in such patient population, including certain safety benefits of AGAMREE® compared to traditional corticosteroids in the treatment of DMD. Further, on December 18, 2023, the European Commission (EC) granted to Santhera marketing authorization for AGAMREE® for the treatment of DMD in patients ages four years and older and on January 12, 2024 Santhera announced that AGAMREE® had received approval by the Medicines and Healthcare Products Regulatory Agency (MHRA) in the United Kingdom. Further, on January 15, 2024, Santhera announced that AGAMREE® was commercially launched in Germany. Additionally, on January 16, 2025, the National Institute for Health and Care Excellence (NICE) issued positive Final Guidance that recommends AGAMREE® for use in the National Health Service (NHS) in England, Wales and Northern Ireland for the treatment of DMD in patients four years of age and older and on February 13, 2025, Santhera announced an agreement with the German National Association of Statutory Health Insurance Funds (GKV-SV) on the reimbursement for AGAMREE® for the treatment of DMD. This agreement makes AGAMREE® the first product to receive an agreed federal price in Germany for the treatment of DMD in patients four years of age and older, independent of the underlying genetic mutation. Finally, on January 15, 2026, Santhera announced that the Swiss Agency for Therapeutic Products (Swissmedic) approved AGAMREE® for the treatment of DMD in patients four years of age and older.

Further, Santhera has recently reported on the results of two studies, the Guardian Trial and the Lionheart trial, which provide useful information about some of the issues that are intended to be covered in the SUMMIT study. In addition, at the recent Muscular Dystrophy Conference held in March 2026, we sponsored an industry forum in collaboration with Santhera on the topic of real-world experience in using vamorolone for the treatment of patients with DMD.

We are also evaluating life cycle management of AGAMREE® with the intention to explore the possibility of additional indications beyond DMD. In furtherance of that objective, we are currently conducting a Phase 1 study in healthy adults comparing a single dose of vamorolone, prednisone, and deflazacort, and studying the immunosuppressive effect of multiple ascending doses of AGAMREE®. This study will evaluate whether there is an immunosuppressive dose of vamorolone that might be considered for future indications and for the use of our product in conjunction with gene and cell therapies that are approved to treat DMD and require a concurrent immunosuppressive regimen of a corticosteroid when administered. We expect to have the results of both parts of this study during the second quarter of 2026. Further, we are hopeful that the recent addition of DMD to the Recommended Uniform Screening Panel by the U.S. Department of Health and Human Services will help support earlier detection of the disease and more timely access to treatment options.

Further, the joint steering committee that we established with Santhera at the time we obtained a license for AGAMREE® is actively collaborating on the lifecycle management and development of the product. There can be no assurance that we can develop and commercialize our product for the treatment of diseases other than DMD.

In the U.S., AGAMREE® has New Chemical Entity exclusivity that expires in October 2028. AGAMREE® also has Orphan Drug Exclusivity expiring in October 2030. AGAMREE® is further protected by seven Orange Book listed patents expiring as early as May 28, 2029 and as late as July 16, 2040. The Company has also requested Patent Term Extension (PTE) and will update the relevant expiration date in the Orange Book upon a final determination by the U.S. Patent and Trademark Office (USPTO). On June 25, 2025, the FDA published a notice (Determination of Regulatory Review Period for Purposes of Patent Extension; AGAMREE®) in the Federal Register regarding the requested extension of patent numbers 8,334,279, 10,857,161, and 11,833,159, all of which currently expire on May 28, 2029, as listed in the FDA's Orange Book. With the publication of this notice, there is a 180-day period for third parties to submit comments and/or due diligence petitions to the FDA. If no comments or petitions are submitted within this period, the FDA will notify the USPTO so that the USPTO can then determine the length of the PTE for each patent for which an extension was requested. Upon completion of the PTE determination, USPTO will mail a Notice of Final Determination of PTE. We will then have one month from the mailing of the Notice of Final Determination to elect one of the three patents for an extension patent term.

The earliest a generic manufacturer could submit an ANDA for vamorolone is October 26, 2027. If we were to pursue a patent infringement action of any such ANDA challenges of any of AGAMREE®'s Orange Book patents, then the automatic statutory 30-month stay would prevent FDA approval of such ANDA until April 26, 2031.

On July 23, 2024 we entered into a license, supply and commercialization agreement with KYE, which is already our sublicensee for FIRDAPSE® in Canada, granting KYE the exclusive Canadian commercial rights to market AGAMREE® in Canada for DMD and other indications. Under the agreement, KYE was responsible for obtaining regulatory approval of the product from Health Canada and on October 2, 2025, KYE announced that Health Canada has approved AGAMREE® for the treatment of DMD in boys four years of age and older. Under our sublicense agreement with KYE for this product, we will supply product to KYE and also receive sales milestones and sales royalties based on net revenues from sales of the product in Canada. We currently expect that KYE will launch the product in Canada sometime in 2026.

#### *FYCOMPA®*

On December 17, 2022, we entered into an agreement with Eisai Co., Ltd. (Eisai) for the acquisition of the U.S. rights to FYCOMPA® CIII. FYCOMPA® is a selective non-competitive antagonist of AMPA receptors, the major subtype of ionotropic glutamate receptors. It was the first, and still is the only, drug of its class to be approved for epilepsy. Studies suggest that AMPA receptor antagonism can lead to reduced overstimulation and anticonvulsant effects, as well as inhibiting seizure generation and spread. FYCOMPA® is a controlled substance and is approved with a boxed warning in its labeling. FYCOMPA® is used to treat certain types of focal onset seizures (seizures that involve only one part of the brain) in adults and children four years of age and older. It is also used in combination with other medications to treat certain types of primary generalized tonic-clonic seizures (also known as a “grand mal” seizure, a seizure that involves the entire body) in adults and children 12 years of age or older. Perampanel is in a class of medications called anticonvulsants. It works by decreasing abnormal electrical activity in the brain.

On January 24, 2023, we closed our acquisition of the U.S. rights to FYCOMPA®. In connection with the acquisition, we purchased Eisai's regulatory approvals and documentation, product records, intellectual property, inventory, and other matters relating to the U.S. rights for FYCOMPA®, in exchange for an upfront payment of \$160 million in cash. We also agreed to pay Eisai royalty payments on net sales after all FYCOMPA® patents had expired, with such royalty payments reduced after generic equivalents enter the market. In conjunction with the closing of the asset purchase, we entered into a Supply Agreement under which Eisai agreed to manufacture FYCOMPA® for us for at least seven years at prices listed in the Supply Agreement (to be updated on a yearly basis).

