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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 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: 0-22705

NEUROCRINE BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
33-0525145
(IRS Employer Identification No.)

6027 Edgewood Bend Court
San Diego, CA 92130
(858) 617-7600
(Address, including zip code, and telephone number of Registrant's principal executive offices)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $0.001 par value	NBIX	Nasdaq Global Select Market

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

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

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

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

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

The number of outstanding shares of the registrant's common stock, par value $0.001 per share, was 101,649,181 as of July 22, 2026.

NEUROCRINE BIOSCIENCES, INC.

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Part I. Financial Information

Item 1. Financial Statements

NEUROCRINE BIOSCIENCES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(in millions, except per share data)	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 332.4	$ 713.0
Available-for-sale debt securities	57.4	767.4
Accounts receivable	887.0	686.8
Inventory	104.2	69.0
Prepaid expenses	217.1	170.7
Other current assets	39.4	115.8
Total current assets	1,637.5	2,522.7
Noncurrent inventory	149.1	—
Noncurrent available-for-sale debt securities	91.9	1,063.0
Right-of-use assets	448.0	455.4
Equity investments	147.3	120.8
Property and equipment, net	90.5	89.8
Intangible assets, net	2,226.0	4.7
Goodwill	500.6	6.1
Deferred tax assets	8.9	320.3
Other noncurrent assets	59.3	48.7
Total assets	$ 5,359.1	$ 4,631.5
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 808.3	$ 674.3
Other current liabilities	66.2	69.1
Total current liabilities	874.5	743.4
Deferred tax liabilities	91.5	—
Noncurrent operating lease liabilities	401.8	415.3
Other noncurrent liabilities	297.7	219.7
Total liabilities	1,665.5	1,378.4
Stockholders’ equity:		
Preferred stock, $0.001 par value; 5.0 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value; 220.0 shares authorized; 101.6 and 100.1 shares issued and outstanding, respectively	0.1	0.1
Additional paid-in capital	2,964.4	2,792.2
Accumulated other comprehensive income	5.1	13.1
Retained earnings	724.0	447.7
Total stockholders’ equity	3,693.6	3,253.1
Total liabilities and stockholders’ equity	$ 5,359.1	$ 4,631.5

See accompanying notes to the condensed consolidated financial statements.

NEUROCRINE BIOSCIENCES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(unaudited)

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues:				
Net product sales	$ 954.3	$ 682.0	$ 1,765.3	$ 1,245.7
Collaboration revenues	4.7	5.5	8.2	14.4
Total revenues	959.0	687.5	1,773.5	1,260.1
Operating expenses:				
Cost of revenues, excluding amortization of acquired intangible assets	23.2	10.3	36.9	18.5
Research and development	326.7	244.3	622.9	507.5
Acquired in-process research and development	1.5	—	22.7	0.1
Selling, general, and administrative	439.7	286.3	758.2	562.8
Amortization of acquired intangible assets	16.4	1.0	16.5	2.0
Gain on sale of business, net of transaction costs	—	—	(28.6)	—
Total operating expenses	807.5	541.9	1,428.6	1,090.9
Operating income	151.5	145.6	344.9	169.2
Other income (expense):				
Interest expense	(2.9)	—	(2.9)	—
Unrealized gain (loss) on equity investments	1.2	(6.7)	26.5	(37.3)
Investment income and other, net	12.4	20.6	40.5	42.3
Total other income, net	10.7	13.9	64.1	5.0
Income before provision for income taxes	162.2	159.5	409.0	174.2
Provision for income taxes	17.8	52.0	66.7	58.8
Net income	$ 144.4	$ 107.5	$ 342.3	$ 115.4
Foreign currency translation adjustments, net of tax	0.6	0.8	0.6	2.3
Unrealized gain (loss) on available-for-sale debt securities, net of tax	4.1	2.7	(8.6)	4.4
Comprehensive income	$ 149.1	$ 111.0	$ 334.3	$ 122.1
Earnings per share:				
Basic	$ 1.43	$ 1.09	$ 3.40	$ 1.16
Diluted	$ 1.39	$ 1.06	$ 3.30	$ 1.13
Weighted-average shares outstanding:				
Basic	101.0	99.0	100.8	99.3
Diluted	104.2	101.0	103.8	101.8

See accompanying notes to the condensed consolidated financial statements.

NEUROCRINE BIOSCIENCES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

(in millions)	Common Stock Shares	Common Stock $	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total
Balance at March 31, 2026	100.6	$ 0.1	$ 2,817.3	$ 0.4	$ 589.6	$ 3,407.4
Net income	—	—	—	—	144.4	144.4
Other comprehensive income, net of tax	—	—	—	4.7	—	4.7
Stock-based compensation expense	—	—	65.0	—	—	65.0
Issuances of common stock under benefit plans, net of tax	1.1	—	82.1	—	—	82.1
Repurchases of common stock	(0.1)	—	—	—	(10.0)	(10.0)
Balance at June 30, 2026	101.6	$ 0.1	$ 2,964.4	$ 5.1	$ 724.0	$ 3,693.6
Balance at March 31, 2025	99.0	$ 0.1	$ 2,531.9	$ 9.0	$ (5.3)	$ 2,535.7
Net income	—	—	—	—	107.5	107.5
Other comprehensive income, net of tax	—	—	—	3.5	—	3.5
Stock-based compensation expense	—	—	52.8	—	—	52.8
Issuances of common stock under benefit plans	0.2	—	12.5	—	—	12.5
Repurchases of common stock	(0.2)	—	—	—	(17.7)	(17.7)
Balance at June 30, 2025	99.0	$ 0.1	$ 2,597.2	$ 12.5	$ 84.5	$ 2,694.3
Balance at December 31, 2025	100.1	$ 0.1	$ 2,792.2	$ 13.1	$ 447.7	$ 3,253.1
Net income	—	—	—	—	342.3	342.3
Other comprehensive loss, net of tax	—	—	—	(8.0)	—	(8.0)
Stock-based compensation expense	—	—	122.2	—	—	122.2
Issuances of common stock under benefit plans, net of tax	2.0	—	50.0	—	—	50.0
Repurchases of common stock	(0.5)	—	—	—	(66.0)	(66.0)
Balance at June 30, 2026	101.6	$ 0.1	$ 2,964.4	$ 5.1	$ 724.0	$ 3,693.6
Balance at December 31, 2024	99.4	$ 0.1	$ 2,554.6	$ 5.8	$ 29.2	$ 2,589.7
Net income	—	—	—	—	115.4	115.4
Other comprehensive income, net of tax	—	—	—	6.7	—	6.7
Stock-based compensation expense	—	—	105.6	—	—	105.6
Issuances of common stock under benefit plans	1.4	—	44.6	—	—	44.6
Repurchases of common stock	(1.8)	—	(107.6)	—	(60.1)	(167.7)
Balance at June 30, 2025	99.0	$ 0.1	$ 2,597.2	$ 12.5	$ 84.5	$ 2,694.3

See accompanying notes to the condensed consolidated financial statements.

