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

FORM 10-Q

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

For the quarterly period ended September 30, 2026

OR

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

FOR THE TRANSITION PERIOD FROM _____TO _____

Commission File Number: 001-37985

ANAPTYSBIO, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-3828755**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

10770 Wateridge Circle, Suite 210
San Diego, CA 92121
(Address of principal executive offices and zip code)

(858) 362-6295
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	ANAB	The Nasdaq Stock Market LLC

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☐

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
As of November 9, 2026, there were 29,729,847 shares of the Registrant's Common Stock outstanding.

AnaptysBio, Inc.
TABLE OF CONTENTS

		Page
	PART I. FINANCIAL INFORMATION	
Item 1	Financial Statements (unaudited)	1
	Balance Sheets as of September 30, 2026 and June 30, 2026	1
	Statements of Operations and Comprehensive Income for the Three Months Ended September 30, 2026 and 2025	2
	Statements of Stockholders' Equity for the Three Months Ended September 30, 2026	3
	Statements of Stockholders' Equity for the Three Months Ended September 30, 2025	3
	Statements of Cash Flows for the Three Months Ended September 30, 2026 and 2025	4
	Notes to the Unaudited Financial Statements	5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	26
Item 4.	Controls and Procedures	26
	PART II. OTHER INFORMATION	
Item 1	Legal Proceedings	26
Item 1A.	Risk Factors	28
Item 2.	Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities	46
Item 3.	Defaults Upon Senior Securities	46
Item 4.	Mine Safety Disclosures	46
Item 5.	Other Information	46
Item 6.	Exhibits	46
	Signatures	48

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AnaptysBio, Inc.
Balance Sheets
(in thousands, except par value)
(unaudited)

	September 30, 2026	June 30, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 135,394	$ 133,826
Receivables from collaborative partners	30,494	25,634
Short-term investments	17,599	30,317
Prepaid expenses and other current assets	4,886	8,650
Total current assets	188,373	198,427
Property and equipment, net	97	102
Deferred tax asset	107,247	106,639
Operating lease right-of-use assets	11,070	11,560
Other long-term assets	256	256
Total assets	$ 307,043	$ 316,984
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 879	$ 4,394
Accrued expenses	19,339	28,798
Current portion of operating lease liability	2,203	2,161
Total current liabilities	22,421	35,353
Liability related to sale of future royalties	249,819	256,493
Long-term taxes payable	3,619	3,619
Operating lease liability, net of current portion	10,364	10,934
Stockholders' equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized and no shares issued or outstanding at September 30, 2026 and June 30, 2026, respectively	—	—
Common stock, $0.001 par value, 500,000 shares authorized, 29,941 shares and 29,728 shares issued and outstanding at September 30, 2026 and June 30, 2026, respectively	30	30
Additional paid in capital	658,658	652,269
Accumulated other comprehensive loss	(181)	(151)
Accumulated deficit	(637,687)	(641,563)
Total stockholders' equity	20,820	10,585
Total liabilities and stockholders' equity	$ 307,043	$ 316,984

See accompanying notes to unaudited financial statements.

AnaptysBio, Inc.
Statements of Operations and Comprehensive Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,	
	2026	**2025**
Collaboration revenue	$ 30,274	$ 76,320
Operating expenses:		
Research and development	(1,267)	(2,035)
General and administrative	11,636	1,083
Total operating expenses	10,369	(952)
Income from operations	19,905	77,272
Other income (expense), net:		
Interest income	1,438	1,861
Sublease income	667	—
Non-cash interest expense for the sale of future royalties	(18,742)	(22,515)
Total other expense, net	(16,637)	(20,654)
Income before income taxes	3,268	56,618
Benefit (provision) for income taxes	608	(269)
Income from continuing operations	3,876	56,349
Loss from discontinued operations, net of tax	—	(41,236)
Net income	3,876	15,113
Other comprehensive income:		
Unrealized (loss) gain on available for sale securities	(30)	53
Total comprehensive income	$ 3,846	$ 15,166
Net income (loss) per common share:		
Income from continuing operations - basic	$ 0.13	$ 2.02
Loss from discontinued operations - basic	—	(1.48)
Net income per common share - basic	$ 0.13	$ 0.54
Income from continuing operations - diluted	$ 0.11	$ 1.94
Loss from discontinued operations - diluted	—	(1.42)
Net income per common share - diluted	$ 0.11	$ 0.52
Weighted-average number of shares outstanding:		
Basic	29,847	27,833
Diluted	35,072	29,018

See accompanying notes to unaudited financial statements.

AnaptysBio, Inc.
Statements of Stockholders' Equity (Deficit)
(in thousands)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance, June 30, 2026	29,728	$ 30	$ 652,269	$ (151)	$ (641,563)	$ 10,585
Issuance of common stock from exercises of options	201	—	3,174	—	—	3,174
Issuance of common stock upon vesting of restricted stock units	12	—	—	—	—	—
Stock-based compensation	—	—	3,215	—	—	3,215
Comprehensive loss, net	—	—	—	(30)	—	(30)
Net income	—	—	—	—	3,876	3,876
Balance, September 30, 2026	29,941	$ 30	$ 658,658	$ (181)	$ (637,687)	$ 20,820

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount				
Balance, June 30, 2025	27,973	$ 28	$ 792,531	$ (6)	$ (837,286)	$ (44,733)
Issuance of common stock from exercises of options and employee stock purchase plan	68	—	788	—	—	788
Issuance of common stock upon vesting of restricted stock units	24	—	—	—	—	—
Repurchases and retirements of common stock	(490)	—	(9,794)	—	—	(9,794)
Stock-based compensation	—	—	9,157	—	—	9,157
Comprehensive income, net	—	—	—	53	—	53
Net income	—	—	—	—	15,113	15,113
Balance, September 30, 2025	27,575	$ 28	$ 792,682	$ 47	$ (822,173)	$ (29,416)

See accompanying notes to unaudited financial statements.

AnaptysBio, Inc.
Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,876	$ 15,113
Less: Loss from discontinued operations, net of tax	—	41,236
Net income from continuing operations	3,876	56,349
Adjustments to reconcile net income from continuing operations to net cash provided by (used in) operating activities:		
Depreciation and amortization	5	4
Stock-based compensation	3,215	207
Accretion/amortization of investments, net	(92)	(1,130)
Amortization of right-of-use assets – operating	490	470
Non-cash interest expense for sale of future royalties	18,742	22,515
Deferred tax asset	(608)	—
Changes in operating assets and liabilities:		
Receivables from collaborative partners	(4,860)	(54,267)
Prepaid expenses and other assets	2,690	(303)
Accounts payable and other liabilities	(32,474)	(18,561)
Operating lease liabilities	(528)	(490)
Net cash (used in) provided by operating activities of continuing operations	(9,544)	4,794
Net cash used in operating activities of discontinued operations	—	(32,151)
Net cash used in operating activities	(9,544)	(27,357)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(9,908)	(19,656)
Sales and maturities of investments	22,500	67,249
Net cash provided by investing activities of continuing operations	12,592	47,593
Net cash used in investing activities of discontinued operations	—	(12)
Net cash provided by investing activities	12,592	47,581
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	4,436	336
Principal repayment of liability for sale of future royalties	(5,916)	(1,007)
Payments for repurchase of common stock	—	(9,720)
Net cash used in financing activities of continuing operations	(1,480)	(10,391)
Net increase in cash and cash equivalents	1,568	9,833
Cash and cash equivalents in continuing operations, beginning of period	133,826	—
Cash and cash equivalents within discontinued operations, beginning of period	—	100,000
Less: Cash and cash equivalents within discontinued operations, end of period	—	100,000
Cash and cash equivalents in continuing operations, end of period	$ 135,394	$ 9,833
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Amounts accrued for repurchase of common stock	$ —	$ 554
Receivable related to issuance of common stock, upon exercise of stock options	$ 48	$ 452

See accompanying notes to unaudited financial statements.

1. Description of the Business

AnaptysBio, Inc. ("we," "us," "our," or the "Company") was incorporated in the state of Delaware in November 2005. Prior to the separation described below in Note 11, Discontinued Operations, we were a clinical-stage biotechnology company focused on delivering innovative immunology therapeutics for autoimmune and inflammatory diseases. We also discovered and out-licensed, in financial collaborations, multiple therapeutic antibodies, including a PD-1 antagonist (*Jemperli* (dostarlimab-gxly) or "*Jemperli*") to GSK and an IL-36R antagonist ("*Quimilza*") to Vanda Pharmaceuticals Inc. ("Vanda"). We recognize revenue from milestones and royalties achieved under our immuno-oncology collaboration with GSK and license and transition services revenue from our collaboration with Vanda.

Our management believes our currently available resources will provide sufficient funds to enable us to meet our operating plans for at least the next 12 months from the issuance of our financial statements. The accompanying financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), with the spin-off of our Biopharma segment ("Biopharma") presented as discontinued operations. See further details in Note 11, Discontinued Operations. The accompanying financial statements for periods prior to the Spin-Off have been recast to reflect discontinued operations.

The accompanying financial statements include the accounts of the Company. Prior to the dissolution of our wholly owned Australian subsidiary on June 11, 2025, we consolidated the accounts of our Australian subsidiary. All intercompany accounts and transactions were eliminated in consolidation. Following the dissolution of our Australian subsidiary, the Company has no subsidiaries requiring consolidation.

Use of Estimates

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. We base our estimates and assumptions on historical experience when available and on various factors that we believe to be reasonable under the circumstances. Significant estimates relied upon in preparing these financial statements include estimates related to revenue recognition, accrued research and development expenses, stock-based compensation, and the liability related to the sale of future royalties. We evaluate our estimates and assumptions on an ongoing basis. Our actual results could differ from these estimates under different assumptions or conditions.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of common equivalent shares outstanding for the period, as well as any dilutive effect from outstanding stock options and awards using the treasury stock method. Common stock equivalents outstanding are comprised of stock options, restricted stock units ("RSUs") and employee stock purchase plan rights and are only included in the calculation of diluted earnings per common share when income from continuing operations is reported and their effect is dilutive.

The following table sets forth the weighted-average outstanding potentially dilutive securities that have been excluded in the calculation of diluted net income (loss) per share because to do so would be anti-dilutive (in common stock equivalent shares):

	Three Months Ended September 30,	
(in thousands)	2026	2025
Options to purchase common stock	90	6,736
Stock awards	48	39
Total	138	6,775

Accounting Pronouncements

We have implemented all new accounting pronouncements that are in effect and may have an impact on our financial statements. Unless otherwise discussed, we believe the impact of any recently issued and not yet effective pronouncements will not have a material impact on our financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the provisions of this guidance and assessing the potential impact on our financial statement disclosures.

In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements,* which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual period that have a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the impact of adoption on our financial statement disclosures.

3. Balance Sheet Accounts and Supplemental Disclosures

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

(in thousands)	September 30, 2026	June 30, 2026
Other receivables	$ 220	$ 2,761
Income taxes receivable	3,283	3,238
Prepaid expenses	1,383	2,651
Total prepaid expenses and other assets	$ 4,886	$ 8,650

Property and Equipment, Net

Property and equipment, net consist of the following:

(in thousands)	September 30, 2026	June 30, 2026
Leasehold improvements	$ 203	$ 203
Less: accumulated depreciation and amortization	(106)	(101)
Total property and equipment, net	$ 97	$ 102

Accrued Expenses

Accrued expenses consist of the following:

(in thousands)	September 30, 2026	June 30, 2026
Accrued compensation and related expenses	$ 4,392	$ 5,872
Accrued professional fees and other expenses	2,066	4,411
Accrued research, development and manufacturing expenses	10,012	14,289
Accrued liability - First Tracks Biotherapeutics	2,869	4,226
Total accrued expenses	$ 19,339	$ 28,798

Accrued compensation and related expenses and research, development and manufacturing expenses include amounts incurred prior to the Spin-Off.

4. Collaborative Research and Development Agreements

GSK Collaboration

In March 2014, we entered into a Collaboration and Exclusive License Agreement (the "GSK Agreement") with TESARO, Inc. ("Tesaro"), an oncology-focused biopharmaceutical subsidiary of GSK (Tesaro and GSK are hereinafter referred to, collectively, as "GSK"). Currently, under the GSK Agreement, GSK is developing *Jemperli* (dostarlimab) as a monotherapy and in combination with additional therapies, for various solid tumor indications.

For dostarlimab, the remaining development program under the GSK Agreement, we are eligible to receive milestone payments if a European regulatory submission and approval in a second indication is achieved. On October 23, 2020, Amendment No. 3 to the GSK Agreement (the "GSK Amendment No. 3") was agreed to by both parties to permit GSK to conduct development and commercialization in combination with any third party molecules of Zejula, an oral, once-daily poly (ADP-ribose) polymerase (PARP) inhibitor ("Zejula"). Under GSK Amendment No. 3, we were granted increased royalties upon sales of *Jemperli*, equal to 8% of net sales (as defined in the GSK Agreement) below $1.0 billion, 12% of net sales between $1.0 billion and $1.5 billion, 20% of net sales between $1.5 billion and $2.5 billion and 25% of net sales above $2.5 billion. Unless earlier terminated by either party upon specified circumstances, the GSK Agreement will terminate, with respect to each specific developed product, upon the later of the 12th anniversary of the first commercial sale of the product or the expiration of the last to expire of any patent.

We assessed these arrangements in accordance with Accounting Standards Codification ("ASC") 606 and concluded that the contract counterparty, GSK, is a customer. We identified the following material promises under the GSK Agreement: (1) the licenses under certain patent rights and transfer of certain development and regulatory information, (2) research and development ("R&D") services, and (3) joint steering committee meetings. We considered the research and discovery capabilities of GSK for these specific programs and the fact that the discovery and optimization of these antibodies is proprietary and could not, at the time of contract inception, be provided by other vendors, to conclude that the license does not have stand-alone functionality and is therefore not distinct. Additionally, we determined that the joint steering committee participation would not have been provided without the R&D services and GSK Agreement. Based on these assessments, we identified all services to be interrelated and therefore concluded that the promises should be combined into a single performance obligation at the inception of the arrangement.

As of September 30, 2026, the transaction price for the GSK Agreement and its associated amendments includes the upfront payment, research reimbursement revenue and milestones and royalties earned to date, which are allocated in their entirety to the single performance obligation.

We recognized $30.3 million in royalty revenue during the three months ended September 30, 2026 related to GSK's net sales of *Jemperli* and Zejula during the period, which we estimate based on either GSK's prior sales experience or actuals. Of the royalty revenue recognized during the three months ended September 30, 2026, $29.6 million is *Jemperli* non-cash revenue related to the *Jemperli* Royalty Monetization Agreement (as amended), and $0.7 million is Zejula non-cash revenue related to the Zejula Royalty Monetization Agreement, each of such agreements as described in Note 5. We recognized $26.3 million in royalty revenue during the three months ended September 30, 2025, related to GSK's net sales of *Jemperli* and Zejula during the period based on GSK's prior sales experience or actuals. Of the royalty revenue recognized during the three months ended September 30, 2025, $24.9 million is *Jemperli* non-cash revenue related to the *Jemperli* Royalty Monetization Agreement (as amended) and $1.4 million is Zejula non-cash revenue related to the Zejula Royalty Monetization Agreement. GSK reports sales information to us on a one quarter lag and differences between actual and estimated royalty revenues will be adjusted in the following quarter.