Patent protection for FYCOMPA® tablets and oral solution expired in 2025, and, to our knowledge based on publicly available information, three ANDA filers for the tablet formulations have, to date, obtained approval for and are marketing a generic version of FYCOMPA® tablets and one ANDA filer has, to date, obtained approval for and is marketing a generic version of FYCOMPA® oral suspension. We continue to sell FYCOMPA® tablets and oral suspension despite the loss of exclusivity, although we ceased all marketing efforts for the product at the end of 2025.

#### *Business Development*

We continue to advance our strategic initiatives and portfolio expansion efforts, focusing on broadening and diversifying our rare (orphan) neurology product portfolio with innovative therapies that address critical unmet medical needs. In that regard, we are currently exploring immediate or near-term accretive, clinically differentiated and adequately de-risked opportunities, with a keen focus on rare (orphan) disease products across therapeutic areas and treatment modalities. These prospects include evaluating products and companies with existing commercial drug products or drugs in development, including clinical stage opportunities with established proof of concept and a clear regulatory pathway for approval, for potential licensing or acquisition. We maintain a well-established U.S. presence, which remains the cornerstone of our commercial strategy, while continuously evaluating strategic opportunities to expand our global footprint.

We employ a disciplined, comprehensive, and exhaustive approach to identifying and evaluating opportunities that we believe will add significant value to our company over the near, mid, and long-term. However, no definitive agreements have been entered into to date to acquire the rights to any additional products, and there can be no assurance that any of the Company's business development initiatives will be successful.

### *Capital Resources*

At March 31, 2026, we had cash and cash equivalents of approximately \$755.9 million. Based on our current financial condition, including our profitability, cash flows generated from operations and forecasts of available cash, absent the use of cash to acquire potential business development opportunities, we believe that we have sufficient funds to support our operations for at least the next 12 months. There can be no assurance that we will continue to be successful in commercializing FIRDAPSE® and AGAMREE®, that our forecasts of revenues from sales of FYCOMPA® will be accurate now that the product has lost patent exclusivity, or that we will continue to be profitable and cash flow positive. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources” below for further information on our liquidity and cash flow.

### *Share Repurchase Program*

On October 1, 2025, we announced that our Board of Directors has authorized a new share repurchase program to repurchase up to \$200 million of shares of our common stock between October 1, 2025 and December 31, 2026. Repurchases under the new share repurchase program may be made through a variety of methods, including open market or privately negotiated purchases. The timing and amount of shares repurchased will depend on the stock price, business and market conditions, corporate and regulatory requirements, alternative investment opportunities, acquisition opportunities and other factors. We are not obligated to repurchase any specific amount of shares of common stock, and the new share repurchase program may be suspended or terminated at any time.

We are using existing cash on hand to fund our share repurchase program. We also believe that we can execute our share repurchase program without impairing the advancement of our business development strategy. In that regard, as of May 7, 2026, we had repurchased 1,740,713 shares of our outstanding common stock for an aggregate purchase price of approximately \$39.9 million (\$22.91 average price per share).

### **Basis of Presentation**

#### *Revenues.*

During the three months ended March 31, 2026, we generated revenues from product sales of FIRDAPSE®, AGAMREE®, and FYCOMPA®. We expect these revenues to fluctuate in future periods based on our sales during such periods of our products.

We received approval from Health Canada on July 31, 2020, for FIRDAPSE® for the symptomatic treatment of LEMS and as of December 31, 2020, our sublicensee KYE launched FIRDAPSE® in Canada. During the three months ended March 31, 2026, revenues generated under our collaboration agreement with KYE were immaterial. In July 2024, we announced that we had entered into a collaboration agreement with KYE for the commercialization of AGAMREE® in Canada. On October 2, 2025, KYE issued a press release reporting that its NDS to commercialize AGAMREE® in Canada had been approved by Health Canada.

On September 24, 2024, we were informed by DyDo that it had received approval of its New Drug Application for the sale of FIRDAPSE® in Japan. Further, DyDo advised us that they launched FIRDAPSE® in Japan in January 2025.

We expect revenues from both the KYE and DyDo agreements to be immaterial in 2026, as distribution ramps up in each jurisdiction and KYE begins to market AGAMREE® in Canada.

#### *Cost of Sales.*

Cost of sales consists of third-party manufacturing costs, freight, royalties, amortization related to milestone payments, and indirect overhead costs associated with sales of our products. Cost of sales may also include period costs related to certain inventory manufacturing services, inventory adjustments charges, unabsorbed manufacturing and overhead costs and manufacturing variances.

#### *Research and Development Expenses.*

Our research and development expenses consist of costs incurred for company-sponsored research and development activities, as well as support for selected investigator-sponsored research. The major components of research and development costs include acquired IPR&D, preclinical study costs, clinical manufacturing costs, clinical study and trial expenses, insurance coverage for clinical trials, consulting, and other third-party costs, salaries and employee benefits, stock-based compensation expense, supplies and materials, and allocations of various overhead costs related to our product development efforts.

Prior to January 2023, all of our research and development resources had been devoted to the development of FIRDAPSE®, and until such time as we acquire or license new products we currently expect that our future development costs will be attributable principally to the continued development of FIRDAPSE®, and AGAMREE®.

Our cost accruals for clinical studies and trials are based on estimates of the services received and efforts expended pursuant to contracts with numerous clinical study and trial sites and clinical research organizations (CROs). In the normal course of our business we contract with third parties to perform various clinical study and trial activities in the on-going development of potential products. The financial terms of these agreements are subject to negotiation and vary from contract to contract and may result in uneven payment flows. Payments under the contracts depend on factors such as the achievement of certain events or milestones, the successful enrollment of patients, the allocation of responsibilities among the parties to the agreement, and the completion of portions of the clinical study or trial.

or similar conditions. The objective of our accrual policy is to match the recording of expenses in our condensed consolidated financial statements to the actual services received and efforts expended. As such, expense accruals related to preclinical and clinical studies or trials are recognized based on our estimate of the degree of completion of the event or events specified in the specific study or trial contract. We monitor service provider activities to the extent possible; however, if we underestimate activity levels associated with various studies or trials at a given point in time, we could be required to record significant additional research and development expenses in future periods. Preclinical and clinical study and trial activities require significant up-front expenditures. We anticipate paying significant portions of a study or trial's cost before they begin and incurring additional expenditures as the study or trial progresses and reaches certain milestones.

*Selling, General and Administrative Expenses.*

During 2019, we began to commit funds to developing our commercialization program for FIRDAPSE® and we have continued to incur substantial commercialization expenses, including sales, marketing, patient services, patient advocacy and other commercialization related expenses as we have continued our sales and marketing program for FIRDAPSE®. We are also now incurring substantial commercialization expenses for AGAMREE®, as we continue commercialization of this product. We expect that such expenses for FYCOMPA® will substantially decline as a result of declining sales resulting from the loss of exclusivity of the product with the entry of generic competitors for this product.