NEUROCRINE BIOSCIENCES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in millions)	Six Months Ended June 30, 2026	2025
Cash flows from operating activities:		
Net income	$ 342.3	$ 115.4
Adjustments to reconcile net income to net cash from operating activities:		
Stock-based compensation	122.2	105.6
Depreciation	15.6	12.9
Amortization of inventory fair-value step-up	3.0	—
Accretion of discount on available-for-sale debt securities, net	(1.6)	(8.0)
Realized loss on sale of available-for-sale debt securities	5.2	—
Amortization of acquired intangible assets	16.5	2.0
Changes in fair values of equity investments	(26.5)	37.3
Deferred income taxes	(86.4)	(51.1)
Non-cash lease expense	3.6	14.3
Gain on sale of business, net of transaction costs	(28.6)	—
Other	—	1.2
Change in operating assets and liabilities:		
Accounts receivable	(165.7)	(116.6)
Inventory	(2.2)	0.4
Accounts payable and accrued liabilities	(22.8)	12.1
Income tax assets and liabilities	60.2	15.8
Other assets and liabilities, net	47.4	25.5
Cash flows from operating activities	282.2	166.8
Cash flows from investing activities:		
Purchases of available-for-sale debt securities	(856.9)	(588.3)
Sales and maturities of available-for-sale debt securities	2,527.5	596.7
Acquisition of business, net of cash acquired	(2,358.5)	—
Proceeds from sale of business	63.2	—
Capital expenditures	(16.9)	(23.2)
Cash flows from investing activities	(641.6)	(14.8)
Cash flows from financing activities:		
Proceeds from borrowings under revolving credit facility	600.0	—
Repayments of borrowings under revolving credit facility	(600.0)	—
Payment of debt issuance costs	(6.7)	—
Issuances of common stock under benefit plans	108.4	46.5
Taxes paid related to net share settlement of equity awards	(58.4)	—
Repurchases of common stock	(66.0)	(167.7)
Cash flows from financing activities	(22.7)	(121.2)
Effect of exchange rate changes on cash and cash equivalents	—	0.2
Change in cash, cash equivalents and restricted cash	(382.1)	31.0
Cash, cash equivalents and restricted cash at beginning of period	721.0	241.0
Cash, cash equivalents and restricted cash at end of period	$ 338.9	$ 272.0

See accompanying notes to the condensed consolidated financial statements.

1. Organization and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions of the Securities and Exchange Commission (SEC) on Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of our financial position and of the results of operations and cash flows for the periods presented. The accompanying unaudited condensed consolidated financial statements include the accounts of Neurocrine Biosciences and our wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to previously reported amounts to conform to the current period presentation.

These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025, included in our Annual Report on Form 10-K (the 2025 Form 10-K) filed with the SEC. The results of operations for the interim period shown in this report are not necessarily indicative of the results that may be expected for any other interim period or the full year. The condensed consolidated balance sheet as of December 31, 2025, has been derived from the audited financial statements as of that date, but does not include all of the information and footnotes required by GAAP for complete financial statements.

There were no significant changes to our significant accounting policies as disclosed in the 2025 Form 10-K.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires public entities to disclose specified information about certain costs and expenses on an interim and annual basis. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact that adoption of ASU 2024-03 will have on our financial statement disclosures.

2. Acquisition of Soleno Therapeutics, Inc.

On May 18, 2026 (the acquisition date), we completed our acquisition of Soleno Therapeutics, Inc. (Soleno) through a cash tender offer followed by a merger. Pursuant to the merger agreement, we paid $53.00 per share in cash for each outstanding share of Soleno common stock. Following the merger, Soleno became a wholly owned subsidiary of the Company.

Soleno is a commercial-stage rare disease company that markets VYKAT® (diazoxide choline) XR for the treatment of hyperphagia in patients with Prader-Willi syndrome. The acquisition expands the Company’s rare disease portfolio and commercial product base.

We accounted for the acquisition as a business combination using the acquisition method of accounting in accordance with Topic 805, Business Combinations. Accordingly, the assets acquired and liabilities assumed were recognized at their estimated fair values as of the acquisition date.

In connection with the merger, the vesting of certain outstanding Soleno equity awards was accelerated as of the acquisition date and each vested Soleno equity award became entitled to receive cash consideration. The purchase price for the acquisition included $67.4 million related to the settlement of outstanding Soleno equity awards attributable to pre-combination service. In addition, we recognized stock-based compensation expense of $60.1 million during the second quarter and first six months of 2026 related to the acceleration of outstanding Soleno equity awards attributable to post-combination service that were settled in cash.

The purchase price allocation related to this acquisition is preliminary and subject to change during the measurement period, which will not exceed one year from the acquisition date. We continue to evaluate, among other items, deferred tax assets and liabilities and uncertain tax positions. Measurement-period adjustments will be recognized with a corresponding adjustment to goodwill in the reporting period in which the adjustment amounts are determined and will be applied as if the accounting had been completed as of the acquisition date.

The following table summarizes the preliminary consideration transferred:

(in millions)	May 18, 2026
Cash paid to Soleno stockholders	$ 2,762.5
Cash paid to settle Soleno equity awards attributable to pre-combination service	67.4
Total preliminary consideration transferred	$ 2,829.9

The following table summarizes the preliminary allocation of consideration transferred to the assets acquired and liabilities assumed as of the acquisition date:

(in millions)	May 18, 2026
Cash and cash equivalents	$ 471.3
Accounts receivable	34.7
Inventory	185.3
Prepaid expenses and other current assets	9.0
Intangible assets	2,237.8
Right-of-use assets	4.6
Accounts payable and accrued liabilities	(113.9)
Operating lease liabilities	(4.6)
Deferred tax liabilities	(489.4)
Other assets and liabilities, net	0.5
Total identifiable net assets acquired	2,335.3
Goodwill	494.6
Total assets acquired and liabilities assumed	$ 2,829.9

Acquired Inventory

The estimated fair value of the acquired inventory was determined based on the estimated selling price of the related finished product, reduced, as applicable, for costs to complete manufacturing, costs of disposal and market-participant profit allowances for the remaining manufacturing and selling efforts. The valuation resulted in fair-value step-ups for VYKAT XR work-in-process and finished goods inventory of $41.5 million and $126.7 million, respectively. The fair-value step-ups will be recognized in cost of revenues as the related acquired inventory is sold, which is expected to occur over approximately four to six years following the acquisition date.

Acquired Intangible Assets

The estimated fair value of the acquired intangible assets relates to the developed product rights for VYKAT XR and was determined using a probability adjusted discounted cash flow analysis approach using a discount rate of 24.0%. The developed product rights are being amortized over a useful life of 16 years using the straight line method.

Deferred Tax Assets and Liabilities

The deferred tax liability relates to the tax effect of the difference between the fair value and tax basis of acquired intangible assets and inventory.

Goodwill

Goodwill was recognized as the excess of consideration transferred over the preliminary fair values of identifiable net assets acquired. A significant portion of the goodwill recognized resulted from the recognition of deferred tax liabilities associated with the fair value adjustments recorded for acquired assets. The remaining goodwill is primarily attributable to expected synergies from combining operations, the assembled workforce, expanded commercial capabilities, and future economic benefits that do not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Transaction Costs

Transaction costs, which were comprised primarily of financial advisory and legal fees, totaled $33.1 million during the second quarter and first six months of 2026 and were included in selling, general, and administrative expenses. No transaction costs were incurred during the second quarter and first six months of 2025.

Revenues and Net Income of Soleno

The results of operations of Soleno have been included in the condensed consolidated statements of income and comprehensive income beginning on the acquisition date. From the acquisition date through June 30, 2026, total net revenues and net loss attributable to Soleno were $54.4 million and $52.2 million, respectively, inclusive of $104.7 million in acquisition-related expenses, amortization of the VYKAT XR fair-value step up, and amortization of the acquired intangible asset related to the developed product rights for VYKAT XR.

Pro Forma Financial Information (unaudited)

The following unaudited pro forma financial information presents the combined results of the Company and Soleno for the periods presented as if the acquisition had occurred on January 1, 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Revenues	$ 998.4	$ 720.2	$ 1,907.5	$ 1,292.8
Net income (loss)	$ 203.4	$ 67.7	$ 395.0	$ (57.9)

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting and was based on the historical financial information of the Company and Soleno. In order to reflect the occurrence of the acquisition as if it had occurred on January 1, 2025 as required, the unaudited pro forma financial information includes adjustments to reflect:

(i) the incremental amortization expense to be incurred based on the fair values of the VYKAT XR identifiable intangible asset acquired;

(ii) the incremental cost of revenues related to the fair value adjustments associated with acquisition date inventory;

(iii) the reallocation of acquisition-related compensation costs, including stock-based compensation expense associated with accelerated Soleno equity awards attributable to post-combination service and transaction bonuses payable to certain Soleno employees, from the historical three and six month periods ended June 30, 2026, in which such costs were recognized, to the periods in which they would have been recognized assuming the acquisition had occurred on January 1, 2025;

(iv) the reallocation of non-recurring acquisition-related transaction costs incurred by Neurocrine and Soleno from the historical three and six month periods ended June 30, 2026, in which such costs were recognized, to the periods in which they would have been recognized assuming the acquisition had occurred on January 1, 2025;

(v) the reversal of Soleno's direct acquisition-related costs; and

(vi) the related income tax effects of the aforementioned adjustments to the provision for Neurocrine.