No clinical or sales milestones were recognized during the three months ended September 30, 2026. One sales milestone for $50.0 million was recognized during the three months ended September 30, 2025 when *Jemperli* annual sales exceeded $750 million. No other future clinical or regulatory milestones have been included in the transaction price, as all future milestone amounts were subject to the revenue constraint. As part of the constraint evaluation, we considered numerous factors including the fact that the receipt of milestones is outside of our control and contingent upon regulatory filing and approval in a second indication, an outcome that is difficult to predict, and GSK's efforts. We will re-evaluate the variable transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

Milestones under the GSK Agreement are as follows:

	PD-1 (*Jemperli*/Dostarlimab)	
Milestone Event	**Amount**	**Quarter Recognized**
Initiated in vivo toxicology studies using good laboratory practices (GLPs)	$1.0M	Q2'15
IND clearance from the FDA	$4.0M	Q1'16
Phase 2 clinical trial initiation	$3.0M	Q2'17
Phase 3 clinical trial initiation - first indication	$5.0M	Q3'18
Phase 3 clinical trial initiation - second indication	$5.0M	Q2'19
Filing of the first BLA[(1)] - first indication	$10.0M	Q1'20
Filing of the first MAA[(2)] - first indication	$5.0M	Q1'20
Filing of the first BLA - second indication	$10.0M	Q1'21
First BLA approval - first indication	$20.0M	Q2'21
First MAA approval - first indication	$10.0M	Q2'21
First BLA approval - second indication	$20.0M	Q3'21
Filing of the first MAA - second indication[(3)]	$5.0M	—
First MAA approval - second indication[(3)]	$10.0M	—
First commercial sales milestone[(3)]	$15.0M	Q3'24
Second commercial sales milestone[(3)]	$25.0M	Q4'24
Third commercial sales milestone[(3)]	$50.0M	Q3'25
Fourth commercial sales milestone[(4)]	$75.0M	Q4'25
Milestones recognized through September 30, 2026	$258.0M	—
Milestones that may be recognized in the future	$15.0M	—

(1) Biologics License Application ("BLA")

(2) Marketing Authorization Application ("MAA")

(3) For *Jemperli*, the filing and approval of the first MAA for a second indication and first three commercial sales milestones are included as part of the royalty monetization agreement with Sagard (as defined below). For more information, see Note 5. Cash is generally received within 30 days of milestone achievement.

(4) For *Jemperli*, we retained the rights to a $75.0 million sales milestone when *Jemperli* annual net sales exceeded $1 billion. We received the cash milestone payment in December 2025.

We are currently party to litigation with GSK with respect to the GSK Agreement. See Part II, Item 1. "Legal Proceedings" for additional information.

Vanda Collaboration

On January 31, 2025, we entered into an Exclusive License Agreement (the "Vanda License Agreement") with Vanda pursuant to which we granted to Vanda an exclusive, global license for the development and commercialization of *Quimilza* (IL-36R antagonist mAb), which has completed two registration-enabling global Phase 3 trials, GEMINI-1 and GEMINI-2, evaluating the safety and efficacy of *Quimilza* in patients with generalized pustular psoriasis ("GPP").

Pursuant to the terms of the Vanda License Agreement, we received an upfront payment of $10.0 million for the license and a $5.0 million payment for existing drug supply. We allocated the total transaction price of $15.0 million on a relative standalone selling price in accordance with ASC 606. During the three months ended September 30, 2026, we recognized no license revenue and less

than $0.1 million of transition services revenue. During the three months ended September 30, 2025, we recognized no license revenue and $0.1 million of transition services revenue. We are also eligible to receive a 10% royalty on net sales.

The Separation and Distribution Agreement provides that any and all rights to receive milestone payments under the Vanda License Agreement will be allocated to First Tracks Biotherapeutics as follows:

Milestone Event	Amount	Quarter Recognized
FDA regulatory approval for marketing of first licensed product in the USA for the treatment of active flares in GPP	$5.0M	—
Regulatory approval for marketing of the first licensed product in the EU	$5.0M	—
Commercial sales first exceed $100.0 million	$25.0M	—
Milestones recognized through September 30, 2026	—	—
Milestones that may be recognized in the future	$35.0M	—

5. Sale of Future Royalties

Jemperli Royalty Monetization Agreement

In October 2021, we signed a royalty monetization agreement ("*Jemperli* Royalty Monetization Agreement") with Sagard Healthcare Royalty Partners, LP ("Sagard"). Under the terms of the *Jemperli* Royalty Monetization Agreement, we received $250.0 million in exchange for royalties and milestones payable to us under our GSK collaboration on annual global net sales of *Jemperli*.

In May 2024, we entered into an amendment to the *Jemperli* Royalty Monetization Agreement, Amendment No. 1 (the "*Jemperli* Amendment") under which we sold additional receivables to Sagard in exchange for $50.0 million. The *Jemperli* Amendment includes all *Jemperli* sales, including any product containing *Jemperli*, whether or not such product constitutes a combination product, and the threshold amounts of aggregate *Jemperli* royalties and milestones to be received by Sagard under the *Jemperli* Amendment are either $600.0 million if received by the end of March 31, 2031, or $675.0 million if received thereafter. Once either of these thresholds is met, the *Jemperli* Royalty Monetization Agreement and the *Jemperli* Amendment will expire, resulting in us regaining all subsequent *Jemperli* royalties and milestones. As of September 30, 2026, Sagard has received a total of $300.8 million in royalties and milestones.

The proceeds received from Sagard of $250.0 million and $50.0 million were recorded as a nonrecourse liability, net of transaction costs of $0.4 million and $0.1 million, which will be amortized over the estimated life of the arrangement using the effective interest rate method. The aggregate future estimated payments, less the $299.5 million, net of proceeds, will be recognized as non-cash interest expense over the life of the agreement. Royalty and milestone revenue will be recognized as earned on net sales of *Jemperli*, and these payments to Sagard will be recorded as a reduction of the liability when paid. As such payments are made to Sagard, the balance of the liability will be effectively repaid over the life of the *Jemperli* Royalty Monetization Agreement.

We estimate the effective interest rate used to record non-cash interest expense under the *Jemperli* Royalty Monetization Agreement based on the estimate of future royalty payments to be received by Sagard. As of September 30, 2026, the estimated effective rate under the agreement was 31.1%. Over the life of the arrangement, the actual effective interest rate will be affected by the amount and the timing of the royalty payments received by Sagard and changes in our forecasted royalties. At each reporting date, we will reassess our estimate of total future royalty payments to be received and if such payments are materially different than our prior estimates, we will prospectively adjust the imputed interest rate and the related amortization of the royalty obligation.

No sales milestones were recognized during the three months ended September 30, 2026. One sales milestone for $50.0 million was recognized during the three months ended September 30, 2025 when *Jemperli* annual sales exceeded $750 million. This sales milestone is *Jemperli* non-cash revenue related to the *Jemperli* Royalty Monetization Agreement.

We recognized *Jemperli* non-cash royalty revenue of approximately $29.6 million and $24.9 million during the three months ended September 30, 2026 and 2025, respectively, and non-cash interest expense of approximately $19.0 million and $22.3 million during the three months ended September 30, 2026 and 2025, respectively. The interest and amortization of issuance costs is reflected as non-cash interest expense for the sale of future royalties in the Statements of Operations.

The following table shows the activity within the liability account for the three months ended September 30, 2026:

(in thousands)	September 30, 2026
Liability related to sale of future *Jemperli* royalties and milestones - balance at 6/30/2026	$ 234,705
Amortization of issuance costs	36
Royalty and milestone payments to Sagard	(24,907)
Non-cash interest expense recognized[1]	19,027
Liability related to sale of future royalties and milestones - ending balance	$ 228,861

[1] Of the non-cash interest expense recognized, none was negative amortization for the three months ended September 30, 2026.

Zejula Royalty Monetization Agreement

In October 2020, in connection with GSK Amendment No. 3, GSK agreed, under the terms of a settlement agreement (the "GSK Settlement Agreement"), to pay us a royalty of 0.5% on all GSK net sales of Zejula starting January 1, 2021.

In September 2022, we signed a purchase and sale agreement (the "Zejula Royalty Monetization Agreement") with a wholly owned subsidiary of DRI to monetize all of our future royalties on global net sales of Zejula under the GSK Settlement Agreement. Under the terms of the Zejula Royalty Monetization Agreement, we received $35.0 million in exchange for all royalties payable by GSK to us under the GSK Settlement Agreement on global net sales of Zejula starting in July 2022.

The proceeds received from DRI of $35.0 million were recorded as a nonrecourse liability, net of transaction costs of $0.2 million, which will be amortized over the estimated life of the arrangement using the effective interest rate method. Royalty revenue will be recognized as earned on net sales of Zejula, and these royalty payments to DRI will be recorded as a reduction of the liability when paid. The aggregate future estimated payments, less the $34.8 million of net proceeds, will be recorded as non-cash interest expense over the life of the agreement. As such payments are made to DRI, the balance of the liability will be effectively repaid over the life of the Zejula Royalty Monetization Agreement.

We recognized Zejula non-cash royalty revenue of approximately $0.7 million and $1.4 million during the three months ended September 30, 2026 and 2025, respectively. We recognized negative non-cash interest expense of approximately $0.3 million and approximately $0.2 million during the three months ended September 30, 2026 and 2025, respectively. The interest and amortization of issuance costs is reflected as non-cash interest expense for the sale of future royalties in the Statements of Operations.

The following table shows the activity within the liability account for the three months ended September 30, 2026:

(in thousands)	September 30, 2026
Liability related to sale of future Zejula royalties - balance at 6/30/2026	$ 21,788
Amortization of issuance costs	7
Royalty and milestone payments to DRI	(509)
Non-cash interest expense recognized[1]	(328)
Liability related to sale of future royalties - ending balance	$ 20,958

[1] Of the non-cash interest expense recognized, none was negative amortization for the three months ended September 30, 2026.

6. Fair Value Measurements and Available for Sale Investments

Fair Value Measurements

Our financial instruments consist principally of cash, cash equivalents, and short-term investments, receivables, and accounts payable. Certain of our financial assets and liabilities have been recorded at fair value in the balance sheet in accordance with the accounting standards for fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Accounting guidance also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activities, therefore requiring an entity to develop its own assumptions.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes our assets and liabilities that require fair value measurements on a recurring basis and their respective input levels based on the fair value hierarchy:

		Fair Value Measurements at End of Period Using:		
(in thousands)	**Fair Value**	**Quoted Market Prices for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
At September 30, 2026				
Money market funds[(1)]	$ 45,738	$ 45,738		
Mutual funds[(1)]	24,218	24,218		
U.S. Treasury securities[(1)(2)]	77,326	77,326		
At June 30, 2026				
Money market funds[(1)]	$ 41,874	$ 41,874	$ —	$ —
Mutual funds[(1)]	36,503	36,503	—	—
U.S. Treasury securities[(1)(2)]	74,990	74,990	—	—
Commercial and corporate obligations[(2)]	5,075	—	5,075	—

(1) Included in cash and cash equivalents in the accompanying balance sheets.

(2) Included in short-term investments in the accompanying balance sheets depending on the respective maturity date.

The following methods and assumptions were used to estimate the fair value of our financial instruments for which it is practicable to estimate that value:

Marketable Securities. For fair values determined by Level 1 inputs, which utilize quoted prices in active markets for identical assets, the level of judgment required to estimate fair value is relatively low. For fair values determined by Level 2 inputs, which utilize quoted prices in less active markets for similar assets, the level of judgment required to estimate fair value is also considered relatively low.

Fair Value of Other Financial Instruments

The carrying amounts of certain of our financial instruments, including cash and cash equivalents, receivables, accounts payable, and accrued expenses approximate fair value due to their short-term nature.

Available for Sale Investments

We invest our excess cash in agency securities, debt instruments of financial institutions and corporations, commercial obligations, and U.S. Treasury securities, which we classify as available-for-sale investments. These investments are carried at fair value and are included in the tables above.

The aggregate market value, cost basis, and gross unrealized gains and losses of available-for-sale investments by security type, classified in cash equivalents and short-term investments as of September 30, 2026 are as follows:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Fair Value
U.S. Treasury securities[1]	$ 77,338	$ —	$ (12)	$ 77,326
Total available-for-sale investments	$ 77,338	$ —	$ (12)	$ 77,326

(1) Of our outstanding U.S. Treasury securities, $77.3 million have maturity dates of less than one year and $0.0 million have a maturity date of between one to two years as of September 30, 2026.

The aggregate market value, cost basis, and gross unrealized gains and losses of available-for-sale investments by security type, classified in cash equivalents and short-term investments as of June 30, 2026 are as follows:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Fair Value
Commercial and corporate obligations[1]	$ 5,072	$ 3	$ -	$ 5,075
U.S. Treasury securities[2]	74,974	17	(1)	74,990
Total available-for-sale investments	$ 80,046	$ 20	$ (1)	$ 80,065

(1) Of our outstanding commercial and corporate obligations, $5.1 million have maturity dates of less than one year and $0.0 million have a maturity date of between one to two years as of June 30, 2026.

(2) Of our outstanding U.S. Treasury securities, $75.0 million have maturity dates of less than one year and $0.0 million have a maturity date of between one to two years as of June 30, 2026.

The following table presents gross unrealized losses and fair values for those investments that were in an unrealized loss position as of September 30, 2026, aggregated by investment category and the length of time that individual securities have been in a continuous loss position:

	September 30, 2026					
	Less than 12 Months		12 Months or Greater		Total	
(in thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury securities	$ 72,239	$ (12)	$ —	$ —	$ 72,239	$ (12)
Total	$ 72,239	$ (12)	$ —	$ —	$ 72,239	$ (12)

The following table presents gross unrealized losses and fair values for those investments that were in an unrealized loss position as of June 30, 2026, aggregated by investment category and the length of time that individual securities have been in a continuous loss position:

	June 30, 2026					
	Less than 12 Months		12 Months or Greater		Total	
(in thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury Securities	$ 24,842	$ (1)	$ —	$ —	$ 24,842	$ (1)
Total	$ 24,842	$ (1)	$ —	$ —	$ 24,842	$ (1)

As of September 30, 2026 and June 30, 2026 unrealized losses on available-for-sale investments were not material, and accordingly, no allowance for credit losses was recorded.

7. Stockholders' Equity

Common Stock

Of the 500,000,000 shares of common stock authorized, 29,940,623 shares were issued and outstanding as of September 30, 2026.

Stock Repurchase Program

In March 2026, our Board of Directors authorized a stock repurchase program (the "2026 Repurchase Program") to repurchase up to $100.0 million of our outstanding common stock. As of September 30, 2026, $100.0 million remained available for future shares of common stock to be repurchased under the 2026 Repurchase Program. The 2026 Repurchase Program will expire on December 31, 2026.

8. Equity Incentive Plans

2017 Equity Incentive Plan

In January 2017, our Board of Directors and stockholders approved and adopted the 2017 Equity Incentive Plan (the "2017 Plan"). Under the 2017 Plan, we may grant stock options, stock appreciation rights, restricted stock, restricted stock units and other awards to individuals who are then our employees, officers, directors or consultants. In addition, the number of shares of stock available for issuance under the 2017 Plan were to be automatically increased each January 1, beginning on January 1, 2018, by 4% of the aggregate number of outstanding shares of our common stock as of the immediately preceding December 31 or such lesser number as determined by our Board of Directors. At our annual stockholder meeting on June 12, 2024, the 2017 Plan was amended, eliminating the automatic annual share increase and the number of shares available for issuance was increased by 2,700,000 shares. At our annual stockholder meeting on June 17, 2025, the 2017 Plan was amended and restated to further increase the number of shares available for issuance by 1,650,000 shares. At our annual stockholder meeting on August 11, 2026, the 2017 Plan was amended and restated to extend the expiration of the 2017 Plan from January 2027 to August 2036. All future share increases will require stockholder approval. As of September 30, 2026, 2,189,325 shares were available for future issuance.

Employee Stock Purchase Plan

In January 2017, our Board of Directors and stockholders approved and adopted the 2017 Employee Stock Purchase Plan ("ESPP"). In addition, the number of shares of stock available for issuance under the ESPP will be automatically increased each January 1, beginning on January 1, 2018, by 1% of the aggregate number of outstanding shares of our common stock as of the immediately preceding December 31 or such lesser number as determined by our Board of Directors. The Board of Directors determined that due to sufficient shares being available in the ESPP, the number of shares available as of January 1, 2025 and January 1, 2026 would not increase. As of September 30, 2026, 294,081 shares have been issued under the ESPP and 1,804,726 shares were available for future issuance under the ESPP. This plan will expire in January 2027.