Our general and administrative expenses consist primarily of salaries and personnel expenses for accounting, corporate, compliance, and administrative functions. Other costs include administrative facility costs, regulatory fees, insurance, and professional fees for legal (including litigation) cost, IT, accounting, and consulting services.

*Amortization of Intangible Assets.*

Amortization of intangible assets consists of the amortization of the FYCOMPA® product rights, which are amortized using the straight-line method over its estimated useful life of 5 years, the RUZURGI® product rights, which are amortized using the straight-line method over its estimated useful life of 14.5 years, and the AGAMREE® product rights, which are amortized using the straight-line method over its estimated useful life of 10.5 years.

*Stock-Based Compensation.*

We recognize expense for the fair value of all stock-based awards to employees, directors, and consultants in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP). For stock options, we use the Black-Scholes option valuation model in calculating the fair value of the awards.

*Income Taxes.*

Our effective income tax rate is the ratio of income tax expense over our net income before income taxes.

*Recently Issued Accounting Standards.*

For discussion of recently issued accounting standards, please see Note 2, "Basis of Presentation and Significant Accounting Policies," in the condensed consolidated financial statements included in this report.

**Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported revenues and expenses during the reporting periods. For a full discussion of our accounting policies, please refer to Note 2 on the Financial Statements included in our 2025 Annual Report on Form 10-K that we filed with the SEC on February 25, 2026. Our most critical accounting policies and estimates include accounting for revenue recognition (including adjustments for government rebates) and valuation of intangible assets. We continually evaluate our judgments, estimates and assumptions. We base our estimates on the terms of underlying agreements, our expected course of development, historical experience and other factors that we believe are reasonable based on the circumstances, the results of which form our management's basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There have been no material changes to our critical accounting policies and estimates from the information provided in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2025 Annual Report on Form 10-K.

**Results of Operations**

*Revenues.*

For the three months ended March 31, 2026, we recognized total revenues of approximately \$149.4 million, which included approximately \$149.3 million in net product revenue (primarily in the U.S.), compared to total revenues of approximately \$141.4 million,

which included approximately \$141.4 million in net product revenue (primarily in the U.S.), for the three months ended March 31, 2025. Total revenues for the three months ended March 31, 2026 and 2025 were as follows (in thousands):

|                           | For the Three Months Ended March 31, |            | Change   |        |
|---------------------------|--------------------------------------|------------|----------|--------|
|                           | 2026                                 | 2025       | \$       | %      |
| FIRDAPSE®                 | \$ 98,859                            | \$ 83,731  | 15,128   | 18.1   |
| AGAMREE®                  | 36,713                               | 22,042     | 14,671   | 66.6   |
| FYCOMPA®                  | 13,771                               | 35,627     | (21,856) | (61.3) |
| Product revenue, net      | 149,343                              | 141,400    | 7,943    | 5.6    |
| License and other revenue | 47                                   | 21         | 26       | 123.8  |
| Total revenues            | \$ 149,390                           | \$ 141,421 | 7,969    | 5.6    |

The increase of approximately \$7.9 million in net product revenue when comparing the three months ended March 31, 2026 and 2025 was primarily driven by increases in sales volumes for both FIRDAPSE® and AGAMREE®.

Further, FYCOMPA® net product revenue decreased by approximately \$21.9 million or 61.3% from the three months ended March 31, 2025 compared to the three months ended March 31, 2026, due to the generic entry following the loss of exclusivity in 2025. We expect that net product revenue for FYCOMPA® will likely continue to decrease in the future since generic competitors entered the market following the expiration of the '571 patent on May 23, 2025.

For the three months ended March 31, 2026 and 2025, we recognized \$47 thousand and \$21 thousand, respectively, in license and other revenue, which consisted of royalties.

#### *Cost of Sales.*

Cost of sales was approximately \$14.5 million for the three months ended March 31, 2026, compared to approximately \$17.9 million for the three months ended March 31, 2025. The decrease when comparing the three months ended March 31, 2026 to the three months ended March 31, 2025 was primarily due to a decrease in royalty obligations related to FIRDAPSE®. Cost of sales in all periods consisted principally of royalty payments, which are based on net revenue as defined in the applicable license agreements. For FIRDAPSE®, royalties are payable on the terms set forth below in Liquidity and Capital Resources—*Contractual Obligations and Arrangements*, and increase by 3% when net sales (as defined in the applicable license agreement) exceed \$100 million in any calendar year. Cost of sales for FYCOMPA® for the three months ended March 31, 2026 consisted of product costs and excludes the amortization of the FYCOMPA® intangible assets. Cost of sales for AGAMREE® for the three months ended March 31, 2026 consisted of royalties payable on the terms set forth below in Liquidity and Capital Resources—*Contractual Obligations and Arrangements*, product costs and excludes the amortization of the AGAMREE® intangible asset. Royalties on sales of AGAMREE® in future years may increase as a percentage of net sales exceed certain amounts of net revenues over \$100 million. See Note 13 of the "Notes to Condensed Consolidated Financial Statements" included elsewhere in this report.

#### *Research and Development Expenses.*

Research and development expenses for the three months ended March 31, 2026 and 2025 were approximately \$2.7 million and \$3.9 million, respectively, and represented approximately 3% and 5% of total operating costs and expenses, respectively. Research and development expenses for the three months ended March 31, 2026 and 2025 were as follows (in thousands):

|                                             | For the Three Months Ended March 31, |          | Change  |        |
|---------------------------------------------|--------------------------------------|----------|---------|--------|
|                                             | 2026                                 | 2025     | \$      | %      |
| Salary and benefit expense                  | \$ 1,018                             | \$ 1,112 | (94)    | (8.5)  |
| Employee stock-based compensation expense   | 462                                  | 425      | 37      | 8.7    |
| Research and clinical trial expense         | 1,141                                | 2,090    | (949)   | (45.4) |
| Additional research and development expense | 40                                   | 260      | (220)   | (84.6) |
| Total research and development expenses     | \$ 2,661                             | \$ 3,887 | (1,226) | (31.5) |

Research and development expenses remained relatively consistent during the three months ended March 31, 2026 when compared to the same period in 2025. During the three months ended March 31, 2026, research and development expenses consisted of costs for company-sponsored research and development activities, support for selected investigator-sponsored research, and costs for development activities supporting our commercial products.

We expect that research and development activities may become more significant in the future if we seek to execute on the development of additional indications for FIRDAPSE® and AGAMREE® and on our portfolio expansion efforts.