The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been had the acquisition been completed on January 1, 2025. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition.

3. Fair Value Measurements

The fair value hierarchy consists of the following three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that reflect our own assumptions about the assumptions that market participants would use in pricing the asset or liability when there is little, if any, market activity for the asset or liability at the measurement date.

The following table presents a summary of certain financial assets, which were measured at fair value on a recurring basis.

	June 30, 2026			December 31, 2025		
	Fair Value	Leveling		Fair Value	Leveling	
(in millions)		Level 1	Level 2		Level 1	Level 2
Cash and cash equivalents	$ 332.4	$ 332.4	$ —	$ 713.0	$ 713.0	$ —
Available-for-sale debt securities	149.3	—	149.3	1,830.4	—	1,830.4
Equity investments	147.3	147.3	—	120.8	120.8	—
	$ 629.0	$ 479.7	$ 149.3	$ 2,664.2	$ 833.8	$ 1,830.4

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk include cash and cash equivalents, investments in available-for-sale debt securities, and accounts receivable.

To minimize the risks related to cash and cash equivalents and investments in available-for-sale debt securities, we have established guidelines related to credit ratings and maturities intended to safeguard principal balances and maintain liquidity. Our investment portfolio is maintained in accordance with our investment policy, which defines allowable investments, specifies credit quality standards, and limits the credit exposure of any single issuer.

As of June 30, 2026 and December 31, 2025, we held available-for-sale debt securities with a total fair value of $139.6 million and $335.1 million, respectively, that were in unrealized loss positions totaling $0.7 million and $0.6 million, respectively. Available-for-sale debt securities that had been in unrealized loss positions for longer than twelve months were not significant as of June 30, 2026 or December 31, 2025. Unrealized losses on available-for-sale debt securities are primarily caused by changes in interest rates. Our investments in available-for-sale debt securities are of high credit quality, and we do not intend to sell these investments and it is not more likely than not that we will be required to sell these investments before their maturity.

Accrued interest receivables on available-for-sale debt securities totaled $3.1 million and $20.5 million, respectively, as of June 30, 2026 and December 31, 2025 and are included in other current assets on the condensed consolidated balance sheets. We do not measure an allowance for credit losses for accrued interest receivables. For the purposes of identifying and measuring an impairment, accrued interest is excluded from both the fair value and amortized cost basis of the debt security. Uncollectible accrued interest receivables associated with an impaired debt security are reversed against interest income upon identification of the impairment.

To minimize the risks related to accounts receivable, which are typically unsecured, we monitor the financial performance and creditworthiness of our customers so that we can properly assess and respond to changes in their credit profiles.

The following table presents the percent of total gross product sales for each of our customers who individually accounted for 10% or more of total gross product sales.

	Six Months Ended June 30,	
	2026	2025
Customer A	34 %	41 %
Customer B	26 %	29 %
Customer C	28 %	15 %

The following table presents the percent of total accounts receivable for each of our customers who individually accounted for 10% or more of total accounts receivable.

	June 30, 2026	December 31, 2025
Customer A	38 %	41 %
Customer B	29 %	31 %
Customer C	23 %	16 %
Customer D	< 10 %	10 %

4. Goodwill and Intangible Assets

The following table presents the changes in the carrying amount of goodwill.

(in millions)	Amount
Balance as of December 31, 2025	$ 6.1
Foreign currency translation adjustments	(0.1)
Balance as of March 31, 2026	6.0
Additions in connection with the acquisition of Soleno Therapeutics, Inc.	494.6
Balance as of June 30, 2026	$ 500.6

The following table presents information relating to our recognized intangible assets.

	June 30, 2026			December 31, 2025		
(dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed product rights [1]	$ 2,242.8	$ 16.8	$ 2,226.0	$ 5.0	$ 0.3	$ 4.7
Total intangible assets, net			$ 2,226.0			$ 4.7

(1) Developed product rights have a useful life of 16 years.

The following table presents approximate future annual amortization expense for our finite-lived intangible assets as of June 30, 2026.

(in millions)	Amount
2026 (6 months remaining)	$ 70.1
2027	$ 140.2
2028	$ 140.2
2029	$ 140.2
2030	$ 140.2
Thereafter	$ 1,595.1

5. Debt

On May 14, 2026, we entered into a credit agreement with the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, providing for a $1.0 billion senior secured revolving credit facility (the 2026 Credit Facility) that matures on May 14, 2031. Subject to the terms of the credit agreement, we may borrow, prepay, and reborrow loans under the 2026 Credit Facility prior to maturity.

Borrowings under the 2026 Credit Facility bear interest, at the Company's option, at a rate based on either an alternate base rate plus an applicable margin or a Term Secured Overnight Financing Rate (SOFR), risk-free rate, or other applicable benchmark rate plus an applicable margin, in each case determined under the credit agreement. We are also required to pay a commitment fee on the unused portion of the revolving commitments. The initial Term SOFR borrowing under the 2026 Credit Facility bears interest at an all-in rate of 4.90%, consisting of a Chicago Mercantile Exchange Term SOFR reference rate of 3.65% plus an applicable margin of 1.25%. The initial commitment fee rate is 0.15% per annum.

On May 14, 2026, we borrowed $600.0 million under the 2026 Credit Facility. In June 2026, we repaid $600.0 million of principal and paid $2.7 million of accrued interest related to the repayment. In the condensed consolidated statements of cash flows, proceeds from borrowings under the 2026 Credit Facility are presented within financing activities net of debt issuance costs paid to lenders. Debt issuance costs paid to third parties, including certain reimbursed third-party costs, are presented separately as financing cash outflows. Repayments of borrowings under the 2026 Credit Facility are presented as financing cash outflows. As of June 30, 2026, no borrowings were outstanding and we had $1.0 billion of available borrowing capacity under the 2026 Credit Facility, subject to continued compliance with the covenants and other conditions to borrowing under the credit agreement.

In connection with the 2026 Credit Facility, we incurred $6.7 million of financing costs, which were deferred as assets and are being amortized to interest expense over the term of the facility. As of June 30, 2026, unamortized deferred financing costs were $6.5 million and were included in other noncurrent assets in the condensed consolidated balance sheet as of June 30, 2026. In addition, interest expense associated with the 2026 Credit Facility totaled $2.9 million for each of the second quarter and first six months of 2026, including $0.2 million related to the amortization of deferred financing costs.

The credit agreement contains customary affirmative and negative covenants, including limitations on indebtedness, liens, investments, restricted payments and certain other transactions, as well as financial covenants requiring us to maintain a maximum total net leverage ratio and a minimum consolidated interest coverage ratio. The obligations under the credit agreement are guaranteed by certain of our subsidiaries and secured by liens on substantially all assets of the Company and the subsidiary guarantors, subject to customary exceptions. As of June 30, 2026, we were in compliance with the covenants under the credit agreement.

6. Leases

Our operating leases that have commenced have terms that expire beginning 2027 through 2036 and consist of office space and research and development laboratories, including our corporate headquarters. Certain of these lease agreements contain clauses for renewal at our option. As we were not reasonably certain to exercise any of these renewal options at commencement of the associated leases, no such options were recognized as part of our right-of-use (ROU) assets or operating lease liabilities.

The following table presents supplemental operating lease information for operating leases that have commenced.