Stock Options

Stock options granted to employees and non-employees generally vest over a four-year period while stock options granted to directors generally vest over a one-year period. Each stock option award has a maximum term of 10 years from the date of grant, subject to earlier cancellation prior to vesting upon cessation of service to us. A summary of the activity related to stock option awards during the three months ended September 30, 2026 is as follows:

	Shares Subject to Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2026	6,072,369	$ 18.62	7.04	$ 297,386
Granted	—	$ —		
Exercises	(200,660)	$ 15.82		
Forfeitures and cancellations	(1,650)	$ 78.28		
Outstanding at September 30, 2026	5,870,059	$ 18.70	6.93	$ 186,967
Exercisable at September 30, 2026	3,668,323	$ 18.74	6.18	$ 117,310

Total cash received from the exercise of stock options was approximately $4.4 million during the three months ended September 30, 2026.

Time-Based Restricted Stock Units

Each Restricted Stock Unit ("RSU") represents one equivalent share of our common stock to be issued after satisfying the applicable continued service-based vesting criteria over a specified period. The fair value of these RSUs is based on the closing price of our common stock on the date of the grant. We measure compensation expense over the expected vesting period on a straight-line basis. The RSUs do not entitle the participants to the rights of holders of common stock, such as voting rights, until the shares are issued.

	Number of Restricted Stock Units	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2026	1,505,309	$ 7.13	1.47	$ 101,608
Granted	—	$ —		
Released	(12,143)	$ 1.53		
Forfeitures and cancellations	—	$ —		
Outstanding at September 30, 2026	1,493,166	$ 7.18	1.23	$ 75,047
RSU expected to vest at September 30, 2026	1,493,166	$ 7.18	1.23	$ 75,047

Stock-Based Compensation Expense

We recognize stock-based compensation expense for awards issued to employees and non-employees over the requisite service period based on the estimated grant-date fair value of such awards. The estimated fair values of stock option awards granted were determined on the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions:

	Three Months Ended September 30,	
	2026	2025
Risk-free interest rate	0.0%	4.0%
Expected volatility	—	82.6%
Expected dividend yield	—	—%
Expected term (in years)	0.00	6.49
Weighted average grant date fair value per share	$ —	$ 14.97

We determine the appropriate risk-free interest rate, expected term for employee stock-based awards, contractual term for non-employee stock-based awards, and volatility assumptions. The weighted-average expected option term for employee and non-employee stock-based awards reflects the historical option term. Expected volatility incorporates the historical volatility of our stock price. The risk-free interest rate is based upon U.S. Treasury securities with remaining terms similar to the expected or contractual term of the stock-based payment awards. The assumed dividend yield is based on our expectation of not paying dividends in the foreseeable future.

Total non-cash stock-based compensation expense for all stock awards that was recognized in the statements of operations and comprehensive income is as follows:

	Three Months Ended September 30,	
(in thousands)	2026	2025
Research and development	$ —	$ (290)
General and administrative	3,215	497
Total	$ 3,215	$ 207

At September 30, 2026, there was $7.2 million of unrecognized compensation cost related to unvested stock option awards, which is expected to be recognized over a remaining weighted average vesting period of 2.17 years and $8.3 million of unrecognized cost related to unvested RSU awards, which is expected to be recognized over a period of 2.09 years.

On March 26, 2026, our then Chief Legal Officer entered into a transition and separation agreement, conditioned upon and effective on the Spin-Off. In connection with their transition and separation agreement, we modified certain equity awards and recognized approximately $1.1 million in non-cash stock-based compensation expense during the three months ended September 30, 2026.

9. Commitments and Contingencies

Operating Leases

On May 4, 2020, we entered into a lease agreement with Wateridge Property Owner, LP, with respect to facilities in the building at 10770 Wateridge Circle, San Diego, California 92121 (the "Lease Agreement"). Under the Lease Agreement, we agreed to lease approximately 45,000 square feet of space for a term of 124 months, beginning on April 5, 2021. The terms of the Lease Agreement provide us with an option to extend the term of the lease for an additional five years, as well as a one-time option to terminate the lease after seven years, on April 30, 2028 with the payment of a termination fee of $3.8 million plus 15-months of operating expenses and real property taxes. The exercise of the lease option is at our sole discretion, which we currently do not anticipate exercising and as such was not recognized as part of the right-of-use asset (the "ROU asset") and lease liability. The monthly base rent was initially $4.20 per rentable square foot and is increased by 3% annually. Under the Lease Agreement, we are also responsible for our pro rata share of real estate taxes, building insurance, maintenance, direct expenses, and utilities. Upon lease commencement, on April 5, 2021, we recognized an ROU asset of $20.6 million, with a corresponding lease liability of $20.7 million on the balance sheets. The ROU asset includes adjustments for prepayments, initial direct costs, and lease incentives. As of September 30, 2026, we have recorded $0.3 million as a security deposit in accordance with the terms of the Lease Agreement.

Our lease payments are fixed, and we recognize lease expense for leases on a straight-line basis over the lease term. Operating lease ROU assets and lease liabilities are recorded based on the present value of the future minimum lease payments over the lease term at commencement date. As our lease does not provide an implicit rate, we used our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. The weighted-average discount rate used was 4.0% and the weighted-average remaining lease term is approximately 4.9 years.

The following non-cancellable office lease costs are included in our statements of cash flow (in thousands):

		Three Months Ended September 30,	
Leases	**Classification on the Cash Flow**	**2026**	**2025**
Operating lease cost	Operating	$ 619	$ 619
Cash paid for amounts included in the measurement of lease liabilities	Operating	658	639

At September 30, 2026, the future minimum annual obligations for the Company's operating lease liabilities are as follows:

Years Ending June 30, (in thousands)	
2027	$ 1,988
2028	2,725
2029	2,807
2030	2,891
2031	2,978
Thereafter	509
Total minimum payments required	$ 13,898
Less: imputed interest	(1,331)
Total	$ 12,567

Sublease

On June 15, 2026, we entered into a sublease agreement with First Tracks Biotherapeutics with respect to facilities in the building at 10770 Wateridge Circle, San Diego, California 92121 (the "Sublease Agreement"). Under the Sublease Agreement, we agreed to sublease approximately 45,000 square feet of space for a term of approximately 24 months, beginning on April 20, 2026, continuing until the earlier of (a) April 4, 2028, or (b) twelve months from the commencement of the renewal term. The monthly base rent was initially $4.87 per rentable square foot and is increased by 3% annually. First Tracks Biotherapeutics is also responsible for their share of operating expenses, real property taxes, insurance, insurance deductibles and repairs. As of September 30, 2026, we recorded sublease income of $0.7 million in accordance with the terms of the Sublease Agreement. The sublease income over the term of the sublease will be the same as the amount due under our existing Lease Agreement, therefore no impairment of the right of use

asset was recorded for the three months ended September 30, 2026. As of September 30, 2026, the weighted-average remaining lease term is approximately 1.5 years.

At September 30, 2026, the future minimum annual lease receivables for the Company's operating lease income is as follows:

Years Ending June 30, (in thousands)		
2027	$	1,988
2028		2,063
Total lease income receivable	$	4,051

Guarantees and Indemnifications

We enter into standard indemnification arrangements in the ordinary course of business. Pursuant to certain of these arrangements, we indemnify, hold harmless, and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified party for third party claims in connection with our breach of the agreement, our negligence or willful misconduct in connection with the agreement, or any trade secret, copyright, patent or other intellectual property infringement claim with respect to our technology. The term of these indemnification arrangements is generally perpetual. The maximum potential amount of future payments we could be required to make under these agreements is not determinable because it involves claims that may be made against us in the future, but have not yet been made.

We indemnify our officers and directors for certain events or occurrences, subject to certain limits, while the officer or director is or was serving in such capacity, as permitted under Delaware law, in accordance with our certificate of incorporation and bylaws, and pursuant to agreements providing for indemnification entered into with our officers and directors. The term of the indemnification period lasts as long as an officer or director may be subject to any proceeding arising out of acts or omissions of such officer or director in such capacity.

The maximum amount of potential future indemnification of directors and officers is unlimited; however, we currently hold director and officer liability insurance. This insurance allows the transfer of risk associated with our exposure and may enable us to recover a portion of any future amounts paid.

We believe that the fair value of these indemnification obligations is minimal. Accordingly, we have not recognized any liabilities relating to these obligations for any period presented.

10. Segment Reporting

During 2025, in connection with the proposed separation of our operations into two independent, publicly traded companies, our Chief Executive Officer, who is our chief operating decision maker ("CODM"), revised the information he regularly reviews in evaluating the allocation of resources and assessing operating performance. On April 20, 2026, the separation was completed through the spin-off of the Biopharma segment into First Tracks Biotherapeutics, with the Royalty Management segment remaining as our only operating segment.

Segment profit or loss is measured as the net income and is used to monitor results. We do not report identifiable assets by segment as this is not a metric used by our CODM to allocate resources or evaluate performance.

The following table presents our segment information for the three months ended September 30, 2026 and 2025 and is a summary of segment revenue, income and our significant expenses (in thousands):

	Three Months Ended September 30,	
	2026	2025
Collaboration revenue	$ 30,274	$ 76,320
Operating expenses:		
Total R&D	(1,267)	31,407
External G&A[(1)]	8,068	2,247
Internal G&A[(2)]	3,568	7,962
Total G&A	11,636	10,209
Total operating expenses	10,369	41,616
Income from operations	19,905	34,704
Interest income	1,438	2,924
Sublease income	667	—
Non-cash interest expense	(18,742)	(22,515)
Total other expense, net	(16,637)	(19,591)
Income before income taxes	3,268	15,113
Benefit for income taxes	608	—
Segment net income	$ 3,876	$ 15,113

(1) External G&A consists of general and administrative expenses including transaction costs, legal services, insurance, professional fees for auditing, tax, and facility-related costs.

(2) Internal G&A consist of salaries and wages, stock-based compensation, recruiting and other employee benefits.

11. Discontinued Operations

On April 20, 2026, we completed the previously announced Spin-Off of First Tracks Biotherapeutics. The Spin-Off of First Tracks Biotherapeutics was achieved through our pro rata distribution of all of the outstanding shares of common stock of First Tracks Biotherapeutics to holders of record of our common stock. Each holder of record of our common stock received one share of First Tracks Biotherapeutics' common stock for every one share of our common stock held on April 6, 2026, the record date for the distribution. The historical statements of operations of First Tracks Biotherapeutics have been presented as discontinued operations in the financial statements and prior periods have been restated.

In addition to the Separation and Distribution Agreement, we entered into various other agreements to provide a framework for our relationship with First Tracks Biotherapeutics after the Spin-Off, including a transition services agreement.

Under the terms of the transition services agreement, First Tracks Biotherapeutics agreed to provide us on an interim, transitional basis, various services, including, but not limited to, accounts payable administration, information technology services, general administrative services and other support services commencing on the Spin-Off date and terminating up to one year following the date of the Spin-Off. During the three months ended September 30, 2026, there were approximately $0.5 million of transition services expenses associated with the provision of services from First Tracks Biotherapeutics.

The following table represents the carrying value of assets distributed as part of the Spin-Off on April 20, 2026:

(in thousands)	April 20, 2026
Assets:	
Cash and cash equivalents	$ 100,000
Prepaid expenses and other current assets	2,948
Total current assets	102,948
Property and equipment, net	1,174
Total assets	$ 104,122

The following table presents a reconciliation of the major classes of line items constituting pretax loss from discontinued operations to after-tax loss in discontinued operations for the three months ended September 30, 2025:

(in thousands)	Three Months Ended September 30, 2025
Research and development	$ 33,442
General and administrative	9,126
Total operating expenses	42,568
Loss from operations	(42,568)
Interest income	1,063
Total other income, net	1,063
Loss from discontinued operations before income taxes	(41,505)
Benefit for income taxes	269
Loss from discontinued operations, net of tax	$ (41,236)

12. Income Taxes

We account for income taxes in accordance with ASC 740, Income Taxes. For interim periods, we applied ASC 740-270, which generally requires an estimated annual effective tax rate to be applied to year-to-date ordinary income (loss).

We recorded an income tax benefit of $0.6 million and an income tax provision of $0.3 million for the three months ended September 30, 2026 and 2025, respectively.

The variance from the U.S. federal statutory rate of 21% for the three months ended September 30, 2026 was primarily attributable to tax deductions associated with windfall tax benefits on equity compensation. The variance from the U.S. federal statutory rate of 21% for the three months ended September 30, 2025 was primarily attributable to the utilization of operating loss carryovers which were previously offset by a valuation allowance against quarterly income.

We assess the realizability of our deferred tax assets each reporting period, weighing all available positive and negative evidence, including our history of cumulative losses, projected future taxable income and the timing of reversal of existing temporary differences. Based on this assessment, we concluded that a substantial portion of our deferred tax assets are realizable with the exception of certain deductible differences and IRC Section 382 limited tax attributes expected to reverse following the lapse of royalty and license revenue streams. Prior to the Spin-Off, we maintained a full valuation allowance against our net deferred tax assets. We will continue to evaluate the need for a valuation allowance each reporting period.

The One Big Beautiful Bill Act of 2025 ("OBBBA") was signed into law on July 4, 2025. The OBBBA makes changes to the U.S. corporate income tax including immediate expensing of domestic research and development costs while foreign expenditures will continue to be capitalized and amortized over 15 years and modifications to the timing of the deduction for interest expense.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not to be sustained on examination, based on the technical merits. As of September 30, 2026, we had unrecognized tax benefits of $14.1 million. If recognized, $11.3 million would affect the effective tax rate. As of September 30, 2025, we had unrecognized tax benefits of $8.2 million.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"). The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," and "expect," and similar expressions that convey uncertainty of future events or outcomes, are intended to identify forward-looking statements.

The forward-looking statements in this Quarterly Report include, among other things, statements about:

- the expected future royalty revenues from *Jemperli* under our collaboration agreement with GSK;
- the current and future commercial success of *Jemperli*;
- the extent and effectiveness of GSK's development, commercialization, sales, marketing and distribution of *Jemperli*;
- the timing of and the ability to obtain and maintain regulatory approvals for our collaborators' products and product candidates for which we currently receive or may receive royalties;
- the rate and degree of market acceptance and clinical utility of *Jemperli* and *Quimilza*, formerly referred to as imsidolimab;
- regulatory developments in the United States ("U.S.") and foreign countries;
- the impact of political, economic or public health events on our business and the U.S. and global economies;
- our ability to attract and retain key management personnel;
- general macroeconomic factors, including volatility in equity markets, and fluctuations in interest rates, foreign exchange rates and political and regulatory developments or changes in trade policy, including tariffs;
- the success, benefits or costs of the recent separation of the Company's operations into two independent, publicly traded companies; and
- our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in Item 1A, "Risk Factors," and elsewhere in this Quarterly Report. Moreover, we operate in a competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this Quarterly Report with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

Unless the context indicates otherwise, as used in this Quarterly Report, the terms "AnaptysBio," "Anaptys," "company," "we," "us" and "our" refer to AnaptysBio, Inc., a Delaware corporation, and its subsidiaries taken as a whole, unless otherwise noted. AnaptysBio is our common law trademark. This Quarterly Report contains additional trade names, trademarks, and service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited financial statements and related notes for the three months ended September 30, 2026, included in Part I, Item 1 of this Quarterly Report and with our audited financial statements and related notes thereto for the six months ended June 30, 2026 included in our Transition Report on Form 10-KT filed with the Securities and Exchange Commission on September 21, 2026. This discussion and other sections of this Quarterly Report contain forward-looking statements that involve risks and uncertainties, such as our plans, objectives, expectations, intentions, and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" included in Part II, Item 1A of this Quarterly Report. You should also carefully read "Special Note Regarding Forward-Looking Statements".