## [Table of Contents](#)

### *Selling, General and Administrative Expenses.*

Selling, general and administrative expenses for the three months ended March 31, 2026 and 2025 were approximately \$49.3 million and \$46.9 million, respectively, and represented approximately 65% and 60% of total operating costs and expenses, respectively. Selling, general and administrative expenses for the three months ended March 31, 2026 and 2025 were as follows (in thousands):

|                                                    | For the Three Months Ended March 31, |                  | Change       |            |
|----------------------------------------------------|--------------------------------------|------------------|--------------|------------|
|                                                    | 2026                                 | 2025             | \$           | %          |
| Selling                                            | \$ 29,661                            | \$ 29,901        | (240)        | (0.8)      |
| General and administrative                         | 13,860                               | 11,585           | 2,275        | 19.6       |
| Employee stock-based compensation                  | 5,798                                | 5,425            | 373          | 6.9        |
| Total selling, general and administrative expenses | <u>\$ 49,319</u>                     | <u>\$ 46,911</u> | <u>2,408</u> | <u>5.1</u> |

For the three months ended March 31, 2026, selling, general and administrative expenses remained relatively consistent when compared to the same period in 2025. The increase in general and administrative expenses was primarily due to consulting fees related to multiple business initiatives, including business development activities.

We expect that selling, general, and administrative expenses will continue to be substantial in future periods as we continue to sell FIRDAPSE® and AGAMREE® and as we take other steps in an effort to continue to expand our business, offset in part by reduced selling, general, and administrative expenses as more generic FYCOMPA® becomes available in the marketplace. We further anticipate that general and administrative expenses will be impacted in the second quarter of 2026 by a litigation avoidance payment in connection with the settlement of our patent litigation with Hetero.

### *Amortization of Intangible Assets.*

Amortization of intangible assets was approximately \$9.7 million for the three months ended March 31, 2026 compared to \$9.3 million for the three months ended March 31, 2025. Amortization of intangible assets consists of the amortization of the FYCOMPA® rights, which are amortized using the straight-line method over its estimated useful life of 5 years, the RUZURGI® rights, which are amortized using the straight-line method over its estimated useful life of 14.5 years and the AGAMREE® rights and a sales-based milestone, which are amortized using the straight-line method over its estimated useful life of 10.5 years.

Each fiscal quarter, we review the value of our intangible assets to determine if they are impaired. If we determine one or more of our intangible assets are impaired during a future period we would record a charge in the amount of that impairment.

### *Stock-Based Compensation.*

Total stock-based compensation for the three months ended March 31, 2026 and 2025 was \$6.3 million and \$5.9 million, respectively. During the three months ended March 31, 2026 and 2025, grants were principally for stock options and restricted stock units related to year-end bonus awards and grants to new employees.

### *Other Income, Net.*

We reported other income, net in all periods, primarily relating to interest on our investment of our cash and cash equivalents of approximately \$11.0 million and \$7.9 million for the three months ended March 31, 2026 and 2025, respectively. The increase in other income, net for the three months ended March 31, 2026 when compared to the same period in 2025 was primarily due to higher invested balances and an increase in the fair value of our investment in Santhera. Since Santhera's shares are traded on the SIX Swiss Exchange, they have a readily determinable fair value, and as a result the investment is measured quarterly, at fair value, with changes reported in other income, net.

The components of other income, net were as follows (in thousands):

|                                                                      | For the Three Months Ended March 31, |                 |
|----------------------------------------------------------------------|--------------------------------------|-----------------|
|                                                                      | 2026                                 | 2025            |
| Interest income, net                                                 | \$ 6,247                             | \$ 5,275        |
| Net gains (losses) recognized during the period on equity securities | 4,750                                | 2,644           |
| Total other income, net                                              | <u>\$ 10,997</u>                     | <u>\$ 7,919</u> |

### *Income Taxes.*

Our effective income tax rate was approximately 24.3% and 20.4% for the three months ended March 31, 2026 and 2025, respectively. Differences in our effective tax and the statutory federal income tax of 21% are driven by state income taxes and anticipated annual permanent differences offset by equity compensation deductions. Our effective tax rate is affected by many factors, including the number

of stock options exercised in any period, and our effective tax rate is likely to fluctuate in future periods (and may be higher than it was for the three months ended March 31, 2026).

We had no material uncertain tax positions as of March 31, 2026 and December 31, 2025.

*Net Income.*

Our net income was approximately \$63.7 million for the three months ended March 31, 2026 (\$0.52 per basic and \$0.50 per diluted share) as compared to approximately \$56.7 million for the three months ended March 31, 2025 (\$0.47 per basic and \$0.45 per diluted share).

**Liquidity and Capital Resources**

Since our inception, we have financed our operations primarily through revenues from product sales and multiple offerings of our securities. At March 31, 2026 we had cash and cash equivalents aggregating \$755.9 million and working capital of \$808.0 million. At December 31, 2025 we had cash and cash equivalents aggregating \$709.2 million and working capital of \$746.9 million. At March 31, 2026, substantially all of our cash and cash equivalents were deposited with two financial institutions, and such balances were in excess of federally insured limits. Further, as of such date, substantially all such funds were invested in U.S. Treasuries and money market accounts.

On September 8, 2023, we filed a shelf registration statement with the SEC to sell up to \$500 million of common stock, preferred stock, warrants to purchase common stock, debt securities and units consisting of one or more of such securities (the 2023 Shelf Registration Statement). The 2023 Shelf Registration Statement (file no. 333-274427) became effective upon filing. On January 9, 2024, we completed a public offering of 10 million shares of our common stock under the 2023 Shelf Registration Statement, raising net proceeds of approximately \$140.7 million.

Based on our current financial condition, including our profitability, cash flows generated from operations and forecasts of available cash, absent the use of cash to acquire potential business development opportunities, we believe that we have sufficient funds to support our operations for at least the next 12 months from the date of this report. There can be no assurance that we will remain profitable or that we will be able to obtain any additional funding that we may require in the future.

In the future, we may require additional working capital to support our operations depending on our future success with FIRDAPSE®, AGAMREE®, and FYCOMPA® sales, or the products we may acquire and continue to develop and whether our results continue to be profitable and cash flow positive. We may also need to raise additional capital to fund product acquisitions that are valued at more than our available cash. There can be no assurance as to the amount of any such funding that will be required for these purposes or whether any such funding will be available to us if and when it is required.

In that regard, our future funding requirements will depend on many factors, including:

- the cost of diligence in seeking potential acquisitions and of the completion of such acquisitions, if any future acquisitions occur;
- future clinical trial results;
- the scope, rate of progress and cost of our clinical trials and other product development activities;
- the terms and timing of any collaborative, licensing and other arrangements that we may establish;
- the cost and timing of regulatory approvals;
- the cost and delays in product development as a result of any changes in regulatory oversight applicable to our products;
- the amount of net revenues that we report from sales of FIRDAPSE®, AGAMREE®, and FYCOMPA®;
- the effect of competition and market developments;
- the cost of filing and potentially prosecuting, defending and enforcing any patent claims and other intellectual property rights; and
- the extent to which we acquire or invest in other products and the size of those investments.