	Six Months Ended June 30,	
(in millions, except weighted average data)	**2026**	**2025**
Operating lease cost	$ 31.2	$ 33.0
Sublease income	(1.9)	(1.7)
Net operating lease cost	$ 29.3	$ 31.3
Cash paid for amounts included in the measurement of operating lease liabilities	$ 27.6	$ 18.7

	June 30,	
	2026	**2025**
Weighted average remaining lease term	9.4 years	10.4 years
Weighted average discount rate	4.9 %	4.9 %
Restricted cash related to leases	$ 6.3	$ 7.8

The following table presents approximate future non-cancelable minimum lease payments under operating leases and sublease income as of June 30, 2026.

(dollars in millions)	**Operating Leases**	**Sublease Income**
2026 (6 months remaining)	$ 30.4	$ (2.0)
2027	61.3	(4.0)
2028	62.5	(4.0)
2029	61.3	(3.6)
2030	60.7	(3.5)
Thereafter	306.9	(2.0)
Total operating lease payments (sublease income)	583.1	$ (19.1)
Less imputed interest	121.5	
Total operating lease liabilities	461.6	
Less current operating lease liabilities included in other current liabilities	59.8	
Noncurrent operating lease liabilities	$ 401.8	

7. Supplemental Financial Information

Inventory consisted of the following:

(in millions)	June 30, 2026	December 31, 2025
Raw materials	$ 39.9	$ 35.7
Work in process	70.1	19.2
Finished goods	143.3	14.1
Total inventory	253.3	69.0
Balance Sheet Classification:		
Inventory	$ 104.2	$ 69.0
Noncurrent inventory	149.1	—
Total inventory	$ 253.3	$ 69.0

Prior to FDA approval of CRENESSITY in December 2024, all costs related to its manufacturing were expensed as R&D in the period incurred. As a result, our physical inventories as of June 30, 2026 and December 31, 2025 included active pharmaceutical product with no cost basis. Costs related to the manufacturing of bulk drug product, finished bottling, and other labeling activities that occurred post-FDA approval are included in the inventory values as of June 30, 2026 and December 31, 2025.

As of June 30, 2026, noncurrent inventory consisted of VYKAT XR inventory acquired in the Soleno acquisition that, based on management's current demand forecasts, was expected to be realized after June 30, 2027. Refer to Note 2 for additional information regarding the acquired inventory and related fair-value step-up.

In addition, in connection with the acquisition of Soleno, we recorded a step-up in the fair value of work in process and finished goods inventory for VYKAT XR of $41.5 million and $126.7 million, respectively. The fair value step-up adjustment is being amortized to cost of revenues as the acquired inventory is sold. We recognized $3.0 million of expense related to the amortization of the fair value step-up during the second quarter and first six months of 2026.

Prepaid expenses consisted of the following:

(in millions)	June 30, 2026	December 31, 2025
Prepaid income taxes	$ 121.8	$ 94.0
Prepaid development costs	66.1	55.6
Other prepaid expenses	29.2	21.1
Total prepaid expenses	$ 217.1	$ 170.7

Accounts payable and accrued liabilities consisted of the following:

(in millions)	June 30, 2026	December 31, 2025
Sales rebates and reserves	$ 292.1	$ 226.0
Current income taxes payable	114.6	68.0
Accrued development costs	93.5	101.3
Accrued employee related costs	123.2	128.8
Current branded prescription drug fee	42.9	45.3
Accounts payable and other accrued liabilities	142.0	104.9
Total accounts payable and accrued liabilities	$ 808.3	$ 674.3

Other noncurrent liabilities consisted of the following:

(in millions)	June 30, 2026	December 31, 2025
Noncurrent income taxes payable	$ 262.2	$ 214.5
Other noncurrent liabilities	35.5	5.2
Total other noncurrent liabilities	$ 297.7	$ 219.7

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows.

(in millions)	June 30, 2026	June 30, 2025
Cash and cash equivalents	$ 332.4	$ 264.0
Restricted cash included in other noncurrent assets	6.5	8.0
Total cash, cash equivalents, and restricted cash	$ 338.9	$ 272.0

The following table presents supplemental cash flow information.

	Six Months Ended June 30,	
(in millions)	2026	2025
Cash paid for interest	$ 2.7	$ —
Cash paid for income taxes	$ 88.2	$ 72.5
Accrued capital expenditures	$ 1.3	$ 1.9
Right-of-use assets acquired through operating leases	$ 2.6	$ 3.4

8. Stockholders' Equity

Share Repurchases

Our Board of Directors have authorized share repurchase programs, including a share repurchase program for up to $500.0 million of our common stock which was authorized in February 2025 (the 2025 Repurchase Program).

The following table presents the shares of our common stock that we repurchased under our share repurchase programs and the cost of such shares, which were retired immediately upon repurchase.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Number of shares	0.1	0.2	0.5	1.8
Total cost of shares [1]	$ 10.0	$ 17.7	$ 66.0	$ 167.7

(1) Reflects the total trade-date cost of shares repurchased during the period.

As of June 30, 2026, we had $266.3 million remaining under the 2025 Repurchase Program.

9. Earnings per Share

Earnings per share were calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share data)	2026	2025	2026	2025
Net income - basic and diluted	$ 144.4	$ 107.5	$ 342.3	$ 115.4
Weighted-average common shares outstanding:				
Basic	101.0	99.0	100.8	99.3
Effect of dilutive securities	3.2	2.0	3.0	2.5
Diluted	104.2	101.0	103.8	101.8
Earnings per share:				
Basic	$ 1.43	$ 1.09	$ 3.40	$ 1.16
Diluted	$ 1.39	$ 1.06	$ 3.30	$ 1.13
Shares excluded from diluted per share amounts because their effect would have been anti-dilutive	4.8	6.3	4.5	4.8

10. Collaboration and License Agreements

Nxera Pharma UK Limited (Nxera)

In 2021, we entered into a collaboration and license agreement with Nxera (formerly Sosei Heptares) to develop and commercialize certain compounds containing sub-type selective muscarinic M1, M4, or dual M1/M4 receptor agonists, which we have the exclusive rights to develop, manufacture and commercialize worldwide, excluding in Japan, where Nxera retains the rights to develop, manufacture, and commercialize all compounds comprised of M1 receptor agonists, subject to certain exceptions. With respect to such rights retained by Nxera, we retain the rights to opt in to profit sharing arrangements, pursuant to which we and Nxera will equally share in the operating profits and losses for such compounds in Japan. Subject to specified conditions, we may elect to exercise such opt-in rights with respect to each such compound either before initiation of the first proof of concept Phase 2 clinical trial for such compound or following our receipt from Nxera of the top-line data from such clinical trial for such compound. We are responsible for all development, manufacturing, and commercialization costs of any collaboration product.

NBI-1117570 is a dual M1/M4 muscarinic agonist in development as a potential treatment for schizophrenia and other psychiatric indications. In connection with the initiation of a Phase 2 clinical study for NBI-1117570 in schizophrenia in March 2026, we expensed a milestone payment of $22.5 million as research and development (R&D) in the first quarter of 2026.

Direclidine (NBI-1117568) is a potential first-in-class, orally active, highly selective investigational M4 agonist in development as a potential treatment for schizophrenia. In connection with the initiation of a Phase 3 clinical study for direclidine in schizophrenia in May 2025, we expensed a milestone payment of $15.0 million as R&D in the second quarter of 2025.

Under the terms of the agreement, Nxera may be entitled to receive potential future payments of up to $2.48 billion upon the achievement of certain event-based milestones and is entitled to receive royalties on the future net sales of any collaboration product.

Unless earlier terminated, the agreement will continue on a licensed product-by-licensed product and country-by-country basis until the date on which the royalty term for such licensed product has expired in such country. On a licensed product-by-licensed product and country-by-country basis, royalty payments would commence on the first commercial sale of a licensed product and terminate on the later of (i) the expiration of the last patent covering such licensed product in such country, (ii) a number of years from the first commercial sale of such licensed product in such country and (iii) the expiration of regulatory exclusivity for such licensed product in such country.