Overview

AnaptysBio manages the financial collaborations for *Jemperli* with GSK and *Quimilza*, formerly referred to as imsidolimab, with Vanda, with a focus on protecting and returning the value of its royalties to shareholders. We currently recognize revenue from royalties achieved under our immuno-oncology collaboration with GSK and license and transition services revenue from our collaboration with Vanda.

Collaborative Programs

GSK Collaboration

Our collaborations include an immuno-oncology-focused collaboration with GSK. Under the GSK Agreement, a Biologics License Application ("BLA") for *Jemperli* (dostarlimab), a PD-1 antagonist antibody, was approved by the FDA in April 2021 for the treatment of advanced or recurrent deficient mismatch repair endometrial cancer ("dMMREC"). In February 2023, the FDA granted full approval for this indication. In addition, in April 2021, the European Medicines Agency ("EMA") granted conditional marketing authorization in the European Union ("EU") for *Jemperli* for use in women with mismatch repair deficient ("dMMR")/microsatellite instability-high ("MSI-H") recurrent or advanced endometrial cancer who have progressed on or following prior treatment with a platinum containing regimen. A second FDA approval was received in August 2021 for *Jemperli* in pan-deficient mismatch repair tumors (PdMMRT). In July 2023, the FDA approved *Jemperli* in combination with chemotherapy for the treatment of adult patients with dMMR MSI-H primary advanced or recurrent endometrial cancer. In December 2023, the EMA approved *Jemperli* plus chemotherapy for dMMR/MSI-H primary advanced or recurrent endometrial cancer. In August 2024, the FDA approved *Jemperli* plus chemotherapy for all adult patients with primary advanced or recurrent endometrial cancer. In January 2025, the EMA approved *Jemperli* plus chemotherapy for this same indication.

In August 2026, the FDA accepted the sBLA for *Jemperli* in patients with previously untreated stage II and III mismatch repair deficient (dMMR)/microsatellite instability-high (MSI-H) locally advanced rectal cancer with a target action date of February 2027. In October 2026, the FDA granted accelerated approval for *Jemperli* in patients with previously untreated stage II and III mismatch repair deficient (dMMR)/microsatellite instability-high (MSI-H) locally advanced rectal cancer.

Vanda Collaboration

On January 31, 2025, we entered into an Exclusive License Agreement (the "Vanda License Agreement") with Vanda pursuant to which we granted to Vanda an exclusive, global license for the development and commercialization of *Quimilza* (IL-36R antagonist mAb), which has completed two registration-enabling global Phase 3 trials, GEMINI-1 and GEMINI-2, evaluating the safety and efficacy of *Quimilza* in patients with generalized pustular psoriasis ("GPP").

In December 2025, Vanda announced the submission of a BLA to the U.S. FDA for *Quimilza* in GPP. The FDA accepted the BLA filing for *Quimilza* in GPP in February 2026 with a target action date of December 12, 2026.

In August 2026, Vanda announced *Quimilza* received Orphan Drug Designation from the European Commission, based on the positive opinion received from the European Medicines Agency's (EMA) Committee for Orphan Medicinal Products (COMP), for the treatment of GPP. The FDA and Japan's Ministry of Health, Labour and Welfare have previously granted Orphan Drug Designation to *Quimilza* for the treatment of GPP.

Pursuant to the terms of the Vanda License Agreement, we received an upfront payment of $10.0 million and a $5.0 million payment for existing drug supply. We are also eligible to receive a 10% royalty on net sales.

For more information about these collaborations, see Note 4 — Collaborative Research and Development Agreements in the accompanying notes to the financial statements of this Quarterly Report on Form 10-Q.

Financial Overview

As of September 30, 2026, we had an accumulated deficit of $637.7 million, primarily as a result of losses incurred since our inception in 2005. We do not expect to continue to incur net operating losses for at least the next several years as we hold and continue to manage the financial collaboration for *Jemperli* with GSK and for *Quimilza* with Vanda, with a focus on protecting and returning value of the royalties to its stockholders.

Collaboration Revenue

We have not generated any revenue from product sales. Our revenue has been derived from amortization of upfront license payments, research and development funding, milestone and royalty payments under collaboration and license agreements with our collaborators. From inception through September 30, 2026, we have recognized $664.4 million in revenue from our collaborators.

Collaboration and Exclusive License Agreement with GSK

In March 2014, we entered the GSK Agreement with TESARO, Inc. ("Tesaro"), an oncology-focused biopharmaceutical company now a part of GSK (Tesaro and GSK are hereinafter referred to, collectively, as "GSK"). Currently, under the GSK Agreement, GSK is developing *Jemperli* (dostarlimab) as a monotherapy and in combination with additional therapies, for various solid tumor indications.

For *Jemperli*, the remaining development program under the GSK Agreement, we are eligible to receive milestone payments if certain European regulatory submission and approval in a second indication is achieved. On October 23, 2020, Amendment No. 3 to the GSK Agreement (the "GSK Amendment No. 3") was agreed to by both parties to permit GSK to conduct development and commercialization in combination with any third-party molecules of Zejula, an oral, once-daily poly (ADP-ribose) polymerase (PARP) inhibitor ("Zejula"). Under GSK Amendment No. 3, we were granted royalties upon sales of *Jemperli*, equal to 8% of net sales (as defined in the GSK Agreement) below $1.0 billion, 12% of net sales between $1.0 billion and $1.5 billion, 20% of net sales between $1.5 billion and $2.5 billion and 25% of net sales above $2.5 billion. Unless earlier terminated by either party upon specified circumstances, the GSK Agreement will terminate, with respect to each specific developed product, upon the later of the 12th anniversary of the first commercial sale of the product or the expiration of the last to expire of any patent.

In October 2021, we signed a royalty monetization agreement ("*Jemperli* Royalty Monetization Agreement") with Sagard Healthcare Royalty Partners, LP ("Sagard"). Under the terms of the *Jemperli* Royalty Monetization Agreement, we received $250.0 million in exchange for royalties and milestones payable to us under our GSK collaboration on annual global net sales of *Jemperli*.

In May 2024, we entered into an amendment to the *Jemperli* Royalty Monetization Agreement, Amendment No. 1 (the "*Jemperli* Amendment") under which we sold additional receivables to Sagard in exchange for $50.0 million. The *Jemperli* Amendment includes all *Jemperli* sales, including any product containing *Jemperli*, whether or not such product constitutes a combination product, and the threshold amounts of aggregate *Jemperli* royalties and milestones to be received by Sagard under the *Jemperli* Amendment are either $600.0 million if received by the end of March 31, 2031, or $675.0 million if received thereafter. Once either of these thresholds is met, the J*emperli* Royalty Monetization Agreement and the *Jemperli* Amendment will expire, resulting in us regaining all subsequent *Jemperli* royalties and milestones. As of September 30, 2026, Sagard has earned approximately $330.4 million in royalties and milestones. For more information see Note 5 — Sale of Future Royalties in the accompanying notes to the financial statements of this Quarterly Report on Form 10-Q.

The GSK Agreement, as amended, expires when no further payments are due to us, unless earlier terminated. Either party may terminate the GSK Agreement, as amended, in the event of an uncured material breach by the other party. GSK may terminate the GSK Agreement, as amended, at any time upon 90 days' prior written notice to us.

Milestones under the GSK Agreement are as follows:

	PD-1 (*Jemperli*/Dostarlimab)	
Milestone Event	**Amount**	**Quarter Recognized**
Initiated in vivo toxicology studies using good laboratory practices (GLPs)	$1.0M	Q2'15
IND clearance from the FDA	$4.0M	Q1'16
Phase 2 clinical trial initiation	$3.0M	Q2'17
Phase 3 clinical trial initiation - first indication	$5.0M	Q3'18
Phase 3 clinical trial initiation - second indication	$5.0M	Q2'19
Filing of the first BLA[(1)] - first indication	$10.0M	Q1'20
Filing of the first MAA[(2)] - first indication	$5.0M	Q1'20
Filing of the first BLA - second indication	$10.0M	Q1'21
First BLA approval - first indication	$20.0M	Q2'21
First MAA approval - first indication	$10.0M	Q2'21
First BLA approval - second indication	$20.0M	Q3'21
Filing of the first MAA - second indication[(3)]	$5.0M	—
First MAA approval - second indication[(3)]	$10.0M	—
First commercial sales milestone[(3)]	$15.0M	Q3'24
Second commercial sales milestone[(3)]	$25.0M	Q4'24
Third commercial sales milestone[(3)]	$50.0M	Q3'25
Fourth commercial sales milestone[(4)]	$75.0M	Q4'25
Milestones recognized through September 30, 2026	$258.0M	—
Milestones that may be recognized in the future	$15.0M	—

(1) Biologics License Application ("BLA")

(2) Marketing Authorization Application ("MAA")

(3) For *Jemperli*, the filing and approval of the first MAA for a second indication and first three commercial sales milestones are included as part of the royalty monetization agreement with Sagard. For more information, see Note 5.

(4) For *Jemperli*, we retained the rights to a $75.0 million sales milestone when *Jemperli* annual net sales exceeded $1 billion. We received the cash milestone payment in December 2025.

In connection with GSK Amendment No. 3, in October 2020 GSK agreed, under the terms of a settlement agreement (the "GSK Settlement Agreement"), to pay us a royalty on all GSK net sales of Zejula starting January 1, 2021. Under the GSK Settlement Agreement, the royalty is paid at a rate of 1% but is subject to reduction due to royalties paid to third parties, with a minimum royalty payable under the GSK Settlement Agreement of 0.5% of global net sales of Zejula. The current effective royalty rate is 0.5%. In September 2022, we signed a royalty monetization agreement (the "Zejula Royalty Monetization Agreement") with a wholly owned subsidiary of DRI Healthcare Trust ("DRI") to monetize all of our future royalties on global net sales of Zejula under the GSK Settlement Agreement. Under the terms of the Zejula Royalty Monetization Agreement, we received $35.0 million in exchange for all royalties payable by GSK to us under the GSK Settlement Agreement on global net sales of Zejula starting in July 2022.

We are currently party to litigation with GSK with respect to the GSK Agreement. See Part II Item 1. "Legal Proceedings" for additional information.

General and Administrative Expense

General and administrative expenses consist primarily of salaries and related benefits, including stock-based compensation for our executive, finance, legal, business development, human resource, and support functions. Other general and administrative expenses include allocated facility-related costs not otherwise included in research and development expenses, travel expenses, transaction costs, and professional fees for auditing, tax, and legal services.

Non-Cash Interest Expense for the Sale of Future Royalties

Non-cash interest expense for the sale of future royalties consists of interest related to the liability for the sale of future royalties, as well as the amortization of debt issuance costs. We impute interest on the unamortized portion of the liability for the sale of future royalties using the effective interest method and record interest expense based on timing of the payments over the term of the

Jemperli Royalty Monetization Agreement and the Zejula Royalty Monetization Agreement (the "Royalty Monetization Agreements"). Our estimate of the interest rate under the arrangements is based on forecasted royalty and milestone payments expected to be made over the life of the agreements.

Interest Income

Interest income consists primarily of interest earned on our short-term and long-term investments and is recognized when earned.

Critical Accounting Policies and Use of Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") with the spin-off of the Biopharma segment presented as discontinued operations. See Note 11—Discontinued Operations in the accompanying notes to the financial statements of this Quarterly Report on Form 10-Q for additional information regarding the Spin-Off. The preparation of these financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts, and experience. We believe there have been no significant changes in our critical accounting policies as discussed in our Transition Report on Form 10-KT filed with the SEC on September 21, 2026.

Results of Operations - Comparison of the Three Months Ended September 30, 2026 and 2025

Collaboration Revenue

Collaboration revenue consists of milestone payments, royalty payments, upfront license fees and transition services provided under our collaboration agreements. We recognized no milestone revenue during the three months ended September 30, 2026 and $50.0 million in milestone revenue for the three months ended September 30, 2025. No collaboration revenue was allocated to discontinued operations during the three months ended September 30, 2026 and 2025. We expect that any collaboration revenue we generate will continue to fluctuate from period to period as a result of the timing and amount of milestone payments and sales under our existing collaboration agreements, including royalty revenue from sales of *Jemperli* and Zejula.

Collaboration revenue was $30.3 million for the three months ended September 30, 2026, compared to $76.3 million for the three months ended September 30, 2025. A comparison of collaboration revenue is as follows:

	Three Months Ended September 30,		
(in thousands)	2026	2025	Increase (Decrease)
GSK Milestone Revenue (non-cash)	$ —	$ 50,000	$ (50,000)
GSK Royalty Revenue - *Jemperli* (non-cash)	29,565	24,903	$ 4,662
GSK Royalty Revenue - Zejula (non-cash)	699	1,360	$ (661)
Vanda License and Transition Services Revenue	10	57	$ (47)
Total collaboration revenue	$ 30,274	$ 76,320	$ (46,046)

All royalty revenue recognized for the three months ended September 30, 2026 and 2025 is non-cash revenue pursuant to the Royalty Monetization Agreements. Revenue recognized under the Vanda license and transition services revenue was cash based.

For more information, see Note 5 — Sale of Future Royalties in the accompanying notes to the financial statements of this Quarterly Report on Form 10-Q.

Research and Development Expenses

Research and development expenses were a negative $1.3 million during the three months ended September 30, 2026, compared to a negative $2.0 million expense during the three months ended September 30, 2025, for a decrease of $0.7 million. The decrease is primarily attributable to adjustments related to the closeout of clinical contracts reducing expenses incurred prior to the separation.

Research and development expenses from discontinued operations were $33.4 million during the three months ended September 30, 2025.

General and Administrative Expenses

General and administrative expenses were $11.6 million during the three months ended September 30, 2026 compared to $1.1 million during the three months ended September 30, 2025, for an increase of approximately $10.5 million. The increase is primarily due to a $4.8 million increase in legal expenses due to litigation expenses related to the GSK lawsuit and activity related to the separation of the business, a $2.7 million increase in stock compensation expense and a $2.4 million net increase in other general and administrative expenses, $0.3 million increase in personnel and other related costs and $0.3 million increase in insurance costs.

Legal expenses within general and administrative expenses included $4.8 million and $0.1 million of litigation expenses related to the GSK lawsuit during the three months ended September 30, 2026 and 2025, respectively.

General and administrative expenses from discontinued operations were $9.1 million during the three months ended September 30, 2025.

We expect that our general and administrative expenses will decrease for the foreseeable future as we experience fewer expenses associated with salaries and related benefits, stock compensation expense, legal, auditing and filing fees, and general compliance and consulting expenses due to the completion of the separation.

Non-Cash Interest Expense for the Sale of Future Royalties

Interest expense was $18.7 million during the three months ended September 30, 2026 compared to $22.5 million during the three months ended September 30, 2025. The decrease of $3.8 million in non-cash interest expense is primarily due to an increase in the GSK *Jemperli* sales which changed the expected timing for Sagard to be paid in full per the *Jemperli* Royalty Monetization Agreement.

Interest Income

Interest income was $1.4 million during the three months ended September 30, 2026 compared to $1.9 million during the three months ended September 30, 2025. The decrease of $0.5 million in interest income was primarily related to our short-term investments and the decrease in investment balances, as well as the timing of sales, maturities and purchases of our investments.

Interest income from discontinued operations was $1.1 million during the three months ended September 30, 2025.

Income taxes

Income tax benefit was $0.6 million for the three months ended September 30, 2026 compared to $0.3 million income tax expense for the three months ended September 30, 2025. The increase was primarily attributable to the tax deductions associated with windfall tax benefits on equity compensation.

Income tax benefit from discontinued operations was $0.3 million for the three months ended September 30, 2025.

Liquidity and Capital Resources

As of September 30, 2026, we had $153.0 million in cash, cash equivalents and investments.