We may raise additional funds through public or private equity offerings, debt financings, corporate collaborations or other means. We also may seek governmental grants for a portion of the required funding for our clinical trials and preclinical trials. We may further seek to raise capital to fund additional product development efforts or product acquisitions, even if we have sufficient funds for our planned operations. Any sale by us of additional equity or convertible debt securities could result in dilution to our stockholders. There can be no assurance that any such required additional funding will be available to us at all or available on terms acceptable to us.

### Cash Flows.

Our cash flow activities are summarized as follows (in thousands):

|                                                     | For the Three Months Ended March 31, |           |
|-----------------------------------------------------|--------------------------------------|-----------|
|                                                     | 2026                                 | 2025      |
| Net cash provided by operating activities           | \$ 59,587                            | \$ 60,043 |
| Net cash used in investing activities               | (27)                                 | —         |
| Net cash provided by (used in) financing activities | (12,872)                             | 3,060     |
| Net increase in cash and cash equivalents           | \$ 46,688                            | \$ 63,103 |

The decrease in net cash provided by operating activities for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was primarily due to a \$12.5 million sales-based milestone payment due upon the achievement of AGAMREE® net revenues of \$100 million in a fiscal year, which was achieved in the fourth quarter of 2025 and paid in the first quarter of 2026. This was offset primarily by an increase in net income.

The increase in net cash used in investing activities for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was due to purchases of property and equipment.

The increase in net cash used in financing activities for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was primarily due to repurchases of common stock of approximately \$14.6 million.

### Contractual Obligations and Arrangements.

We have entered into the following contractual arrangements with respect to sales of FIRDAPSE®:

- *Payments due under our license agreement for FIRDAPSE®.* The following details the royalties under our license agreement:
  - Royalties to our licensor for seven years from the first commercial sale of FIRDAPSE® equal to 7% of net sales (as defined in the FIRDAPSE® License Agreement) in each country for any calendar year for sales up to \$100 million, with the rate increasing to 10% of net sales for any total net sales in excess of \$100 million in North America; and
  - Royalties to the third-party licensor of the rights sublicensed to us for seven years from the approval of the U.S. NDA for FIRDAPSE® at 7% of U.S. net sales (as defined in the license agreement between BioMarin (since transferred to SERB S.A.) and the third-party licensor) in any calendar year and after that 7th anniversary of the U.S. approval, royalties at 3.5% of U.S. net sales in any calendar year until the earlier of the 12th anniversary of the U.S. approval or the entry of a U.S. generic competitor. All royalty obligations to the third-party licensor for non-U.S. sales have concluded.

Further, we will pay royalties to our licensor on net sales in Japan equal to a similar percentage to the royalties that we are currently paying for non-U.S. sales under our original FIRDAPSE® License Agreement for North America.

For the three months ended March 31, 2026 and 2025, we recognized an aggregate of approximately \$5.1 million and \$11.6 million, respectively, of royalties payable under these license agreements, which is included in cost of sales in the accompanying condensed consolidated statements of operations and comprehensive income.

- *Payments due to Jacobus.* In connection with our July 2022 settlement with Jacobus, we agreed to pay the following consideration to Jacobus:
  - \$30 million of cash, of which \$10 million was paid at the closing of the settlement on July 11, 2022, \$10 million was paid on the first anniversary of closing and \$10 million was paid on the second anniversary of closing; and
  - An annual royalty on Catalyst's net sales (as defined in the License and Asset Purchase Agreement between Catalyst and Jacobus) of amifampridine products in the U.S. equal to: (a) for calendar years 2022 through 2025, 1.5% (with a minimum annual royalty of \$3.0 million per year), and (b) for calendar years 2026 through the expiration of the last to expire of Catalyst's FIRDAPSE® patents in the U.S., 2.5% (with a minimum annual royalty of \$5 million per year); provided, however, that the royalty rate may be reduced and the minimum annual royalty may be eliminated under certain circumstances.
- *Summary of changes to royalty obligations related to FIRDAPSE®:*
  - On January 25, 2026, we completed seven years from the date of first commercial sale of FIRDAPSE® in the U.S. On that date, the royalty on net U.S. sales that we previously paid to our immediate licensor at a tiered rate of 7-10% of net U.S. sales of FIRDAPSE® expired. Also, on January 1, 2026, as part of our acquisition and license agreement regarding RUZURGI® with Jacobus, the royalty rate we pay Jacobus on net U.S. sales of FIRDAPSE®

and RUZURGI® increased from 1.5% to 2.5%. In addition to these two changes, there was also another change in FIRDAPSE® royalties owed by us on net U.S. sales that occurred in November 2025. On November 28, 2025, due to seven years passing from the date of the FDA approval of FIRDAPSE®, the royalty on net U.S. sales of FIRDAPSE® that we owe to our immediate licensor to satisfy their royalty obligations to their third-party licensor decreased from 7% of net U.S. sales to 3.5%. As a result, the overall royalty rate beginning on January 26, 2026, that we will pay to our upstream licensors for net U.S. sales of FIRDAPSE® will be 6%, which is down from a previous maximum rate of 18.5%.

For the three months ended March 31, 2026 and 2025, we recognized an aggregate of approximately \$2.4 million and \$1.2 million, respectively, of royalties payable to Jacobus.

We have entered into the following contractual arrangements with respect to sales of FYCOMPA®:

- *Payments due under our asset purchase agreement for FYCOMPA®.* In connection with our asset purchase agreement with Eisai Co., Ltd. (Eisai), we agreed to pay the following consideration to Eisai:
  - We paid at closing a \$160 million upfront cash payment, plus \$1.6 million for reimbursement of certain prepayments.
  - Royalties commencing on the expiration of the last patent for the product for each calendar year during the royalty term equal to 12% on net sales greater than \$10 million and less than \$100 million, 17% on net sales of greater than \$100 million and less than \$125 million and 22% on net sales greater than \$125 million prior to the date of generic entry. Upon the entry of generic competition, these royalties will be reduced to 6% on net sales greater than \$10 million and less than \$100 million, 8.5% on net sales of greater than \$100 million and less than \$125 million and 11% on net sales greater than \$125 million.
  - Concurrently with the acquisition, the parties entered into two related agreements: (i) a short-term TSA for commercial and manufacturing services (to which transition services ended on December 31, 2023) and (ii) a long-term Supply Agreement for the manufacturing of FYCOMPA®. Under the TSA, Eisai provided certain commercial and manufacturing services to the Company for a transition period following the closing of the acquisition. Further, under the Supply Agreement, Eisai will manufacture FYCOMPA® for the Company for a period of seven years (or such longer period as is set forth in the Supply Agreement) following the closing of the acquisition.