Following the expiration of the research collaboration term, we may terminate the agreement in its entirety or with respect to one or more targets upon 90 days' written notice to Nxera. Following the expiration of the research collaboration term, Nxera may terminate the agreement on a target-by-target basis in the event that we do not conduct any material development activities outside of Japan with respect to a certain compound or licensed product within the applicable target class for a continuous period of not less than 365 days and do not commence any such activities within 120 days of receiving written notice. Either party may terminate the agreement, subject to specified conditions, (i) in the event of material breach by the other party, subject to a cure period, (ii) if the other party challenges the validity or enforceability of certain intellectual property rights, subject to a cure period, or (iii) if the other party becomes insolvent or takes certain actions related to insolvency.

Takeda Pharmaceutical Company Limited (Takeda)

In 2020, we entered into an exclusive license agreement with Takeda (the 2020 Takeda Agreement), pursuant to which we acquired the exclusive rights to develop and commercialize certain early to mid-stage psychiatry compounds, including luvadaxistat, NBI-1070770, osavampator (NBI-1065845), NBI-1065846, and three non-clinical stage compounds. Pursuant to the 2020 Takeda Agreement, osavampator was designated as a profit-share product, meaning we and Takeda would equally share in the operating profits and losses. Takeda also retained the right to opt-out of the profit-sharing arrangement, pursuant to which Takeda would be entitled to receive potential future payments upon the achievement of certain event-based milestones with respect to osavampator and receive royalties on the future net sales of osavampator (in lieu of equally sharing in the operating profits and losses).

In October 2024, we provided Takeda with written notice of termination of the license under the 2020 Takeda Agreement with respect to certain D-amino acid oxidase (DAAO) inhibitors, including the license to develop and commercialize luvadaxistat and NBI-1065846, which became effective in April 2025.

In January 2025, we and Takeda amended and restated the exclusive license agreement (the Restated Takeda Agreement) to, among other things, reflect the conversion from sharing operating profits and losses with respect to the development and commercialization of osavampator to a royalty-bearing license, the return of rights to osavampator in Japan to Takeda, and our previous termination of the license to develop and commercialize certain DAAO inhibitors under the 2020 Takeda Agreement, including luvadaxistat, and GPR139 agonists, including NBI-1065846.

Under the Restated Takeda Agreement, we retain exclusive rights to develop and commercialize osavampator for all indications in all territories worldwide except Japan, where Takeda reacquired exclusive development and commercialization rights. In addition, each party is responsible for development costs for osavampator in its respective territory, and each party is eligible to receive royalty payments based on the other party's net sales of osavampator in the other party's territory. Pursuant to the Restated Takeda Agreement and upon the successful development and commercialization of osavampator, we will incur tiered based royalties payable to Takeda in the mid-to-upper teens in the U.S. and low double-digits outside of the U.S. on a blended basis as a percentage of net sales. Additionally, we are entitled to receive royalties from Takeda on the future net sales of osavampator in Japan.

Osavampator is a potential first-in-class alpha-amino-3-hydroxy-5-methyl-4-isoxazole propionic acid (AMPA) positive allosteric modulator (PAM) in development for patients with inadequate response to treatment of major depressive disorder (MDD). In connection with the initiation of a Phase 3 clinical study for osavampator in MDD in January 2025, we expensed a milestone payment of $37.5 million as R&D in the first quarter of 2025.

Takeda may be entitled to receive potential future payments of up to $742.5 million upon the achievement of certain event-based milestones and is entitled to receive royalties on the future net sales of any royalty-bearing product.

Unless earlier terminated, the Restated Takeda Agreement will continue on a licensed product-by-licensed product and country-by-country basis until the date on which, (i) for any royalty-bearing product, the royalty term has expired in such country; and (ii) for any profit-share product, for so long as we continue to develop, manufacture, or commercialize such licensed product. On a licensed product-by-licensed product and country-by-country basis, royalty payments would commence on the first commercial sale of a royalty-bearing product and terminate on the later of (i) the expiration of the last patent covering such royalty-bearing product in such country, (ii) a number of years from the first commercial sale of such royalty-bearing product in such country and (iii) the expiration of regulatory exclusivity for such royalty-bearing product in such country.

We may terminate the Restated Takeda Agreement in its entirety or in one or more (but not all) of the U.S., Japan, the European Union and the United Kingdom, or, collectively, the major markets, upon six months' written notice to Takeda (i) with respect to all licensed products prior to the first commercial sale of the first licensed product for which first commercial sale occurs, or (ii) with respect to all licensed products in one or more given target classes, as defined in the Restated Takeda Agreement, prior to the first commercial sale of the first licensed product in such target class for which first commercial sale occurs. We may terminate the Restated Takeda Agreement in its entirety or in one or more (but not all) of the major markets upon 12 months' written notice to Takeda (i) with respect to all licensed products following the first commercial sale of the first licensed product for which first commercial sale occurs, or (ii) with respect to all licensed products in one or more given target classes following the first commercial sale of the first licensed product in such target class for which first commercial sale occurs. Takeda may terminate the Restated Takeda Agreement, subject to specified conditions, (i) if we challenge the validity or enforceability of certain Takeda intellectual property rights or (ii) on a target class-by-target class basis, in the event that we do not conduct any material development or commercialization activities with respect to any licensed product within such target class for a specified continuous period. Subject to a cure period, either party may terminate the Restated Takeda Agreement in the event of any material breach, solely with respect to the target class of a licensed product to which such material breach relates, or in its entirety in the event of any material breach that relates to all licensed products, or if either party challenges the validity or enforceability of certain intellectual property rights.

Xenon Pharmaceuticals Inc. (Xenon)

In 2019, we entered into a collaboration and license agreement with Xenon to identify, research, and develop sodium channel inhibitors, including NBI-921352 and three preclinical candidates, which compounds we have the exclusive rights to develop and commercialize. In connection with the agreement, we purchased 1.4 million shares (at $14.196 per share) of Xenon common stock in 2019, 0.3 million shares (at $19.9755 per share) of Xenon common stock in 2021, and 0.3 million shares (at $31.855 per share) of Xenon common stock in 2022. We are responsible for all development and manufacturing costs of any collaboration product, subject to certain exceptions.

NBI-921355 is an investigational, selective inhibitor of voltage-gated sodium channels $Na_v1.2$ and $Na_v1.6$ in development as a potential treatment of certain types of epilepsy. In connection with the initiation of a Phase 1 clinical study to evaluate the safety, tolerability, pharmacokinetics, and pharmacodynamics of NBI-921355 in healthy adult participants in February 2025, we expensed a milestone payment of $7.5 million as R&D in the first quarter of 2025.

Under the terms of the agreement, Xenon may be entitled to receive potential future payments of up to $1.66 billion upon the achievement of certain event-based milestones and is entitled to receive royalties on the future net sales of any collaboration product. Xenon retains the right to elect to co-develop one product in a major indication, pursuant to which Xenon would receive a mid-single digit percentage increase in royalties earned on the future net sales of such product in the U.S. and we and Xenon would equally share in the development costs of such product in the applicable indication, except where such development costs relate solely to the regulatory approval of such product outside the U.S.

Unless earlier terminated, the agreement will continue on a licensed product-by-licensed product and country-by-country basis until the expiration of the royalty term for such product in such country. Upon the expiration of the royalty term for a particular licensed product and country, the license obtained by us with respect to such product and country will become fully paid, royalty free, perpetual and irrevocable. We may terminate the agreement upon 90 days' written notice to Xenon, provided that such unilateral termination will not be effective for certain products until we have used commercially reasonable efforts to complete certain specified clinical studies. Either party may terminate the agreement in the event of a material breach in whole or in part, subject to specified conditions.