In addition to our existing cash, cash equivalents and investments, we are eligible to earn milestone and other contingent payments for the achievement of defined collaboration objectives and certain regulatory and sales-based events, and royalty payments under our collaboration agreements, including the GSK Agreement, the GSK Settlement Agreement, and the Vanda License Agreement. Our ability to earn these milestone and contingent payments and the timing of achieving these milestones is primarily dependent upon the outcome of our collaborators' research and development and sales-based activities. Our rights to payments under our collaboration agreements are our only committed external source of funds.

Funding Requirements

Our primary uses of capital, after the completion of the Spin-Off, has been, and we expect will continue to be, public company costs, legal, audit and tax services, consulting, insurance, transition services from First Tracks Biotherapeutics, and general overhead costs.

Cash, cash equivalents and investments totaled $153.0 million as of September 30, 2026, compared to $164.1 million as of June 30, 2026. We believe that our existing cash, cash equivalents and investments will fund our current operating plan for at least the next twelve months from the issuance of our financial statements. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we expect.

Cash Flows

The following table summarizes our cash flows for the three months ended September 30, 2026 and 2025:

(in thousands)	Three Months Ended September 30, 2026	2025
Net cash (used in) provided by:		
Operating activities of continuing operations	$ (9,544)	$ 4,794
Operating activities of discontinued operations	—	(32,151)
Investing activities of continuing operations	12,592	47,593
Investing activities of discontinued operations	—	(12)
Financing activities of continuing operations	(1,480)	(10,391)
Net increase in cash and cash equivalents	$ 1,568	$ 9,833

Operating Activities

Net cash used in operating activities of continuing operations during the three months ended September 30, 2026 was $9.5 million, primarily due to our net income from continuing operations of $3.9 million, adjusted for addbacks for non-cash items of $21.8 million which includes non cash interest expense for sale of future royalties, stock-based compensation, accretion of discount on investments, amortization of operating right-of-use assets and depreciation as well as net decreases in working capital of $35.2 million, which includes decreases related to accounts payable and other liabilities, receivables from collaborative partners and operating lease liabilities partially offset by decreases in prepaid expenses and other assets.

Net cash provided by operating activities of continuing operations during the three months ended September 30, 2025 of $4.8 million was primarily due to our net income from continuing operations of $56.3 million, adjusted for addbacks for non-cash expenses of $22.1 million, which includes stock-based compensation, amortization of operating right-of-use assets, accretion from marketable securities, depreciation, and non-cash interest expense, and decreases in working capital of $73.6 million, which includes decreases related to accounts payable and other liabilities, receivables from collaborative partners ,operating lease liabilities, and prepaid expenses and other assets.

Investing Activities

Net cash provided by investing activities from continuing operations during the three months ended September 30, 2026 was $12.6 million, primarily due to the sale and maturities of investments of $22.5 million offset by purchases of investments of $9.9 million.

Net cash provided by investing activities from continuing operations during the three months ended September 30, 2025 was $47.6 million, primarily due to the sale and maturities of investments of $67.2 million offset by purchases of investments of $19.6 million.

Financing Activities

Net cash used in financing activities during the three months ended September 30, 2026 was $1.5 million, primarily related to $5.9 million for principal repayments of the liability for the sale of future royalties, partially offset by $4.4 million of cash received for the proceeds from the issuance of common stock.

Net cash used in financing activities during the three months ended September 30, 2025 was $10.4 million, primarily due to $9.7 million repurchase of common stock and $1.0 million for repayments of the liability for the sale of future royalties, slightly offset by proceeds from the issuance of common stock of $0.3 million.

Contractual Obligations

Prior to the separation of First Tracks Biotherapeutics, we had entered into agreements with certain vendors for the provision of goods and services. These agreements may include certain provisions for purchase obligations and termination obligations that could require payments for the cancellation of committed purchase obligations or for early termination of the agreements. The amount of the cancellation or termination payments varies and is based on the timing of the cancellation or termination and the specific terms of the agreement and therefore are cancellable contracts. All of these agreements were transferred to First Tracks Biotherapeutics in connection with the separation.

In connection with the separation, we entered into a transition services agreement (the "Transition Services Agreement") with First Tracks Biotherapeutics. The Transition Services Agreement will provide certain specified services for a limited time, to ensure an orderly transition following the Spin-Off. The services provided will consist of digital technology, human resources, and finance, among others.

For further information related to our operating lease, see Note 9 — Commitments and Contingencies in the accompanying notes to the financial statements of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 30, 2026, there have been no material changes surrounding our market risk, including interest rate risk, inflation risk, and foreign currency exchange risk from the discussion provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of our Transition Report on Form 10-KT filed with the SEC on September 21, 2026.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures. As of September 30, 2026, our management, with the participation of our Chief Executive Officer and the Chief Financial Officer, performed an evaluation 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 Exchange Act. Based on this evaluation, our Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective at a reasonable assurance level.

Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective, and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On November 20, 2025, we filed a Verified Complaint in Delaware Chancery Court (the "Court"), requesting a court declaration that TESARO, Inc. ("Tesaro") has materially breached the parties' Collaboration and Exclusive License Agreement ("Collaboration Agreement") and that GSK, Tesaro's corporate parent, has tortiously interfered with the Collaboration Agreement. We have requested that the court declare that we are entitled to all rights and remedies under the Collaboration Agreement.

While we had approached Tesaro to engage in good faith discussions to potentially resolve these claims, on November 20, 2025, Tesaro, without notice, initiated a lawsuit against us. Tesaro's complaint includes a request for a declaration that it has not breached the Collaboration Agreement and for an injunction prohibiting AnaptysBio from terminating the Collaboration Agreement.

Tesaro also alleged that AnaptysBio materially breached the agreement, entitling Tesaro to exercise certain rights and remedies under the agreement. Tesaro's claim for breach was predicated on an allegation that AnaptysBio improperly alleged that Tesaro had breached the Collaboration Agreement, which allegedly caused an anticipatory breach of contract. Tesaro's claim that we materially breached our duties was dismissed by the Court on April 24, 2026. The trial on the remaining claims was held July 14-17, 2026. Following the trial, on July 28, 2026, we, Tesaro and GSK submitted a Joint Stipulation and Proposed Order (the "Stipulation") with the Court to propose a schedule governing the post-trial briefing, which the Court granted. Pursuant to the Stipulation, (i) we filed our opening post-trial brief on August 21, 2026, (ii) Tesaro and GSK filed their answering post-trial brief on September 25, 2026, (iii) we filed our reply post-trial brief on October 9, 2026, and (iv) post-trial argument was held on October 20, 2026. In our post-trial brief and during oral argument, we requested that the Court enforce the reversion provision in the Collaboration Agreement and order Tesaro to return dostarlimab rights to us.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this report, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment.

Summary of Risk Factors

An investment in our common stock involves various risks, and prospective investors are urged to carefully consider the matters discussed in the section titled "Risk Factors" prior to making an investment in our common stock. These risks include, but are not limited to, the following:

- We derive substantially all of our revenues from GSK's commercialization of *Jemperli*. As a result, our business and financial results and prospects heavily depend on GSK's ability to successfully develop and commercialize *Jemperli*.
- Our existing collaborations with GSK and with Vanda are important to our business. If we are unable to maintain the GSK collaboration, or if this collaboration is not successful, our business could be adversely affected.
- If the commercialization of *Jemperli* in the countries in which it has received regulatory approval encounters any delays or adverse developments, or perceived delays or adverse developments, or if sales or payor coverage does not meet investors', analysts', or our expectations, our business will be harmed and the price of our securities could fall.
- We are heavily dependent on GSK for the successful commercialization and development of *Jemperli* under the GSK Agreement. If GSK does not devote sufficient resources to the commercialization or development of *Jemperli*, is unsuccessful in its efforts, or chooses to reprioritize its commercial programs, our business would be materially harmed.
- *Jemperli* faces substantial competition for its intended uses in the targeted markets from products discovered, developed and commercialized both by GSK and by other pharmaceutical companies, which could cause the royalties payable to us pursuant to the GSK Agreement to be less than expected, which in turn would harm our business and cause the price of our securities to fall.
- If we are unable to obtain or protect intellectual property rights, we may not be able to compete effectively in our market.
- We currently operate with no employees and depend on a limited number of consultants and key executives. Our future success depends on our ability to retain these individuals and to attract, retain and motivate qualified personnel.
- The market price of our stock has been and may continue to be volatile, and you could lose all or part of your investment.

Risks Related to Continued Commercialization Success of *Jemperli*

We derive substantially all of our revenues from GSK's commercialization of *Jemperli*. As a result, our business and financial results and prospects heavily depend on GSK's ability to successfully develop and commercialize *Jemperli*.

We derive substantially all of our revenues from GSK's commercialization of *Jemperli*. Royalty revenues from *Jemperli* have represented and are expected to represent a substantial portion of our future revenues. The amount and timing of revenue from such royalties are unknown and highly uncertain. Pursuant to the GSK Agreement, GSK is responsible for the development and commercialization of *Jemperli*. As a result, our business and financial results and prospects depend upon the performance by GSK of its commercial obligations under the GSK Agreement and the commercial success of *Jemperli*. We have no control over GSK's marketing and sales efforts, and GSK might not be successful, which would harm our business and cause the price of our securities to fall.

Our quarterly royalty revenues may fluctuate due to a variety of factors, many of which are outside of our control. The amount of royalties and milestone payments, if any, we receive will depend on many factors, including but not limited to the following:

- the extent and effectiveness of the sales and marketing and distribution support GSK provides to *Jemperli;*
- market acceptance and demand for *Jemperli*;
- the competitive landscape of generic and branded products and developing therapies that compete with *Jemperli* (such as Keytruda®) but which are not partnered with us and pricing pressure in the oncology markets targeted by *Jemperli*;
- the size of the market for *Jemperli*;
- decisions as to the timing of product launches, pricing and discounts;
- reprioritization of GSK's commercial efforts on other products owned by GSK, which are not partnered with us;
- GSK's ability to expand the indications for which *Jemperli* can be marketed;
- a satisfactory efficacy and safety profile as demonstrated in a broad patient population;
- acceptance of, and ongoing satisfaction with, *Jemperli* by the medical community, patients receiving therapy and third party payors;
- timing and amounts of payor rebate adjustments and prior period rebate adjustments;
- seasonal fluctuations of demand;
- the ability of patients to be able to afford *Jemperli* or obtain health care coverage that covers *Jemperli*;
- safety concerns in the marketplace for oncology therapies in general and with *Jemperli* in particular;
- regulatory developments relating to the manufacture or continued use of *Jemperli*;
- the requirement to conduct additional post-approval studies or trials for *Jemperli*;
- GSK's ability to obtain regulatory approval of *Jemperli* in additional countries;
- general economic conditions in the jurisdictions where *Jemperli* is sold, including macroeconomic disruptions or slowdowns; or
- if our royalty revenue or operating results fall below the expectations of investors or securities analysts or below any guidance we may provide to the market, the price of our common stock could decline substantially.

Our existing collaboration with GSK and other collaborations, including with Vanda, are important to our business, and other future collaborations may also be important to our business. If we are unable to maintain the GSK collaboration, or if this collaboration is not successful, our business could be adversely affected and the price of our securities could fall.

Much of our current and near-term projected revenues have been derived from *Jemperli* under the GSK Agreement. We expect royalties from *Jemperli* will likely continue to comprise a substantial portion of our revenues in the future. Any action or inaction by either GSK or us that results in a material dispute, allegation of breach, litigation, arbitration, or significant disagreement between the parties may be interpreted negatively by the market or by our investors, could harm our business and cause the price of our securities to fall. Examples of these kinds of issues include but are not limited to non-performance of contractual obligations and allegations of non-performance, disagreements over the relative marketing and sales efforts for our partnered products and other GSK oncology products, disputes over public statements, and similar matters. In the future, we also may receive revenue under the Vanda License Agreement, if its BLA is approved and it generates revenue from sales of *Quimilza*, which would increase our reliance on the Vanda License Agreement. If our collaboration with GSK or with Vanda were terminated, we may not receive all or any of the royalties or milestones potentially coming from such collaboration, which could adversely affect our business or financial condition.

We are unable to predict the success of our collaborations. Our collaborators have some discretion in determining and directing the efforts and resources, including under certain circumstances the ability to discontinue all efforts and resources, they apply to the development and, if approval is obtained, commercialization and marketing of the product candidates covered by such collaborations. As a result, our collaborators may in some circumstances have the right, and elect to, de-prioritize our programs, change their strategic focus or pursue alternative technologies in a manner that results in reduced, delayed or no revenue to us. Our collaborators may have other marketed products and product candidates under collaboration with other companies, including some of our competitors, and their corporate objectives may not be consistent with our best interests. Our collaborators may also be

unsuccessful in developing or commercializing our products. If our collaborations are unsuccessful, our business, financial condition, results of operations and prospects could be adversely affected.

In addition, any dispute or litigation proceedings with our collaborators could delay development programs under collaborators, create uncertainty as to ownership of intellectual property rights, distract management from other business activities and generate substantial expense. We are currently party to litigation regarding our collaboration agreement with Tesaro. On November 20, 2025, we filed a Verified Complaint in Delaware Chancery Court, requesting a court declaration that Tesaro has materially breached the GSK Agreement and that GSK, Tesaro's corporate parent, has tortiously interfered with the GSK Agreement. We have requested that the court declare that we are entitled to all rights and remedies under the GSK Agreement. See Part II Item 1. Legal Proceedings for additional information. While this litigation is pending, the ownership of related intellectual property rights may be uncertain, and management is spending significant time and resources. Tesaro and its affiliate Tesaro Development, Ltd. separately filed suit against us the same day, requesting a declaration that they have not materially breached and that we have materially breached our duties. Tesaro's claim that we materially breached our duties was dismissed by the Court on April 24, 2026. The trial on the remaining claims was held July 14-17, 2026. In our post-trial brief, we requested that the Court enforce the reversion provision in the GSK Agreement and order Tesaro to return dostarlimab rights to us. If the litigation results in a negative outcome for us, it may have a materially negative impact on our rights under the GSK Agreement and our financial position going forward.

Previously, in October 2020, we settled a matter with Tesaro and GSK related to an alleged breach of our GSK Agreement in connection with GSK's development of a drug not covered by the agreement. There can be no assurance that we will not encounter such issues under our collaboration with Tesaro or other parties in the future.

When the FDA or other applicable regulatory authorities approve generic products, including but not limited to generic forms of Keytruda®, which competes with *Jemperli*, the royalties payable to us pursuant to the GSK Agreement may be less than anticipated, which in turn would harm our business and cause the price of our securities to fall.

Keytruda®, manufactured and sold by Merck & Co., Inc., is the biggest competitor of *Jemperli*. Sales of Keytruda® are expected to be materially negatively impacted by biosimilar competition between 2028 and 2029. Keytruda® is also expected to lose market exclusivity in Europe in 2031 following compound patent expiration. Once market exclusivity is lost, generic substitutes of Keytruda® may enter the market. After the introduction of a generic competitor, a significant percentage of the sales of any branded product that may compete with such branded product is typically lost to the generic product. We cannot yet ascertain what impact these future generic products may have on any sales of *Jemperli*. The royalties payable to us pursuant to the GSK Agreement may be less than anticipated, which in turn could harm our business, and the price of our securities could fall.

Reduced prices and reimbursement rates due to the actions of governments, payors, or competition or other healthcare cost containment initiatives such as restrictions on use, may negatively impact royalties generated under the GSK Agreement.