We have entered into the following contractual arrangements with respect to AGAMREE®:

- *Payments due under our license agreement for AGAMREE®.* In connection with our acquisition from Santhera:
  - At closing we paid a \$75 million initial cash payment.
  - In the fourth quarter of 2023, following regulatory approval of Santhera's NDA for AGAMREE® by the FDA, we paid a regulatory milestone payment of \$36 million. We are also obligated to pay additional regulatory milestone payments upon regulatory approval by the FDA in the U.S. of an NDA for the product for the first, second, and third additional indications in the amounts of \$50 million, \$45 million, and \$45 million, respectively.
  - We may be obligated to pay Santhera sales-based milestones of up to \$105 million, which includes a sales-based milestone payment of up to \$12.5 million upon achievement of revenues in the calendar year in which revenues exceed \$100 million (which was achieved in the fourth quarter of 2025), and pay royalties if the applicable amount of net sales of all products in the territory in a single calendar year fall within the range of one or more of the net sales threshold levels set forth in the AGAMREE® License Agreement.
  - At signing, we were obligated to purchase all of our finished goods requirements for products solely from Santhera at a set supply price until January 1, 2026, but the parties agreed upon an amendment to the license agreement that allowed us to start the process for creating our own supply chain to manufacture AGAMREE® earlier and we expect to complete that process by the end of 2026.
  - Simultaneously with entering into the license agreement, we made a strategic equity investment into Santhera by acquiring 1,414,688 of Santhera's ordinary shares (representing approximately 11.26% of Santhera's outstanding ordinary shares immediately following the transaction) at an investment price of CHF 9.477 per share (corresponding to a mutually agreed volume-weighted average price prior to signing), with the approximately \$15.7 million USD in equity investment proceeds, inclusive of the approximately \$13.5 million USD fair value of the investment in Santhera and approximately \$2.2 million USD of transaction costs included in acquired in-process research and development, to be used by Santhera for Phase IV studies in DMD and further development of additional indications for AGAMREE®.

For both the three months ended March 31, 2026 and 2025, we recognized an aggregate of approximately \$2.5 million of royalties payable under this license agreement, which is included in cost of sales in the accompanying condensed consolidated statements of operations and comprehensive income.

We also have entered into the following contractual arrangements:

- *Purchase commitments.* We have entered into a purchase commitment for FIRDAPSE® with a contract manufacturing organization for approximately \$0.5 million per year. The agreement expires in December 2026.
- *Lease for office space.* We operate our business in leased office space in Coral Gables, Florida. We lease approximately 10,700 square feet of office space and we pay annual rent of approximately \$0.5 million.

*Off-Balance Sheet Arrangements.*

We do not have any off-balance sheet arrangements as such term is defined in rules promulgated by the SEC.

**Caution Concerning Forward-Looking Statements**

This report contains “forward-looking statements”, as that term is defined in the Private Securities Litigation Reform Act of 1995. These include statements regarding our expectations, beliefs, plans or objectives for future operations and anticipated results of operations. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, “believes”, “anticipates”, “proposes”, “plans”, “expects”, “intends”, “may”, and other similar expressions are intended to identify forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or other achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the section entitled “Item 1A – Risk Factors.”

The continued successful commercialization of FIRDAPSE® (amifampridine), AGAMREE® (vamorolone), and FYCOMPA® (perampanel) CIII is uncertain. Factors that will affect our success include the uncertainty of:

- Whether the merger transaction with Angelini Pharma will be successfully completed, and the timeline for such completion;
- Whether we will be able to continue to successfully market and sell FIRDAPSE® and AGAMREE®, and continue to sell FYCOMPA® while maintaining full compliance with applicable federal and state laws, rules and regulations;
- Whether we will be able to continue to attract and retain the qualified personnel necessary to run our business;
- Whether we can continue to market our drug products on a profitable and cash flow positive basis;
- Whether any revenue or earnings guidance that we provide to the investment community will turn out to be accurate;
- Whether our estimates of the size of the market for FIRDAPSE® for the treatment of LEMS will prove to be accurate, and whether we can continue to increase FIRDAPSE® net product revenues as we have done in past periods;
- Whether the daily dose of FIRDAPSE® taken by patients changes over time and how that affects our net product revenues for FIRDAPSE® in future periods;
- Whether we will continue to be able to locate LEMS patients who are undiagnosed or are misdiagnosed with another disease, including LEMS patients who also have small cell lung cancer;
- Whether the addition of FIRDAPSE® to the NCCN Clinical Practice Guidelines for small cell lung cancer results in an increase in patients being treated with FIRDAPSE®;
- Whether patients will discontinue from the use of our products at rates that are higher than historically experienced or higher than we forecast;
- Whether new patients for our existing and future drug products can be successfully titrated to stable therapy;
- Whether we will be able to demonstrate, to the satisfaction of the FDA and third-party payors, that AGAMREE® offers advantages compared to other corticosteroids or competitor’s products;
- Whether DMD patients transitioning to current or future approved gene therapy treatments will delay initiating use of AGAMREE® while waiting for access to such gene therapy, or stop their AGAMREE® therapy during the course of their gene therapy treatment;
- Whether steroids will continue to be the foundational standard of care for the treatment of DMD as new DMD therapies are approved for commercialization in the future;