Voyager Therapeutics, Inc. (Voyager)

2019 Voyager Agreement

In 2019, we entered into a collaboration and license agreement with Voyager (the 2019 Voyager Agreement), pursuant to which we obtained certain rights to develop and commercialize product candidates, including the rights to gene therapy product candidates for the treatment of Friedreich's ataxia (FA) and two undisclosed programs. In April 2025, we mutually agreed with Voyager to discontinue the two undisclosed programs and the rights to the targets selected under these programs returned to Voyager. We are responsible for all development and commercialization costs of any collaboration product under the 2019 Voyager Agreement, subject to certain co-development and co-commercialization rights retained by Voyager.

In connection with the 2019 Voyager Agreement, we purchased 4.2 million shares (at $11.9625 per share) of Voyager common stock (the 2019 Voyager Shares).

Under the terms of the 2019 Voyager Agreement, Voyager may be entitled to receive potential future payments of up to $465.0 million upon the achievement of certain event-based milestones and is entitled to receive royalties on the future net sales of any collaboration product, subject to certain co-development and co-commercialization rights retained by Voyager.

Unless terminated earlier, the 2019 Voyager Agreement will continue in effect until the expiration of the last to expire royalty term with respect to any collaboration product under the agreement or the last expiration or termination of any exercised co-development and co-commercialization rights by Voyager as provided for in the 2019 Voyager Agreement. We may terminate the 2019 Voyager Agreement upon 180 days' written notice to Voyager prior to the first commercial sale of any collaboration product under the 2019 Voyager Agreement or upon one year after the date of notice if such notice is provided after the first commercial sale of any collaboration product under the 2019 Voyager Agreement.

2023 Voyager Agreement

In 2023, we entered into a collaboration and license agreement with Voyager, which we amended in April 2024 (as amended, the 2023 Voyager Agreement), pursuant to which we acquired the global rights to the gene therapy products directed to the gene that encodes glucosylceramidase beta 1 (GBA1) for the treatment of Parkinson's disease and other diseases associated with GBA1 (the GBA1 Program), and three gene therapy programs directed to rare central nervous system (CNS) targets, each enabled by Voyager's next-generation TRACER® capsids.

With respect to collaboration products subject to the GBA1 Program, we are responsible for all development and commercialization costs of any such products, including in the U.S., where Voyager retains certain co-development and co-commercialization rights. Voyager may elect to exercise such rights, pursuant to which we and Voyager would equally share in the operating profits and losses of such products in the U.S. (in lieu of Voyager being entitled to receive potential future payments of certain event-based milestones upon their achievement in the U.S. and receive royalties on the future net sales of such products in the U.S.), following Voyager's receipt of the top-line data from a first clinical trial in Parkinson's disease. However, if we and Voyager elect to focus on an indication other than Parkinson's disease prior to Voyager's receipt of top-line data from a first clinical trial for Parkinson's disease, then Voyager may elect to exercise such co-development and co-commercialization rights after the later of: (i) Voyager's receipt of top-line data from the first clinical trial of a product that is the subject of the GBA1 Program or (ii) the date we and Voyager decide not to pursue Parkinson's disease as an indication

for development under the GBA1 Program. Irrespective of Voyager's election to exercise such rights, Voyager may be entitled to receive potential future payments upon the achievement of certain event-based milestones outside the U.S. and would be entitled to receive royalties on the future net sales of any such product outside the U.S.

With respect to collaboration products subject to the three gene therapy programs directed to rare CNS targets, we are responsible for all development and commercialization costs for any such products.

In connection with the 2023 Voyager Agreement, we purchased 4.4 million shares (at $8.88 per share) of Voyager common stock (the 2023 Voyager Shares). We accounted for the transaction as an asset acquisition as the set of acquired assets did not constitute a business. In addition, as part of the collaboration, Jude Onyia, Ph.D., Chief Scientific Officer of Neurocrine Biosciences, was appointed to Voyager's board of directors. Dr. Onyia (or another individual designated by us) will be nominated for election to Voyager's board of directors annually for a maximum duration of 10 years from the effective date of the 2023 Voyager Agreement. As a result, our equity investment in Voyager became subject to the equity method of accounting, and Voyager became a related party, following our purchase of the 2023 Voyager Shares, after which, together with the 2019 Voyager Shares, we owned approximately 19.9% of the voting stock of Voyager. We elected the fair value option to account for our equity investment in Voyager as we believe it creates greater transparency regarding the investment's fair value at future reporting dates.

Under the terms of the 2023 Voyager Agreement, Voyager may be entitled to receive potential future payments of up to $6.13 billion upon the achievement of certain event-based milestones and is entitled to receive royalties on the future net sales of any collaboration product, subject to certain co-development and co-commercialization rights retained by Voyager.

Unless terminated earlier, the 2023 Voyager Agreement will continue in effect until the expiration of the last to expire royalty term with respect to any collaboration product under the 2023 Voyager Agreement or the last expiration or termination of any exercised co-development and co-commercialization rights by Voyager as provided for in the 2023 Voyager Agreement. We may terminate the 2023 Voyager Agreement upon 180 days' written notice to Voyager prior to the first commercial sale of any collaboration product under the 2023 Voyager Agreement or upon one year after the date of notice if such notice is provided after the first commercial sale of any collaboration product under the 2023 Voyager Agreement.

Sanofi S.A. (Sanofi)

In 2014, we entered into a license agreement with Sanofi, pursuant to which we acquired the global rights to develop and commercialize certain corticotropin-releasing factor type 1 (CRF-1) receptor antagonists, including crinecerfont. We launched CRENESSITY® (crinecerfont) in the U.S. as a first-in-class U.S. Food and Drug Administration (FDA)-approved treatment of classic congenital adrenal hyperplasia (CAH) in December 2024. We are responsible for all manufacturing, development, and commercialization costs of any licensed product.

Under the terms of our license agreement with Sanofi, Sanofi may be entitled to receive potential future payments of up to $10.0 million upon the achievement of certain event-based milestones and is entitled to receive royalties at tiered percentage rates ranging from 3.0% to 5.0% on our future net sales of CRENESSITY in the U.S. for the longer of 16 years or the life of the related patent rights.

11. Segment Reporting and Disaggregation of Relevant Expense Captions

Neurocrine Biosciences operates as a single global business segment dedicated to the research and development, commercialization, and sale of pharmaceuticals primarily in the U.S. for the treatment of under-addressed neurological, psychiatric, endocrine, and immunological disorders. There were no changes to the accounting policies of the segment as disclosed in the 2025 Form 10-K.

The determination of a single business segment is consistent with the consolidated financial information regularly reviewed by the Chief Executive Officer as chief operating decision maker (CODM) in assessing segment performance and deciding how to allocate resources on a consolidated basis.

The CODM assesses performance for the segment and decides how to allocate resources based on net income that also is reported on the consolidated statements of income and comprehensive income as consolidated net income. The CODM uses net income to monitor budget and forecast versus actual results in assessing segment performance and to evaluate income generated from segment assets in deciding how to allocate resources. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets.

The following table presents information about reported segment revenues, segment profit, and significant segment expenses.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Revenues:				
INGREZZA net product sales	$ 716.5	$ 624.4	$ 1,373.3	$ 1,169.6
CRENESSITY net product sales	183.5	53.2	336.8	67.7
VYKAT XR net product sales	54.3	—	54.3	—
Other revenues [1]	4.7	9.9	9.1	22.8
Total revenues	959.0	687.5	1,773.5	1,260.1
Less:				
Cost of revenues, excluding amortization of acquired intangible assets	23.2	10.3	36.9	18.5
Research and development:				
External research and development	168.5	120.6	316.5	228.5
Payroll and benefits	115.4	72.2	199.9	147.2
Milestones	0.3	15.1	22.9	60.5
Other research and development [2]	42.5	36.4	83.6	71.3
Total research and development	326.7	244.3	622.9	507.5
Acquired in-process research and development	1.5	—	22.7	0.1
Selling, general, and administrative	439.7	286.3	758.2	562.8
Amortization of acquired intangible assets	16.4	1.0	16.5	2.0
Gain on sale of business, net of transaction costs	—	—	(28.6)	—
Interest expense	2.9	—	2.9	—
Unrealized (gain) loss on equity investments	(1.2)	6.7	(26.5)	37.3
Investment income and other, net	(12.4)	(20.6)	(40.5)	(42.3)
Provision for income taxes	17.8	52.0	66.7	58.8
Net income	$ 144.4	$ 107.5	$ 342.3	$ 115.4

(1) Other revenues primarily consist of royalties earned on AbbVie Inc. net sales of elagolix and Tanabe Pharma Corporation (formerly Mitsubishi Tanabe Pharma Corporation) net sales of valbenazine.