The continuing efforts of governments, pharmaceutical benefit management organizations ("PBMs"), insurance companies, managed care organizations and other payors of health care costs to contain or reduce costs of health care have adversely affected, and may continue to adversely affect, the price, market access and total revenues of *Jemperli* in the future. These organizations, together with governments, have increasingly imposed utilization management tools favoring the use of generic products. As these practices expand, GSK may face difficulty in obtaining or maintaining timely or adequate pricing or formulary placement of *Jemperli*. In addition, GSK has experienced and expects to continue to experience increased competitive activity, which has resulted and may result in lower overall prices for *Jemperli*.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (together, "PPACA") and other legislative or regulatory requirements or potential legislative or regulatory actions regarding healthcare and insurance matters, along with the trend toward managed healthcare in the U.S., could adversely influence the purchase of healthcare products and reduce demand and prices for *Jemperli*. This could harm GSK's ability to market *Jemperli* and significantly reduce future revenues. In addition, in certain foreign markets, the pricing of prescription drugs is subject to government control and reimbursement may in some cases be unavailable. We believe that pricing pressures will continue and may increase. This may make it difficult for GSK to sell *Jemperli* at a price acceptable to us or GSK or to generate revenues in line with our analysts' or investors' expectations, which may cause the price of our securities to fall.

More recently, the presidential administration and the U.S. Congress have taken, and may continue to take, actions in an effort to modify or replace PPACA and to implement or pass other reforms to the healthcare system, including proposed legislation related to the pricing of pharmaceuticals.

There is uncertainty with respect to any potential changes that may be proposed and what the impact, if any, will be on our business, including the impact on coverage and reimbursement for healthcare items and services covered by plans that were authorized by PPACA. However, we cannot predict the ultimate content, timing or effect of any healthcare reform legislation or the impact of potential legislation on us and the royalties generated under existing or future collaborations.

In addition, other legislative changes have been proposed and adopted at the United States federal and state levels to reduce healthcare expenditures, including the Global Benchmark for Efficient Drug Pricing Model ("GLOBE"). The GLOBE rules, together with any other most-favored-nation pricing rules that are finalized, are likely to mandate reduced prices of at least some drugs in the United States, if they are also sold in comparator countries. It is likely that pricing pressures will continue globally.

We expect that additional state and federal healthcare reform measures will be considered and potentially adopted, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for *Jemperli*.

If the commercialization of *Jemperli* in the countries in which it has received regulatory approval encounters any delays or adverse developments, or perceived delays or adverse developments, or if sales or payor coverage does not meet investors', analysts', or our expectations, our business will be harmed and the price of our securities could fall.

Under our GSK Agreement, GSK has full responsibility for commercialization of *Jemperli*. GSK has launched *Jemperli* in a number of countries, including the United States and Europe, among others. The commercialization of the products in countries where they are already launched and the commercialization in new countries are still subject to fluctuating overall pricing levels and uncertain timeframes to obtain payor coverage. Any delays or adverse developments or perceived additional delays or adverse developments with respect to the commercialization of *Jemperli* including if sales or payor coverage does not meet investors', analysts', or our expectations, would significantly harm our business and the price of our securities could fall.

We are heavily dependent on GSK for the successful commercialization and development of *Jemperli* under the GSK Agreement. If GSK does not devote sufficient resources to the commercialization or development of *Jemperli*, is unsuccessful in its efforts, or chooses to reprioritize its commercial programs, our business would be materially harmed.

GSK is responsible for all clinical and other product development, regulatory, manufacturing and commercialization activities for *Jemperli* under the GSK Agreement. Our royalty revenues under the GSK Agreement may not meet our, analysts', or investors' expectations, due to a number of important factors. GSK has a substantial oncology product portfolio in addition to *Jemperli*. GSK may make oncology product portfolio decisions or statements about its portfolio which may be, or may be perceived to be, harmful to *Jemperli*. For instance, GSK has discretion in determining the efforts and resources that it will apply to the development and commercialization of *Jemperli*. In addition, GSK may determine to focus its commercialization efforts on its own products. In the event GSK does not devote sufficient resources to the commercialization of *Jemperli* or chooses to reprioritize its commercial programs, our business, operations and stock price would be negatively affected.

Any adverse developments to the regulatory status of *Jemperli* in the countries in which it has received regulatory approval, including labeling restrictions, safety findings, or any other limitation to usage, would harm our business and may cause the price of our securities to fall.

Although *Jemperli* is approved and marketed in a number of countries, it is possible that adverse changes to the regulatory status of *Jemperli* could occur in the event new safety issues are identified, treatment guidelines are changed, or new studies fail to demonstrate product benefits. A number of notable pharmaceutical products have experienced adverse developments during commercialization that have resulted in the product being withdrawn, approved uses being limited, or new warnings being included. In the event that any adverse regulatory changes were to occur to *Jemperli*, our business would be harmed, and the price of our securities could fall.

***Jemperli* faces substantial competition for its intended uses in the targeted markets from products discovered, developed and commercialized both by GSK and by other pharmaceutical companies, which could cause the royalties payable to us pursuant to the GSK Agreement to be less than expected, which in turn would harm our business and cause the price of our securities to fall.**

GSK has responsibility for obtaining regulatory approval and commercializing *Jemperli* for its intended uses in the targeted markets around the world. While *Jemperli* has received regulatory approval and has been commercialized in the U.S. and certain other

targeted markets, *Jemperli* faces substantial competition from existing products previously developed and commercialized both by GSK and competing pharmaceutical companies and can expect to face additional competition from new products that are discovered, developed and commercialized by GSK, the same pharmaceutical competitors and other competitors going forward.

Many of the pharmaceutical companies competing in oncology markets are international in scope with substantial financial, technical and personnel resources that permit them to discover, develop, obtain regulatory approval and commercialize new products in a highly efficient and low-cost manner at competitive prices to consumers. In addition, many of these competitors have substantial commercial infrastructure that facilitates commercializing their products in a highly efficient and low-cost manner at competitive prices to consumers. There can be no assurance that *Jemperli* will not be replaced by new products that are deemed more effective at lower cost to consumers. The ability of *Jemperli* to succeed and achieve the anticipated level of sales depends on the commercial and development performance of GSK to achieve and maintain a competitive advantage over other products with the same intended use in the targeted markets.

If sales of *Jemperli* are less than anticipated because of existing or future competition in the markets in which it is commercialized, including competition from existing and new products that are perceived as lower cost or more effective, our royalty payments could be less than anticipated, which in turn would harm our business and cause the price of our securities to fall.

Risks Related to Intellectual Property

Our royalty revenues depend on patent rights licensed to third parties, and if we or our licensees or collaborators are unable to obtain, maintain, and protect those patent rights, our royalty revenues and the value of our patent portfolio may be materially adversely affected.

Our success depends in significant part on our ability and on the ability and willingness of our licensees and collaborators to establish, maintain and protect patents and other intellectual property rights covering licensed products and to operate without infringing the intellectual property rights of others. Although we may own or co-own patents and patent applications underlying our current royalty-bearing licenses, we have granted exclusive licenses under these patent portfolios to third parties for development, regulatory approval, manufacture, commercialization and related activities. We do not expect to conduct further research and development activities or develop or commercialize products directly. As a result, our future business is expected to consist principally of collecting royalties and other payments from licensees and collaborators while maintaining a limited-cost infrastructure.

Our ability to generate value from the licensed patent rights depends on our and our licensees' or collaborators' ability to obtain, maintain, and protect patents with claims that cover products developed, approved, manufactured and commercialized by our licensees and collaborators. The patent prosecution process is uncertain, expensive and time-consuming, and we or our licensees or collaborators may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We also cannot assure you that patents will issue from any patent applications that we or our licensees or collaborators do prepare, file and prosecute. It is also possible that we or our licensees or collaborators will fail to identify patentable aspects of inventions or improvements made in the course of development and commercialization activities before it is too late to obtain patent protection.

We may have limited control over patent prosecution, maintenance, enforcement, defense, patent listings, patent term extensions and related intellectual property strategy for licensed products, and our licensees' or collaborators' interests may not align with ours.

Our royalty revenues may depend on patents and patent applications that are prosecuted, maintained, enforced, defended, listed, submitted or otherwise managed in whole or in part by our licensees or collaborators. We may have limited or no ability to direct patent prosecution strategy, claim scope, continuation or divisional practice, foreign filing decisions, maintenance fees and annuity payments, patent term adjustment or patent term extension strategy, supplementary protection certificate filings, Purple Book, BPCIA patent-list exchanges and patent-dispute procedures or similar foreign biologics patent procedures, responses to post-grant challenges, infringement litigation or settlement strategy.

Our licensees or collaborators may have interests that differ from our interests, including interests in minimizing prosecution, maintenance, litigation or enforcement costs; prioritizing particular products, indications, territories or patent claims; avoiding disputes with competitors or other commercial partners; settling litigation on terms that protect their commercial interests but reduce or eliminate our royalty revenues; or abandoning or narrowing patent rights that we believe are important to our business. If our licensees or collaborators fail to obtain, maintain, extend, enforce or defend patent rights in a manner that preserves royalty-bearing

exclusivity, or if they settle or resolve disputes in a manner that permits earlier competition or reduces royalty-bearing sales, our royalty revenues and the value of our patent portfolio could be materially adversely affected.

We may not control decisions regarding whether, when or how to enforce patents against potential infringers, biosimilar or interchangeable biological product applicants or other competitors. A licensee or collaborator may decline to bring suit, may fail to bring suit within applicable statutory periods, may assert only a subset of available patents, may fail to include patents in required BPCIA lists or Purple Book patent information, may fail to provide required notices, may settle litigation on terms that permit earlier competition or reduce royalty-bearing sales, or may make arguments or concessions that adversely affect the scope, validity, enforceability or commercial value of our patents. We may not have access to all information necessary to evaluate infringement, validity, enforceability, regulatory filings, manufacturing processes or settlement terms. Any such limitations could impair our ability to preserve the royalty value of our intellectual property.

Because we have granted exclusive licenses under certain patent portfolios to our licensees, our ability to enforce those patents may depend on the scope of rights retained by us and granted to our licensees, including whether the licensee is deemed to have received all substantial rights under the patents, whether we or the licensee has the right or obligation to bring suit, whether joinder of the patent owner, licensee, BLA holder or reference product sponsor is required, and whether the applicable party is willing and able to participate in enforcement proceedings. If we lack standing to sue independently, if a required party refuses to participate, if enforcement rights are contractually limited, or if the licensee controls enforcement or settlement decisions, our ability to preserve royalty-bearing patent protection may be impaired.

Failure to identify, list, update, assert or defend patents through Purple Book and BPCIA patent-dispute procedures could impair the value of our patent rights and reduce our royalty revenues.

For licensed products regulated as biological products, the timing, content, accuracy and completeness of Purple Book patent information, patent lists exchanged under the Biologics Price Competition and Innovation Act of 2009, as amended, or the BPCIA, and related patent-dispute procedures may affect notice rights, litigation strategy, settlement leverage, biosimilar or interchangeable biological product entry, available remedies and the duration and value of royalty-bearing patent protection. We may not control whether a licensee, collaborator, commercialization partner, BLA holder, reference product sponsor or other responsible party identifies all relevant patents, timely provides initial or supplemental patent lists, submits accurate patent expiration dates, supplements or updates patent information, participates in BPCIA patent-dispute procedures, asserts all appropriate patents against biosimilar or interchangeable biological product applicants, or preserves rights to seek injunctive or other relief. If a patent that should have been included in a BPCIA patent list is not timely included, the patent owner may be barred from bringing an infringement action with respect to the biological product under 35 U.S.C. § 271. Any failure to identify, list, update, assert, enforce or defend relevant patents, or any decision to omit patents, assert only a subset of patents, delay or forgo litigation, or settle patent disputes on terms that permit earlier biosimilar or interchangeable product entry, could reduce the effective exclusivity period for licensed products and materially reduce our royalty revenues.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, and issued patents may not provide meaningful protection for licensed products or prevent competitors from commercializing competitive technologies and products.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our licensees' or collaborators' patent rights are highly uncertain. Our and our licensees' or collaborators' pending and future patent applications may not result in patents being issued that protect licensed technology or licensed products, in whole or in part, or that effectively prevent others from commercializing competitive technologies and products.

The patent examination process may require us or our licensees or collaborators to narrow the scope of the claims of our pending and future patent applications, which may limit the scope of patent protection that may be obtained. In the past, we have not always been able to obtain the full scope of patent protection we initially sought in our patent applications, and as is typical for biotechnology patent prosecution, we have been required to narrow or eliminate patent claims as part of the patent prosecution process. In some instances, patent protection for an invention might not be obtainable in view of the prior art or laws of the country in which patent protection is sought. As a result, patent claims that we or our licensees or collaborators seek to obtain now or in the future could be narrowed or eliminated during prosecution, or later held invalid or unenforceable.

The ability to obtain and maintain meaningful patent protection for antibodies and other biotechnology inventions may depend on accurate and complete disclosure of technical characterizations, including biological sequence information. Any errors,

omissions, inconsistencies or later-developed scientific understanding that affects how such inventions are characterized, including sequence information, epitope mapping, competition data, binding assays or structure-function relationships, could impair our or our licensees' or collaborators' ability to obtain, maintain or enforce patents, could provide a basis for third-party challenges, or could necessitate claim narrowing.

In addition, some patent applications that we or our licensees or collaborators have filed or may file in the future might not result in issued patents because we or our licensees or collaborators have abandoned, or may choose to abandon, those patent applications as changes in business or legal strategies dictated or may dictate.

Our royalty revenues may depend on whether licensed products are covered by valid and enforceable patent claims in particular countries.

Filing, prosecuting, enforcing and defending patents on licensed technology and licensed products in all countries throughout the world would be prohibitively expensive, and our or our licensees' or collaborators' intellectual property rights may not exist in some countries outside the United States or may be less extensive in some countries than in the United States.

In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we and our licensees or collaborators may not be able to prevent third parties from making, using, or selling licensed products in all countries outside the United States or from selling or importing licensed products in and into the United States or other jurisdictions. Competitors may use our and our licensees' or collaborators' technologies in jurisdictions where patent protection has not been obtained to develop their own products and, further, may export otherwise infringing products to territories where patent protection exists but enforcement is not as strong as that in the United States. These products may compete with licensed products, and our or our licensees' or collaborators' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology and pharmaceutical products, which could make it difficult for us or our licensees or collaborators to stop infringement of our and our licensees' or collaborators' patents or marketing of competing products in violation of our and our licensees' or collaborators' proprietary rights generally. Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs, could put our patents at risk of being invalidated or interpreted narrowly and patent applications at risk of not issuing, and could provoke third parties to assert claims against us or our licensees or collaborators. We or our licensees or collaborators may not prevail in any lawsuits that are initiated, and the damages or other remedies awarded, if any, may not be commercially meaningful.

Furthermore, the European patent litigation landscape has changed with the advent of the Unified Patent Court, which may allow third parties to seek, or may allow us or our licensees or collaborators to obtain, certain forms of relief with pan-European effect. This could increase the risk that a single adverse decision could significantly narrow, invalidate or render unenforceable one or more of our European patents across multiple jurisdictions, or that we or our licensees or collaborators could be subject to injunctive relief affecting multiple markets, if subjected to the jurisdiction of the Unified Patent Court.

We may not be able to collect royalties, or our royalties may be reduced, for sales of licensed products in jurisdictions where valid and enforceable claims covering the licensed products are not obtained or maintained. Furthermore, the inability to obtain or enforce patent protection in some jurisdictions might increase competition, reduce sales, and result in reduced royalties.

Disputes over claim coverage could reduce or eliminate royalties.

Our license agreements may condition royalties, royalty rates, or royalty duration on the existence of one or more valid, enforceable and unexpired patent claims covering a licensed product in a particular country. Disputes may arise regarding whether a licensed product is covered by a valid claim; whether a pending, amended, challenged, opposed, appealed, narrowed, reissued or reexamined claim qualifies for royalty purposes; whether a method-of-treatment claim covers sales for a particular labeled or off-label use; whether a product modification avoids claim coverage; or whether a patent challenge, expiration, terminal disclaimer, loss of patent term extension, supplementary protection certificate decision or other event triggers a royalty reduction or termination.