- Whether we will be able to continue to successfully sell FYCOMPA® now that generic competition for FYCOMPA® tablets and oral suspension have entered the market;
- Whether reduced revenue resulting from generic FYCOMPA® entering the market will require us to impair all or a portion of our intangible asset for FYCOMPA®;
- The extent to which payors will continue to provide coverage and reimburse for our products at the price that we charge for our products;
- The ability of our third-party suppliers and contract manufacturers to continue to supply sufficient product to meet our customers' needs in a timely manner;
- The impact on our profits and cash flow of adverse changes in reimbursement and coverage policies or regulations from government and private payors such as Medicare, Medicaid, insurance companies, health maintenance organizations and other plan administrators, or the impact of pricing pressures enacted by industry organizations, the federal government or the government of any state, including as a result of increased scrutiny over pharmaceutical pricing or otherwise;
- Changes in the healthcare industry and the effect of political pressure from and actions by the current Administration, Congress and/or medical professionals seeking to reduce prescription drug costs, and changes to the healthcare industry occasioned by any future changes in laws relating to the pricing of drug products, including changes made in the Inflation Reduction Act of 2022, changes (if any) to be made by the current Administration (including the possibility of seeking to impose Most Favored Nation pricing on drug companies or to impose a 100% tariff on branded or patented pharmaceutical products unless a company is "building" a manufacturing plant in the United States) and/or the current Congressional administrations, changes to the review and approval process at the FDA, imposing tariffs on imported product, or changes in the healthcare industry generally;
- The potential impact of tariffs on our cost of sales for products that are manufactured, in whole or in part, outside of the U.S.;
- The potential impact on our business of "most favorite nation", or Most Favored Nation pricing, such as proposed in the GUARD and GLOBE Medicare demonstration projects, on what we will realize from the sale of our drug products if Most Favored Nation pricing becomes applicable to even a portion of our drug products;
- The ability of our third-party suppliers and contract manufacturers to maintain compliance with current Good Manufacturing Practices;
- The ability of those third parties that distribute our products to maintain compliance with applicable law;
- Our ability to maintain compliance with applicable rules relating to our patient assistance programs for our products;
- The scope and strength of our intellectual property and the outcome of challenges to our intellectual property, and, conversely, whether any third-party intellectual property presents unanticipated obstacles for FIRDAPSE® or AGAMREE®;
- Whether there will be a post-closing review by antitrust regulators of our previous or future Paragraph IV patent settlements or our previous acquisition transactions, and the outcome of any such reviews if they were to occur;
- Whether we will be able to acquire additional drug products under development, complete development required to commercialize such products, and thereafter, if such products are approved for commercialization, successfully market such products;
- Whether the FDA will approve generic versions of FIRDAPSE® following the expiration of our orphan drug exclusivity on November 26, 2025, subject to any pending 30-month stays of approval as required under the Drug Price Competition and Patent Term Restoration Act of 1984;
- Whether our patents will be sufficient to prevent generic competition for AGAMREE® after our orphan drug exclusivity for this product expires;
- Whether our clinical studies of AGAMREE® and our SUMMIT registry study of DMD patients being treated with AGAMREE®, will be successful and the impact, if any, of the results of these studies on our business;
- Whether we are able to successfully develop additional indications for FIRDAPSE® and obtain the ability to commercialize FIRDAPSE® for these additional indications;
- Whether we and Santhera Pharmaceuticals Holding AG can successfully develop additional indications for AGAMREE®, and obtain the ability to commercialize AGAMREE® for these additional indications;
- The state of the economy generally;
- The impact on our business of a prolonged U.S. government shutdown;

- The scope, rate of progress and expense of our clinical trials and studies, pre-clinical studies, proof-of-concept studies, and our other drug development activities, and whether any trials and studies we undertake will be successful;
- Our ability to complete any clinical trials and studies that we may undertake on a timely basis and within the budgets we establish for such trials and studies;
- Whether FIRDAPSE® and AGAMREE® will be successfully commercialized in Canada on a profitable basis through KYE Pharmaceuticals, Inc., our sublicensee for the products in Canada;
- Whether FIRDAPSE® will be successfully commercialized in Japan on a profitable basis by DyDo Pharma, Inc., our sublicensee for the product in Japan;
- The impact on sales of FIRDAPSE® in the U.S. if an amifampridine product is purchased in Canada for use in the U.S.;
- Whether any efforts we undertake to expand the reach of FIRDAPSE® into other global regions will be successful;
- System failures or security or data breaches due to cyber-attacks, or cyber intrusions, including ransomware, phishing attacks and other malicious intrusions whether it occurs directly to us or indirectly through third parties; and
- Our ability to enhance our systems, processes, and procedures to appropriately support the growing complexity and scale of our business.

Our current plans and objectives are based on assumptions relating to the continued sale of FIRDAPSE®, AGAMREE® and FYCOMPA® and on our plans to seek to acquire or in-license additional drug products. Although we believe that our assumptions are reasonable, any of our assumptions could prove inaccurate. Considering the significant uncertainties inherent in the forward-looking statements we have made herein, which reflect our views only as of the date of this report, you should not place undue reliance upon such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk represents the risk of changes in the value of market risk-sensitive instruments caused by fluctuations in interest rates, foreign exchange rates and commodity prices. Changes in these factors could cause fluctuations in our results of operations and cash flows.

Our exposure to interest rate risk is currently confined to our cash and cash equivalents that are from time to time invested in highly liquid money market funds and U.S. Treasuries. The primary objective of our investment activities is to preserve our capital to fund acquisitions and operations. We also seek to maximize income from our investments without assuming significant risk. We do not use derivative financial instruments in our investment portfolio. Our cash and investments policy emphasizes liquidity and preservation of principal over other portfolio considerations.

### ITEM 4. CONTROLS AND PROCEDURES

- a. We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of March 31, 2026, our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act, was recorded, processed, summarized or reported within the time periods specified in the rules and regulations of the SEC, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports was accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.
- b. During the three months ended March 31, 2026, there were no changes in our internal controls or in other factors that could have a material effect, or are reasonably likely to have a material effect, on our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

#### *Other Litigation*

From time to time we may become involved in legal proceedings arising in the ordinary course of business. Other than as set forth above, we believe that there is no litigation pending at this time that could have, individually or in the aggregate, a material adverse effect on our results of operations, financial condition or cash flows.

### ITEM 1A. RISK FACTORS

There are many factors that affect our business, our financial condition, and the results of our operations. In addition to the information set forth in this quarterly report, you should carefully read and consider “Item 1A. Risk Factors” in Part I, and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, of our 2025 Annual Report on Form 10-K filed with the SEC, which contain a description of significant factors that might cause our actual results of operations in future periods to differ materially from those currently expected or desired.

#### **Tariffs could adversely affect our business.**

President Donald Trump and Commerce Secretary Howard Lutnick have each signaled plans for the Administration to potentially tax pharmaceutical imports through tariffs. In furtherance of that goal, on April 16, 2025, the U.S. Department of Commerce posted a notice in the Federal Registry announcing that it would begin a probe “to determine the effects on national security of imports of pharmaceuticals and pharmaceutical ingredients” under section 232 of the Trade Expansion Act of 1962, as amended, the results of which could lead to tariffs on pharmaceutical imports.

We source our API and finished drug products from both U.S. and foreign suppliers. Additionally, we currently purchase AGAMREE® active ingredients from Santhera while working to complete our own manufacturer arrangements for the product and also purchase FYCOMPA® supplies from Eisai through at least the end of 2029, both of which source from outside of the U.S. If tariffs make purchases of materials from certain jurisdictions untenable, we may need to obtain materials from other sources, if possible, which could also increase our costs and delay our planned clinical trials and manufacture of our products and product candidates. Further, retaliatory tariffs introduced by other countries could affect the sales of our products outside of the United States. Finally, royalties owed as part of our license arrangements may be subject to tariffs. Any of these factors may adversely affect our financial condition or results of operations.