(2) Other research and development consists of indirect costs incurred for the benefit of multiple research and development programs, including facility-based expenses (such as rent expense) and other overhead allocations.

12. Sale of Neurocrine Group Limited

On December 24, 2025, we entered into a definitive agreement with Immedica Pharma AB to sell the Neurocrine Group Limited (formerly Diurnal Group plc) operating unit, which met the criteria for classification as held for sale under ASC 360. As a result, the assets and liabilities of the disposal group were presented separately as “Assets held for sale” and “Liabilities related to assets held for sale” and were included in other current assets and other current liabilities, respectively, on the condensed consolidated balance sheet as of December 31, 2025.

The major classes of assets and liabilities classified as held for sale as of December 31, 2025, were as follows:

(in millions)	Amount
Assets held for sale:	
Intangible assets, net	$ 29.8
Other assets	13.0
Total assets held for sale included in other current assets	$ 42.8
Liabilities related to assets held for sale:	
Accounts payable and accrued liabilities	$ 6.8
Other liabilities	1.4
Total liabilities related to assets held for sale included in other current liabilities	$ 8.2

As of December 31, 2025, the disposal group classified as held for sale excluded certain assets and obligations that were not transferred to the buyer upon closing. Specifically, cash and cash equivalents of the disposal group were not expected to be conveyed to the buyer. Accordingly, such cash and the related liabilities expected to be settled prior to closing were excluded from the assets and liabilities presented as held for sale as of December 31, 2025.

On January 21, 2026, we completed the sale of Neurocrine Group Limited to Immedica Pharma AB for $63.2 million in cash. As a result of the transaction, during the first quarter of 2026 we recognized a pre-tax gain on sale of $28.6 million in "Gain on sale of business, net of transaction costs" within income from continuing operations. The sale did not qualify for discontinued operations presentation. Following the closing of the transaction, our operating results no longer include the disposed business beginning on the closing date.

13. Legal Matters

Legal Proceedings

In March 2025, we received a notice from Zydus Lifesciences Global FZE (Zydus FZE) that it had filed an abbreviated new drug application, or ANDA, with the FDA seeking approval of a generic version of INGREZZA SPRINKLE (valbenazine). The ANDA contained a Paragraph IV Patent Certification alleging that certain of our patents covering INGREZZA SPRINKLE are invalid and/or will not be infringed by Zydus FZE's importation, manufacture, use or sale of the medicine for which the ANDA was submitted. We filed suit in the U.S. District Court for the District of Delaware in April 2025 against Zydus Pharmaceuticals (USA) Inc. and its affiliates Zydus FZE, Zydus Worldwide DMCC (entity subsequently dismissed), Zydus Lifesciences Limited, and Zydus Healthcare (USA) LLC (entity subsequently dismissed) (collectively, Zydus). The complaint alleged that by filing their ANDAs, Zydus infringed certain of our patents covering INGREZZA SPRINKLE and sought to prevent Zydus from selling a generic version of INGREZZA SPRINKLE. We also filed suit in the U.S. District Court for the District of New Jersey in April 2025 against Zydus on a similar factual basis seeking to prevent Zydus from selling a generic version of INGREZZA SPRINKLE and this case was dismissed in favor of continued prosecution of the Delaware proceeding against the same entities.

On March 6, 2026, the City of Pontiac Police and Fire Retirement System, a purported stockholder of Soleno, filed a putative class-action complaint for violations of the Federal securities laws against Soleno and certain members of Soleno's management in the U.S. District Court for the Northern District of California. The plaintiff alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and SEC Rule 10b-5 on behalf of a putative class of purchasers of Soleno's common stock during a purported class period of March 26, 2025 through November 4, 2025, inclusive. On June 25, 2026, the Court appointed a Lead Plaintiff. Lead Plaintiff's consolidated complaint is due August 28, 2026. Defendants' motion to dismiss is due October 30, 2026. A hearing date on the motion to dismiss has not yet been scheduled.

From time to time, we may become subject to other legal proceedings or claims arising in the ordinary course of our business. We currently believe that none of the claims or actions pending against us is likely to have, individually or in the aggregate, a material adverse effect on our business, financial condition, or results of operations. Given the unpredictability inherent in litigation, however, we cannot predict the outcome of these matters.

U.S. Department of Justice Investigation

In August 2025, we received a civil investigative demand from the U.S. Department of Justice (DOJ) requesting certain documents and information related to our sales and marketing of INGREZZA. We are cooperating with the DOJ's request. No assurance can be given as to the timing or outcome of the DOJ's investigation.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations section contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part II, Item 1A under the caption "Risk Factors." The interim financial statements and this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, which are contained in our Annual Report on Form 10-K for the year ended December 31, 2025 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.

Overview

Neurocrine Biosciences is a neuroscience-focused, biopharmaceutical company with a simple purpose: to relieve suffering for people with great needs. We are dedicated to discovering, developing, and commercializing life-changing treatments for patients with under-addressed neurological, psychiatric, endocrine, and immunological disorders.

Our portfolio of products includes U.S. Food and Drug Administration (FDA) approved treatments for tardive dyskinesia (TD), chorea associated with Huntington's disease, classic congenital adrenal hyperplasia due to 21-hydroxylase deficiency (CAH), hyperphagia in Prader-Willi syndrome (PWS), and endometriosis and uterine fibroids in collaboration with AbbVie Inc. (AbbVie). In addition, we have a diversified portfolio of multiple compounds in mid- to late-phase development across our core therapeutic areas and an expanding early-phase pipeline that includes a range of modalities including small molecules, peptides, proteins, antibodies, conjugates, and gene therapies.

We launched INGREZZA® (valbenazine) in the U.S. as the first FDA-approved drug for the treatment of TD in May 2017 and for the treatment of chorea associated with Huntington's disease in August 2023 and launched CRENESSITY® (crinecerfont) in the U.S. as a first-in-class FDA-approved treatment of CAH in December 2024. We acquired VYKAT® (diazoxide choline) XR, the first and only FDA-approved treatment for hyperphagia in PWS, through the acquisition of Soleno Therapeutics, Inc. (Soleno) in May 2026.

We estimate that TD affects approximately 800,000 people in the U.S., that approximately 90% of the 40,000 people in the U.S. affected by Huntington's disease will develop chorea, that CAH affects at least 20,000 people in the U.S., and that hyperphagia in PWS affects approximately 10,000 people in the U.S. Key elements of our commercial strategy include maximizing the opportunities of our FDA approved products through consistent and effective commercial execution, including continued development of valbenazine as the best-in-class treatment for new patient populations, and to lead the evolving understanding of vesicular monoamine transporter 2 (VMAT2) biology and its role in disease.