Licensees, sublicensees or other royalty payors may challenge, or have incentives to challenge, the scope, validity, enforceability, ownership, inventorship or royalty-bearing status of our patents or may assert that particular products, territories, sales, indications, formulations, manufacturing processes or periods are not covered by licensed patent rights. If a licensee, sublicensee or

other counterparty successfully asserts that a licensed product is not covered by a valid claim, our royalty revenues could be reduced or eliminated in one or more countries.

Licensed products may not be covered by our patent claims, or the licensed products may evolve in a manner that reduces or eliminates claim coverage.

Even if patents issue and remain valid and enforceable, they may not cover ultimately approved or commercialized licensed products. Our licensees or collaborators may modify licensed products, develop follow-on or next-generation products, change manufacturing processes, pursue alternative indications or dosing regimens, or commercialize products through sublicensees or affiliates in a manner that reduces or eliminates coverage by our patent claims. Competitors may also design around our claims or develop products that achieve similar therapeutic effects without infringing our patents. If licensed products or related commercial strategies evolve in a way that reduces or eliminates coverage by our patent claims, or if competitors develop non-infringing alternatives, our royalty revenues may be materially reduced.

Because we do not expect to conduct further research and development, our ability to generate new patent rights, obtain patent protection for improvements or replace expiring or challenged patents may be limited.

Historically, we generated new inventions and patent rights through our own research and development activities. Going forward, we do not expect to conduct further research and development and expect to operate with a limited-cost infrastructure. As a result, we may have limited ability to generate new inventions, create new patent families, supplement existing patent applications with additional technical data, or replace patents that expire, are narrowed, are invalidated or are designed around.

In addition, because we do not expect to conduct further research and development, we may depend on our licensees or collaborators to generate, preserve and provide technical data needed to support pending or future claims, continuation applications, patent term extension strategy, Purple Book patent information, BPCIA patent-list positions, responses to patent-office rejections, or defenses to written description, enablement, inventorship or claim-scope challenges. If licensees or collaborators do not generate, preserve or provide such data, or if we do not have rights to access or use such data for patent prosecution, maintenance, defense or enforcement, our ability to obtain, maintain, defend or enforce royalty-bearing patent rights may be limited.

Development, regulatory, manufacturing and commercialization activities conducted by our licensees or collaborators may generate inventions, improvements, know-how, data, formulations, dosing regimens, manufacturing processes, biomarkers, methods of use or other intellectual property. Depending on the terms of the applicable agreements and applicable law, we may not own, control or have rights to such improvements or related intellectual property. Licensed products or follow-on products may therefore be protected primarily by intellectual property owned or controlled by our licensees, collaborators or third parties rather than by us, and sales of such products may not be royalty-bearing to us or may be royalty-bearing for a shorter period or at a reduced rate.

Our patents may be challenged, narrowed, invalidated or held unenforceable.

Third parties may challenge the validity, enforceability, ownership, inventorship, priority, scope, or coverage of our patents and patent applications in litigation, post-grant proceedings, oppositions, reexaminations, inter partes reviews, post-grant reviews, interference or derivation proceedings, nullity actions, revocation actions, declaratory judgment actions, or other proceedings in the United States or foreign jurisdictions. These challenges may be based on a variety of different grounds, including lack of novelty or obviousness over prior art, public use or on-sale activity, lack of written description, lack of enablement, indefiniteness, lack of patent-eligible subject matter, obviousness-type or statutory double patenting, terminal-disclaimer issues, improper priority claims, added matter, incorrect inventorship, inequitable conduct, prosecution laches, or other statutory, equitable, or procedural grounds. We cannot assure you that all potentially relevant prior art relating to our patents and patent applications has been found or that all bases for challenging our patents have been considered. A successful challenge to any patent rights that support royalty payments could shorten or eliminate the royalty period, reduce leverage against biosimilar or other competitors, impair settlement value, reduce expected cash flows or eliminate substantially all value associated with the affected patent rights.

Patent terms are limited, and failure to obtain available patent term extension or similar protection could reduce our royalty period.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering licensed products are obtained, once the patent life has expired for a

licensed product, the licensee may be open to competition from competitive medications, including biosimilar or interchangeable biological products, and our royalties may be reduced or eliminated.

Furthermore, given the amount of time required for the development, testing and regulatory review of new pharmaceutical products, patents protecting licensed products might expire before or shortly after such products are commercialized. As a result, our and our licensees' or collaborators' patent portfolio may not provide sufficient rights to exclude others from commercializing products similar or identical to licensed products for the period we expect. We expect that we or our licensees or collaborators will seek extensions of patent terms where these are available in countries where we or they are prosecuting patents. This includes in the United States under the Drug Price Competition and Patent Term Restoration Act of 1984, which permits a patent term extension of up to five years beyond the expiration of the patent. However, the applicable authorities, including the FDA and the U.S. Patent and Trademark Office in the United States, and any equivalent foreign regulatory authority, may not agree with an assessment of whether such extensions are available and may refuse to grant extensions or may grant more limited extensions than requested.

Moreover, we may not control whether the applicable licensee, marketing authorization holder, patent owner or other responsible party timely seeks patent term extension, selects the patent most beneficial to our royalty interests, satisfies applicable requirements or obtains the full extension requested. Even if an extension is granted, the scope of the extension may be limited and may not cover all approved uses, formulations, methods of manufacture or later-modified products. If available patent term extension, supplementary protection certificate protection or analogous foreign protection is not obtained, or is narrower or shorter than expected, the period during which licensed products are covered by royalty-bearing patent rights could be shortened, and our royalty revenues could be materially reduced.

Changes in patent law could diminish the value of patents in general, thereby impairing the value of our patent portfolio and our ability to receive royalties.

The laws, regulations, administrative practices, and judicial decisions governing patents and patent challenges in the United States and foreign jurisdictions are subject to change and may evolve in ways that reduce the scope, strength, duration, enforceability, or commercial value of our patents and patent applications. In the United States, Congress, the federal courts, and the USPTO have made, and may continue to make, changes that affect patent eligibility, written description, enablement, obviousness, obviousness-type double patenting, patent term, terminal disclaimers, continuation practice, claim construction, damages, injunctive relief, inequitable conduct, enforcement, and the procedures and standards applicable to post-grant patent challenges. For example, Supreme Court and Federal Circuit decisions have created uncertainty or imposed limitations regarding patent-eligible subject matter, including claims involving laws of nature, natural phenomena, natural products, diagnostic methods, and certain method-of-treatment or biomarker-related inventions. Courts have also increased scrutiny of broad genus claims, including functionally defined antibody or biologics claims, under the written description and enablement requirements. As a result, patent claims that we or our licensees or collaborators obtain, maintain, or enforce may be narrower than expected or may be held invalid or unenforceable.

Proceedings before the USPTO and other patent offices also may affect the value of our patents. Inter partes review permits third parties to challenge issued patent claims on 35 U.S.C. §§ 102 and 103 grounds based on patents and printed publications, and post-grant review permits broader challenges on any ground that could be raised under 35 U.S.C. § 282(b)(2) or (3). These proceedings, and changes in the rules, standards, policies, or discretionary practices governing such proceedings, could increase the risk that patents covering licensed products will be narrowed, canceled, held unpatentable, or become more costly to defend.

Patent laws and practices outside the United States may also change, and foreign courts, patent offices, and administrative bodies may apply standards that differ from those applied in the United States. Changes in foreign patentability standards, opposition practice, supplementary protection certificate or patent term extension rules, compulsory licensing regimes, enforcement procedures, remedies, or centralized patent litigation systems could reduce the geographic scope, duration, enforceability, or economic value of our patent rights.

Any such changes, individually or in combination, could materially adversely affect our ability to preserve royalty-bearing patent coverage for licensed products.

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

Periodic maintenance and annuity fees on issued patents are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction.

Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. Because we expect to operate with a limited-cost infrastructure and may rely on licensees, collaborators, outside counsel, annuity service providers or other third parties to monitor and satisfy such requirements, failures by any such party could result in loss of patent rights. If we or our licensees or collaborators fail to maintain the patents and patent applications covering licensed products, our royalty revenues could be materially adversely affected.

Defects in inventorship, ownership, assignment or chain of title could impair our patent rights and royalty revenues.

Our ability to receive royalties and, where applicable, enforce patent rights depends on proper inventorship, ownership, assignment and chain of title for the relevant patents and patent applications. We may be subject to risks arising from incomplete or defective inventor assignments, inconsistent ownership among members of a patent family, unrecorded assignments, security interests or prior licenses, rights retained by contractors, consultants, collaborators or former employers, defects in foreign assignment formalities, correction of inventorship, or disputes regarding ownership of inventions or improvements.

Disputes may arise regarding the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by us and our licensees or collaborators, the priority of invention of patented technology, or the scope of rights granted under license agreements. Any defect or dispute regarding inventorship, ownership, assignment or chain of title could impair our ability to maintain, enforce, license or receive royalties from the affected patent rights.

Our reliance on licensees and other third parties may require us to share confidential information and know-how, which increases the possibility that such information may be misappropriated or disclosed.

To the extent our licensed technology includes trade secrets, unpatented know-how, data, materials, assays, manufacturing information or other confidential information, we may be required to share such information with licensees, collaborators, advisors, third-party contractors, consultants or other parties. We seek to protect our confidential information and trade secrets, in part, by entering into confidentiality agreements and, if applicable, material transfer agreements, consulting agreements or other similar agreements prior to disclosing proprietary information. These agreements typically limit the rights of third parties to use or disclose our confidential information, including trade secrets.

Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such information becomes known by competitors, is inadvertently incorporated into the technology of others, or is disclosed or used in violation of these agreements. Our agreements may also contain limited publication rights or other exceptions. Despite our efforts to protect our trade secrets, competitors may discover them through breach of our agreements with third parties, independent development or publication of information by third-party collaborators. A competitor’s discovery of our trade secrets or other unauthorized use or disclosure could impair the value of our intellectual property and our royalty-bearing rights.

We may become involved in lawsuits or administrative proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and could adversely affect our royalty revenues.

Third parties may infringe our patents or misappropriate or otherwise violate our intellectual property rights. In the future, we or our licensees or collaborators may initiate legal proceedings to enforce or defend our intellectual property rights, to protect trade secrets or to determine the validity or scope of intellectual property rights we own or control. Also, third parties may initiate legal proceedings against us or our licensees or collaborators to challenge the validity, enforceability or scope of intellectual property rights

we own or control. These proceedings can be expensive and time-consuming, and many adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we do.

In an infringement proceeding, a court may decide that a patent owned by us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. Furthermore, an adverse result in any litigation or administrative proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Accordingly, despite our efforts, we or our licensees or collaborators may not prevent third parties from infringing upon or misappropriating intellectual property rights we own or control, particularly in countries where the laws may not protect those rights as fully as in the United States.

Within and outside of the United States, there has been a substantial amount of litigation and administrative proceedings regarding patent and other intellectual property rights in the pharmaceutical industry, including opposition, derivation, reexamination, inter partes review, interference, or other pre-issuance or post-grant proceedings. Such proceedings may be provoked by third parties or by us or our licensees or collaborators to protect or enforce our patents or patent applications. Additionally, third-party pre-issuance submission of prior art to the USPTO or other foreign jurisdictions may jeopardize the issuance or scope of our patent applications. An unfavorable outcome in any such proceeding could affect our patent rights and reduce or eliminate our ability to collect royalties.

In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade existing or potential licensees, collaborators or acquirors from entering into or maintaining arrangements with us. Even if we successfully defend such litigation or proceeding, we may incur substantial costs, and it may distract management and other employees.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could adversely affect the price of shares of our common stock.

If license agreements covering our patents are terminated, disputed or interpreted unfavorably, our royalty revenues may be reduced or eliminated.

Our commercial success depends upon the ability and willingness of our licensees and collaborators to develop, manufacture, market and sell licensed products and to pay royalties and other amounts due under license agreements covering our intellectual property. If a licensee or collaborator fails to comply with its obligations under any such agreement, including payment, reporting, diligence, prosecution, maintenance, enforcement, defense, confidentiality or other obligations, our remedies may be limited and our royalty revenues could be reduced, delayed or eliminated. Conversely, if we fail to comply with obligations that apply to us under a license agreement, including obligations relating to cooperation, ownership, enforcement, confidentiality or other intellectual property matters, a licensee or collaborator may assert that it has the right to terminate, reduce payments, challenge the scope of its obligations or seek other remedies.

Disputes may arise regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether a product, indication, formulation, dosing regimen, manufacturing process, territory, affiliate sale or sublicensee sale is covered by the licensed patent rights;
- the sublicensing of patent and other rights under collaboration relationships;

- the existence and satisfaction of any diligence, prosecution, maintenance, enforcement or commercialization obligations;
- the calculation of royalties, including deductions, offsets, royalty step-downs, patent expiration, valid claim requirements, royalty stacking and treatment of combination products;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by us and our licensees or collaborators; and
- the priority of invention, inventorship, ownership, validity, enforceability or scope of patented technology.

If disputes over intellectual property subject to license agreements prevent or impair our ability to maintain licensing arrangements on acceptable terms, or if licensees, sublicensees or collaborators successfully dispute their obligation to pay royalties, our royalty revenues and the value of our patent portfolio could be materially adversely affected.

Third-party intellectual property rights may limit commercialization of licensed products or reduce royalties payable to us.

Third parties may initiate legal proceedings against us or our licensees or collaborators alleging that we or they infringe third-party intellectual property rights, or we or our licensees or collaborators may initiate legal proceedings against third parties to challenge the validity or scope of intellectual property rights controlled by third parties, including in oppositions, interferences, reexaminations, post-grant reviews, inter partes reviews or derivation proceedings in the United States or other jurisdictions. These proceedings can be expensive and time-consuming, and many adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we do.

Parties making claims may obtain injunctive or other equitable relief, which could effectively block the ability of our licensees or collaborators to further develop, manufacture or commercialize licensed products. An unfavorable outcome could require us or our licensees or collaborators to cease using the related technology, cease developing or commercializing licensed products, redesign products or processes, or attempt to license rights from the prevailing party. Any such license may not be available on commercially reasonable terms or at all. Even if a license is obtained, it may be non-exclusive, may require substantial payments, may result in royalty stacking, or may permit offsets or reductions against royalties owed to us. In addition, a finding of infringement could result in monetary damages, including treble damages and attorneys' fees, or could prevent commercialization of licensed products, which could reduce or eliminate our royalty revenues.

We may be subject to claims by third parties asserting misappropriation of intellectual property or claiming ownership of what we regard as our own intellectual property.

Many of our current or former employees, consultants, advisors, scientific founders or inventors may have been previously employed at universities, research institutions or other biopharmaceutical companies, including competitors or potential competitors. Some of these persons may have executed proprietary rights, non-disclosure, non-competition or similar agreements in connection with previous employment or engagements. Although we seek to ensure that persons involved in our work do not use the proprietary information or know-how of others, we may be subject to claims that we or such persons have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of a former employer, collaborator or other third party. Litigation may be necessary to defend against these claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or sustain damages. Such intellectual property rights could be awarded to a third party, and we or our licensees or collaborators could be required to obtain a license from such third party to commercialize licensed technology or licensed products. Such a license may not be available on commercially reasonable terms or at all. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract management.

Our inability to protect confidential information and trade secrets would harm the value of our intellectual property and royalty-bearing rights.

In addition to seeking patents for certain technology and products, we may rely on trade secrets, including unpatented know-how, data, technology and other proprietary information, to maintain the value of our intellectual property position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as employees, licensees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with employees and consultants.

Despite these efforts, any of these parties may breach the agreements and disclose proprietary information, including trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts within and outside the United States may be less willing or unwilling to protect trade secrets. Furthermore, if a competitor lawfully obtained or independently developed any trade secrets, we would have no right to prevent such competitor from using that technology or information to compete with licensed products, which could harm the value of our royalty-bearing rights. Additionally, if the steps taken to maintain trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret.