#### **Most Favored Nation (MFN Pricing) of drug products could adversely affect our business.**

The Trump Administration has discussed the possibility that pricing of drugs in other countries could be used to price drug products for sale in the U.S. Recently, President Trump sent letters to 17 major pharmaceutical companies with a list of demands, including MFN pricing to all drugs provided to Medicaid enrollees. He stated in the letter that he wants companies to guarantee that Medicaid, Medicare, and commercial market insurers pay such prices for all new drugs, and he gave the companies 60 days to comply. To date, 16 of the 17 largest pharmaceutical conglomerates have reached deals with the Administration for relief on this issue and on potential tariffs with other companies being invited to negotiate similar deals. To date, Catalyst has not been invited to do so.

There can be no assurance as to what impact such rules, if adopted, might have on our financial condition and results of operations.

#### **If our proposed Merger does not close, or is delayed, we may experience financial and operational disruptions. In addition our stock price may decline if the Merger is perceived as uncertain to close.**

On May 6, 2026, we entered into a Merger Agreement to be acquired by Angelini Pharma. The closing of the Merger is subject to the satisfaction or waiver of certain conditions, many of which are not within our full control. We currently expect that the Merger will be completed in the third quarter of fiscal year 2026. However, we may be unable to obtain and satisfy, or experience delays in obtaining and satisfying, required regulatory approvals, stockholder approvals, and other closing conditions. In addition, both we and Angelini Pharma may terminate the Merger Agreement for reasons specified therein. The announcement and pendency of the Merger could adversely affect our business and stock price, including if the Merger does not close or is delayed, for reasons including the following:

- Uncertainty about the effect of the Merger may impair our ability to attract, retain, and motivate key personnel, and could cause customers, suppliers, financial counterparties, and others to seek to change existing business relationships with us.
- The Merger Agreement restricts us, without the consent of Angelini Pharma, from making certain acquisitions and investments, from accessing the debt and capital markets, and from taking other specified actions until closing of the Merger or the termination of the Merger Agreement. These restrictions may prevent us from pursuing otherwise attractive business opportunities and taking other actions with respect to our business that we may consider advantageous.

## [Table of Contents](#)

- Our costs of accessing funds in the debt and capital markets may be higher than before execution of the Merger Agreement as a result of actions that could be taken by ratings agencies after announcement of the transaction.
- We have incurred, and will continue to incur, significant costs, expenses, and fees for professional services and other transaction costs in connection with the Merger. Many of the fees and costs will be payable by us even if the Merger is not completed. In addition, we may be required to pay a termination fee of approximately \$155.5 million to Angelini Pharma, and reimburse certain out-of-pocket expenses, if the Merger Agreement is terminated for certain specified reasons.
- The Merger may not occur on the expected timeline because of a delay in receiving required regulatory approvals, stockholder approvals or other reasons. Any delay or inability to close the Merger may cause the market price of our common stock to decline.

**Lawsuits may be filed against us and the members of our Board of Directors arising out of the proposed Merger, which may delay or prevent the proposed Merger or otherwise negatively affect our business and operations.**

Putative stockholder complaints, including stockholder class action complaints, and other complaints may be filed against us, our Board of Directors and others in connection with the transactions contemplated by the Merger Agreement. The outcome of any such litigation is uncertain, and we may not be successful in defending against any such future claims. Lawsuits that may be filed against us, our Board of Directors or others could delay or prevent the Merger from being completed, divert the attention of our management and employees away from our day-to-day business, and otherwise adversely affect our business, results of operations, and financial condition. If the Merger is not consummated for any reason, litigation could be filed in connection with the failure to consummate the Merger.

## **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

### **Issuer Purchases of Equity Securities**

In October 2025, the Company's Board of Directors approved a share repurchase program that authorizes the repurchase of up to \$200 million of the Company's common stock, pursuant to a repurchase plan under Rule 10b-18 of the Securities Act. The share repurchase program commenced on October 1, 2025 and currently expires on December 31, 2026.

The following table presents information regarding repurchases by us of our common stock under the Share Repurchase Program during the three months ended March 31, 2026:

| Period                         | Total<br>Number<br>of Shares<br>Purchased | Average<br>Price<br>Paid Per<br>Share | Total<br>Number of<br>Shares<br>Purchased as<br>Part of<br>Publicly<br>Announced<br>Program | Maximum<br>Dollar Value<br>of Shares that<br>May Yet Be<br>Purchased<br>(in thousands) |
|--------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| January 1 - January 31, 2026   | 443,852                                   | \$ 23.43                              | 443,852                                                                                     | \$ 164,299                                                                             |
| February 1 - February 28, 2026 | 171,913                                   | \$ 24.27                              | 171,913                                                                                     | \$ 160,127                                                                             |
| March 1 - March 31, 2026       | —                                         | \$ —                                  | —                                                                                           | \$ 160,127                                                                             |
| Total                          | <u>615,765</u>                            |                                       | <u>615,765</u>                                                                              |                                                                                        |

## **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

## **ITEM 4. MINE SAFETY DISCLOSURE**

Not applicable.

## **ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

|         |                                                                                                                                                                                                                                                               |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1     | <a href="#"><u>Agreement and Plan of Merger, dated as of May 6, 2026, by and among the Company, Parent and Merger Sub, incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 7, 2026 (File No. 001-33057)</u></a> |
| 31.1    | <a href="#"><u>Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002</u></a>                                                                                                                                       |
| 31.2    | <a href="#"><u>Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002</u></a>                                                                                                                                       |
| 32.1    | <a href="#"><u>Certification of Principal Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002</u></a>                                                                                                                                       |
| 32.2    | <a href="#"><u>Certification of Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002</u></a>                                                                                                                                       |
| 101.INS | Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document                                                                                                |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents                                                                                                                                                                                        |
| 104     | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)                                                                                                                                                                      |

**SIGNATURES**

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

**Catalyst Pharmaceuticals, Inc.**

By: /s/ Michael W. Kalb

Michael W. Kalb

Executive Vice President and Chief Financial Officer

Date: May 11, 2026

**Certification of Principal Executive Officer**

I, Richard J. Daly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Catalyst Pharmaceuticals, 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2026

/s/ Richard J. Daly  
Richard J. Daly  
President and Chief Executive Officer  
(Principal Executive Officer)

---

**Certification of Principal Financial Officer**

I, Michael W. Kalb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Catalyst Pharmaceuticals, 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2026

/s/ Michael W. Kalb

Michael W. Kalb

Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**Certification Required by 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Richard J. Daly as Principal Executive Officer of Catalyst Pharmaceuticals, Inc. (the Company), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2026 (the Report), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2026

/s/ Richard J. Daly

---

Richard J. Daly  
President and Chief Executive Officer  
(Principal Executive Officer)

**Certification Required by 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Michael W. Kalb as Principal Financial Officer of Catalyst Pharmaceuticals, Inc. (the Company), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2026 (the Report), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2026

/s/ Michael W. Kalb

Michael W. Kalb

Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)