Risks Related to Managing Growth, Operations and Macroeconomic Conditions

We currently have a limited number of full-time equivalent contractors, and our future success depends on our ability to retain our key executives and to attract, retain and motivate qualified personnel.

Following our Spin-Off of First Tracks Biotherapeutics in April 2026, certain members of our management's time and attention are allocated between the two publicly-traded companies, which may result in operational disruptions to our business. To succeed, we may need to recruit, retain, manage and motivate qualified personnel, and we face significant competition for experienced personnel. If we do not succeed in attracting and retaining qualified personnel, particularly at the management level, it could adversely affect our ability to execute our business plan, harm our operating results and adversely affect our ability to realize the benefits under our existing collaborations and to manage our business after the Spin-Off.

Many of the other companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than what we have to offer. If we are unable to continue to attract and retain high-quality personnel, our business may be harmed and the price of our securities could fall.

Our internal computer systems, or those of our third-party collaborators or other service providers, may fail or suffer security breaches and cyber-attacks, which could result in a material disruption to our business.

We are dependent on information technology systems, infrastructure and data to operate our business. In the ordinary course of our business, we collect, store, process and transmit large amounts of confidential and sensitive information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity and availability of such information. We have established physical, electronic and organizational measures to safeguard and secure our systems which are designed to prevent data compromise, and rely on commercially available systems, software, tools and monitoring to provide security for our information technology systems and the processing, transmission and storage of our information. We have also outsourced elements of our information technology infrastructure, resulting in a number of third-party vendors that may or could have access to our information. Despite the implementation of security measures, any of the internal technology systems belonging to us, our collaborators or our third party service providers are vulnerable to damage from computer viruses, bugs, worms, malware, hacking, supply chain attacks and vulnerabilities, distributed denial-of-service attacks, credential stuffing or harvesting, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failure. Any system failure, accident or security breach that causes interruptions in our own, in collaborators' or in third party service providers' operations could result in a material disruption of our business operations.

Our system protections may be ineffective or inadequate, or we could be impacted by software bugs or other technical malfunctions, as well as employee error or malfeasance. Additionally, laws and regulations regarding privacy and data protection are evolving, and it is possible that they may be interpreted and applied in a manner that is inconsistent with our data handling safeguards and practices that could result in fines, lawsuits, and other penalties, and significant changes to our or our collaborators or third party service providers' business practices and products and service offerings. To the extent that the measures we or our collaborators or third-party service providers have taken prove to be insufficient or inadequate, we may become subject to litigation, breach notification obligations, or regulatory or administrative sanctions, which could result in significant fines, penalties, damages, harm to our reputation, or loss of customers. While we have not experienced any material losses as a result of any system failure, accident or security breach to date, we have been the subject of certain phishing attempts in the past. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. Additionally, a party who circumvents our security measures

could, among other effects, appropriate proprietary data, cause interruptions in our operations, or expose our collaborators to hacks, viruses, and other disruptions. In addition, while we maintain cybersecurity insurance coverage, we cannot be sure that such coverage will be adequate or sufficient to compensate for any losses associated with such events, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. The development and maintenance of our information technology systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated.

Our operations, or the third parties upon whom we depend, are vulnerable to interruption by fire, earthquake, power loss, telecommunications failure, terrorist activity, health epidemics or pandemics and other events beyond our control, which could harm our business.

Our facilities are located in San Diego, California, which is a seismically active region, and has also historically been subject to wildfires and electrical blackouts as a result of a shortage of available electrical power. We have not undertaken a systematic analysis of the potential consequences to our business and financial results from a major earthquake, fire, power loss, terrorist activity, health epidemics or pandemics or other disasters, including those resulting from or amplified by climate change, and do not have a recovery plan for such disasters. In addition, we do not carry sufficient insurance to compensate us for actual losses from interruption of our business that may occur, and any losses or damages incurred by us could harm our business. We maintain multiple copies of our electronic data records, most of which we maintain at our headquarters.

If our facilities were impacted by a seismic or wildfire event, there could be an adverse effect on our ability to perform our obligations under our existing and any future collaborations.

The macroeconomic and geopolitical environment may have a material impact on the U.S. and global economies and could materially impact our business, financial condition and results of operations.

The macroeconomic and geopolitical environment, including inflation, increased volatility in interest rates, tariffs and the debt and equity markets, instability in the global banking system, global health crises and pandemics and geopolitical conflict have had, and may continue to have, an adverse impact on the U.S. and global economic conditions, which could have an adverse effect on our business and financial condition. The extent to which any such factors impact our business and operations will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the event and the actions to contain its impact.

We are subject to risks associated with foreign trade policy, including tariffs imposed or proposed by the United States on its trading partners, as well as retaliatory actions that have or may be imposed by other countries in response. U.S. tariffs and other trade restrictions against trading partners and specific sectors of the global economy may have an adverse effect on our business and financial condition. The United States has imposed many country-specific tariffs and continues to impose increased tariffs on China in particular. In addition, the U.S. administration has imposed tariffs on imports of certain patented pharmaceutical products and ingredients, subject to certain exemptions, and additional tariffs could be imposed in the future. Certain tariffs have also been invalidated by the U.S. Supreme Court. The scope, rates and duration of current and future tariffs remain uncertain and subject to change. *Jemperli* involves pharmaceutical ingredients that are partially sourced from outside of the United States, including China, the cost of which may increase due to additional tariff rates. Higher material costs may negatively impact our royalties.

Risks Related to Ownership of Our Common Stock

The market price of our stock has been and may continue to be volatile, and you could lose all or part of your investment.

The trading price of our common stock may be highly volatile and subject to wide fluctuations in response to various factors, some of which we cannot control. In addition to the factors discussed in this "Risk Factors" section and elsewhere in this Quarterly Report, these factors include:

- the success of competitive products to the products licensed to our collaborators;
- regulatory actions with respect to our collaborators' products or our collaborators' competitors' products;
- announcements by our collaborators or their competitors of significant acquisitions, strategic collaborations, joint ventures, collaborations or capital commitments;

- results of future clinical trials of *Jemperli* or any other of our collaborators' product candidates or those of our collaborators' competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- developments with respect to our existing collaboration agreements and announcements of new collaboration agreements;
- disputes, breaches and terminations of our existing collaborators;
- actual or anticipated changes in estimates as to financial results or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- purchases of our common stock by us pursuant to a stock repurchase program;
- changes in the structure of health care payment systems;
- market conditions in the biotechnology sector; and
- general economic uncertainty and capital markets disruptions, which have been substantially impacted by geopolitical instability, actual or perceived instability in the U.S. and global banking systems, uncertainty with respect to the U.S. federal budget, and fluctuating interest rates, tariffs and inflation.

In addition, the stock market in general, and the Nasdaq Global Select Market and biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. In the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. We have been subject to securities litigation in the past, and any future securities litigation could result in substantial costs and a diversion of our management's attention and resources. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a dramatic and adverse impact on the market price of our common stock.

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock is volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We have been, and may in the future be, the target of this type of litigation. Regardless of the outcome, future litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain additional executive management and qualified board members.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules adopted, and to be adopted, by the SEC and the Nasdaq Global Select Market. Our management and other personnel devote a substantial amount of time to these compliance initiatives. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. We intend to continue to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected. For example, we

expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain sufficient coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these and future requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our Board committees or as executive officers.

In addition, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on our internal controls on an annual basis. If we have material weaknesses in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. While we have compiled the systems, processes and documentation necessary to comply with Section 404 of the Sarbanes-Oxley Act, we will need to maintain and enhance these processes and controls as we grow, and we may require additional management and staff resources to do so. Additionally, even if we conclude our internal controls are effective for a given period, we may in the future identify one or more material weaknesses in our internal controls, in which case our management will be unable to conclude that our internal control over financial reporting is effective. Regardless of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our reported operating results and harm our reputation. Internal control deficiencies could also result in a restatement of our financial results. We are not required to provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act because we are a non-accelerated filer.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plans, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

While we do not expect that additional capital will be needed in the future to continue our planned operations, it is possible we may need to raise capital in the future. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities, investors may be materially diluted. We also have registered all shares of common stock that we may issue under our equity incentive plans or that are issuable upon exercise of outstanding options, or upon vesting of outstanding awards. These shares can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates. If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights, preferences and privileges senior to the holders of our common stock.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

We do not intend to pay dividends on our common stock, so any returns will be limited to the value of our stock.

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings for the operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock.

Our cash and investments could be adversely affected if the financial institutions in which we hold our cash and investments fail.

We regularly maintain cash balances at third party financial institutions in excess of the Federal Deposit Insurance Corporation insurance limit. Further, if we enter into a credit, loan or other similar facility with a financial institution, certain covenants included in such facility may require as security that we keep a significant portion of our cash with the institution providing such facility. If a depository institution where we maintain deposits fails or is subject to adverse conditions in the financial or credit markets, we may not be able to recover all, if any, of our deposits, which could adversely impact our operating liquidity and financial performance.

Provisions in our restated certificate of incorporation, restated bylaws and Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the market price of our common stock.

Our amended and restated certificate of incorporation ("Restated Certificate") and second amended and restated bylaws ("Restated Bylaws") contain provisions that could depress the market price of our common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions, among other things:

- establish a classified Board of Directors so that not all members of our Board of Directors are elected at one time;
- permit only the Board of Directors to establish the number of directors and fill vacancies on the Board of Directors;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- require super-majority voting to amend some provisions in our Restated Certificate and Restated Bylaws;
- authorize the issuance of "blank check" preferred stock that our Board of Directors could use to implement a stockholder rights plan (also known as a "poison pill");
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting; and
- establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law ("DGCL") may discourage, delay or prevent a change in control of our company. Section 203 of the DGCL imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock.

The exclusive forum provisions in our organizational documents may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or employees, or the underwriters of any offering giving rise to such claim, which may discourage lawsuits with respect to such claims.

Our Restated Certificate, to the fullest extent permitted by law, provides that the Court of Chancery of the State of Delaware is the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our Restated Certificate, or our Restated Bylaws; or any action asserting a claim that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act. It could apply, however, to a suit that falls within one or more of the categories enumerated in the exclusive forum provision.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, or the underwriters of any offering giving rise to such claims, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions contained in our Restated Certificate to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, results of operations and prospects.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Our Restated Bylaws provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or the Federal Forum Provision, including for all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While federal or other state courts may not follow the holding of the Delaware Supreme Court or may determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholder's ability to bring a claim, and may result in increased costs for a stockholder to bring such a claim, in a judicial forum of their choosing for disputes with us or our directors, officers, other employees or agents, which may discourage lawsuits against us and our directors, officers, other employees or agents.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us or our business, our collaborators or our collaborators' businesses. If any of the analysts who cover us or our collaborators issues an adverse or misleading opinion regarding us or our collaborators, our business model, our intellectual property or our stock performance, or if our operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We plan to use our federal and state net operating loss ("NOL") carryforwards to offset taxable income from revenue generated from operations or corporate collaborations. However, our ability to use NOL carryforwards to offset taxable income in future years could be limited.

We plan to use our federal and state NOL carryforwards to offset taxable income from revenue generated from operations or corporate collaborations. However, our ability to use NOL carryforwards to offset taxable income in future years could be limited. For the current year, we expect to generate taxable income to the extent revenue generated from operations, corporate collaborations, and gain generated by the Spin-Off exceed operating expenses. While we plan to use our NOL carryforwards to offset taxable income, the NOL available for utilization in the current year is limited by Section 382 of the Code and tax law which limits the ability to utilize federal NOLs generated subsequent to 2017 to 80% of our taxable income. Remaining NOLs will be carried forward to offset taxable income in future years. We plan to offset the tax liability generated by taxable income in excess of available NOLs with research and development tax credits generated in the current and prior years.

As of June 30, 2026, we had federal NOLs of approximately $174.2 million. As all federal NOL carryforwards were generated subsequent to 2017 they carryover indefinitely and may generally be used to offset up to 80% of future taxable income. We have state NOLs of approximately $68.5 million, which will expire beginning in 2030 through 2045. However, our ability to utilize our NOLs annually is limited by Section 382 of the Code. Section 382 of the Code generally limits a company's ability to use its NOL carryforwards following an "ownership change," defined as a greater than 50 percentage point change (by value) in equity ownership by certain stockholders over a three-year period. We experienced ownership changes as defined by Section 382 of the Code during

2007, 2017 and 2021. As a result, as of June 30, 2026, all federal NOL carryforwards are subject to an annual limitation of $6.4 million in future periods. State NOL and credit carryforwards may be similarly limited. Our use of federal and state NOLs could be further limited if we experience one or more ownership changes subsequent to June 30, 2026.

Under legislative changes made by the Tax Cuts and Jobs Act, the U.S. federal NOLs incurred in 2018 and in future years may be carried forward indefinitely, but the ability to utilize such federal NOLs to offset taxable income is limited to 80% of our taxable income (without regard to certain deductions). Our significant state NOLs were generated in the state of California, which provides for a 20 year carryforward. State NOL carryforwards may be similarly limited by cumulative ownership changes. In addition, there may be periods during which the use of NOL carryforwards is suspended or otherwise limited at the state level, which could also impact our ability to utilize NOL carryforwards. Any such limitations on the use of our NOLs may result in greater tax liabilities than we would incur in the absence of such a limitation, and any increased liabilities could adversely affect our business, results of operations, financial condition and cash flow.

We are a smaller reporting company and may elect to comply with reduced public company reporting requirements applicable to smaller reporting companies, which could make our common stock less attractive to investors.

We are a "smaller reporting company," meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a "smaller reporting company," and have either: (i) a public float of less than $250 million as of our most recently completed second fiscal quarter or (ii) annual revenues of less than $100 million during the most recently completed fiscal year and (A) no public float or (B) a public float of less than $700 million as of our most recently completed second fiscal quarter. We will cease being a smaller reporting company commencing with the first quarterly report on Form 10-Q following this filing. As a "smaller reporting company," we are subject to reduced disclosure obligations in our SEC filings compared to other issuers, including with respect to disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Until such time as we cease to be a "smaller reporting company," such reduced disclosure in our SEC filings may make it harder for investors to analyze our operating results and financial prospects.

If some investors find our common stock less attractive as a result of any choices to reduce future disclosure we may make, there may be a less active trading market for our common stock and our stock price may be more volatile.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

Purchases of Equity Securities by the Issuer

In March 2026, our board of directors approved a stock repurchase program to repurchase up to $100.0 million of shares of our outstanding common stock, par value $0.001 per share (the "2026 Repurchase Program"). As of September 30, 2026, $100.0 million remained available for future shares of common stock to be repurchased under the 2026 Repurchase Program.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended September 30, 2026, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, below.

EXHIBIT INDEX

Exhibit Number	Description of Document	Incorporated by reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Link base Documents					
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					

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

SIGNATURES

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

AnaptysBio, Inc.

Date: November 12, 2026

By: /s/ Daniel Faga

Daniel Faga

President and Chief Executive Officer

Date: November 12, 2026

By: /s/ Christopher M. Murphy

Christopher M. Murphy

Principal Accounting and Financial Officer

EXHIBIT 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Faga, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AnaptysBio, Inc.;

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

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

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

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 12, 2026

/s/ Daniel Faga
Daniel Faga
President and Chief Executive Officer
(Principal Executive Officer*)*

EXHIBIT 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher M. Murphy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AnaptysBio, Inc.;

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

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

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

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 12, 2026

/s/ Christopher M. Murphy
Christopher M. Murphy
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Faga, Chief Executive Officer of AnaptysBio, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (the "Report"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 12, 2026

/s/ Daniel Faga
Daniel Faga
President and Chief Executive Officer
(Principal Executive Officer*)*

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher M. Murphy, Chief Financial Officer of AnaptysBio, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (the "Report"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 12, 2026

/s/ Christopher M. Murphy
Christopher M. Murphy
Chief Financial Officer
(Principal Financial Officer)