2026 Business Highlights

- Total net product sales for the first six months of 2026 increased $519.6 million, or 41.7%, to $1.77 billion, primarily reflecting increased net product sales of CRENESSITY, which was launched in the U.S. as a first-in-class FDA-approved treatment of CAH in December 2024, increased net product sales of INGREZZA, driven by volume growth in total prescriptions and record new prescriptions on strong patient demand, and the inclusion of VYKAT XR net product sales following the acquisition of Soleno in May 2026.
- On May 18, 2026, we completed our acquisition of Soleno in an all-cash transaction representing a total equity value of approximately $2.9 billion, adding VYKAT XR, the first and only FDA-approved treatment for hyperphagia in PWS, to our rare disease commercial portfolio.
- In May 2026, we entered into a $1.0 billion senior secured revolving credit facility (the 2026 Credit Facility). In June 2026, we repaid $600.0 million of principal that was borrowed under the 2026 Credit Facility in May 2026. As of June 30, 2026, we had $1.0 billion of available borrowing capacity under the 2026 Credit Facility. We may use borrowings under the 2026 Credit Facility for general corporate purposes and other purposes permitted by the credit agreement. Our ability to borrow under the 2026 Credit Facility is subject to the satisfaction of customary conditions, including compliance with the covenants contained in the credit agreement.
- On January 21, 2026, we completed the sale of Neurocrine Group Limited to Immedica Pharma AB for $63.2 million in cash. As a result of the transaction, during the first quarter of 2026 we recognized a pre-tax gain on sale of $28.6 million in "Gain on sale of business, net of transaction costs" within income from continuing operations.
- Promoted Samir Siddhanti to the executive management team as Chief Business Officer where he will lead the Company's business development, corporate strategy, and R&D portfolio management functions helping guide Neurocrine's continued evolution into a leading, global biotechnology company.

- Promoted Andrew Ratz, Ph.D., to the executive management team as the Chief Technical Operations Officer. In his new role, Dr. Ratz will lead the company's global technical development, manufacturing, and supply chain functions, supporting Neurocrine's expansion beyond small molecules into biologics and device-based therapies.

2026 Pipeline Highlights

- Initiated Phase 2 clinical study to assess the safety and tolerability of crinecerfont in children aged 3 months to under 4 years with CAH.
- Initiated and dosed the first patients in a Phase 2 clinical study of NBI-1117570, a dual M1/M4 selective agonist in adults with schizophrenia.
- Initiated Phase 1 first-in-human clinical study evaluating the safety and tolerability of NBIP-2118 in adult participants. NBIP-2118 is an investigational corticotropin-releasing factor 2 receptor (CRF_2) peptide agonist and a potential first-in-class therapy for obesity.
- Announced new two-year data from the Phase 3 CAHtalyst® Pediatric study showing positive growth outcomes in children and adolescents with CAH treated with CRENESSITY.
- Announced new two-year data from the Phase 3 CAHtalyst® Adult study demonstrating improved cardiometabolic outcomes alongside sustained glucocorticoid dose reduction through up to two years of treatment with CRENESSITY for CAH.
- Announced publication of expert recommendations for glucocorticoid dose reduction after initiating CRENESSITY for the treatment of CAH.
- Announced new post-hoc data from the KINECT® 4 clinical trial demonstrating that adults with TD treated with INGREZZA capsules experienced clinically meaningful and robust improvements in involuntary movement severity, including those who did not meet the stringent symptomatic remission threshold.
- Presented new VYKAT XR data demonstrating meaningful and durable improvements in hyperphagia and behavioral symptoms in PWS following randomized withdrawal period.
- Presented new real-world evidence demonstrating that adult patients with TD receiving INGREZZA (valbenazine) capsules showed higher treatment persistence compared to those on AUSTEDO XR (deutetrabenazine). The findings were presented at the Academy of Managed Care Pharmacy 2026 Annual Meeting in Nashville.
- Presented the first expert consensus recommendations focused on screening, diagnosis and treatment of TD among older adults in long-term care settings. The recommendations address persistent gaps in recognizing and managing TD in this higher-risk population. Findings were presented at the Society for Post-Acute and Long-Term Care Medical Association (PALTmed) PALTC26 Annual Conference in Anaheim, CA.
- Presented new two-year CRENESSITY data demonstrating durable hormonal control, reduced glucocorticoid exposure and meaningful clinical improvements in pediatric patients with CAH. The findings were presented at the Pediatric Endocrine Society 2026 Annual Meeting in San Francisco.

Results of Operations for the Three and Six Months Ended June 30, 2026 and 2025

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share data)	2026	2025	2026	2025
Revenues	$ 959.0	$ 687.5	$ 1,773.5	$ 1,260.1
Operating expenses	807.5	541.9	1,428.6	1,090.9
Operating income	151.5	145.6	344.9	169.2
Other income	10.7	13.9	64.1	5.0
Provision for income taxes	17.8	52.0	66.7	58.8
Net income	$ 144.4	$ 107.5	$ 342.3	$ 115.4
Earnings per share, diluted	$ 1.39	$ 1.06	$ 3.30	$ 1.13
Weighted average common shares outstanding, diluted	104.2	101.0	103.8	101.8

Revenues

(*in millions*)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
INGREZZA net product sales	$ 716.5	$ 624.4	$ 1,373.3	$ 1,169.6
CRENESSITY net product sales	183.5	53.2	336.8	67.7
VYKAT XR net product sales	54.3	—	54.3	—
Other	—	4.4	0.9	8.4
Total net product sales	954.3	682.0	1,765.3	1,245.7
Collaboration revenues	4.7	5.5	8.2	14.4
Total revenues	$ 959.0	$ 687.5	$ 1,773.5	$ 1,260.1

Net Product Sales

Compared with the comparable periods last year, the increase primarily reflected the increased net product sales of CRENESSITY, which was launched in the U.S. as a first-in-class FDA-approved treatment of CAH in December 2024, increased net product sales of INGREZZA, driven by volume growth in total prescriptions and record new prescriptions on strong patient demand, and the inclusion of VYKAT XR net product sales following the acquisition of Soleno in May 2026.

Collaboration Revenues

Collaboration revenues for all periods presented primarily reflected royalties earned on AbbVie net sales of elagolix and Tanabe Pharma Corporation (formerly Mitsubishi Tanabe Pharma Corporation) net sales of valbenazine.

Operating Expenses

Cost of Revenues

(dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cost of revenues, excluding amortization of acquired intangible assets	$ 23.2	$ 10.3	$ 36.9	$ 18.5
as a % of total revenues	2.4 %	1.6 %	2.1 %	1.5 %

Compared with the comparable periods last year, the increase primarily reflected increased total net product sales, increased royalties on net product sales of CRENESSITY, $3.0 million of expense related to the amortization of the acquisition-date fair value step-up of VYKAT XR inventory acquired through the acquisition of Soleno in May 2026 and $2.0 million of acquisition related expenses, including $1.8 million of stock-based compensation expense related to Soleno equity awards for which vesting was accelerated in connection with the acquisition of Soleno in May 2026. The acquired fair value step-up is expected to be recognized in cost of revenues as the acquired inventory is sold over approximately four to six years following the acquisition date.

Research and Development

We support our drug discovery and development efforts through the commitment of significant resources to discovery, research and development programs, and business development opportunities. Costs are reflected in the applicable development stage based upon the program status when incurred. Therefore, the same program could be reflected in different development stages in the same reporting period. For several of our programs, the research and development activities are part of our collaborative arrangements.

(dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Late stage	$ 71.5	$ 38.8	$ 137.3	$ 74.1
Early stage	30.1	16.7	56.0	38.4
Research and discovery	66.9	65.1	123.2	116.0
Milestones	0.3	15.1	22.9	60.5
Payroll and benefits	115.4	72.2	199.9	147.2
Facilities and other	42.5	36.4	83.6	71.3
Total research and development	$ 326.7	$ 244.3	$ 622.9	$ 507.5
as a % of total revenues	34.1 %	35.5 %	35.1 %	40.3 %

Late Stage. Late stage consists of costs incurred for product candidates in Phase 2 registrational studies and all subsequent activities.

Compared with the comparable periods last year, the increase primarily reflected the progression of the Phase 3 programs for osavampator in major depressive disorder (MDD) and direclidine in schizophrenia.

Early Stage. Early stage consists of costs incurred for product candidates after the approval of an investigational new drug application by the applicable regulatory agency through Phase 2 non-registrational studies.

Compared with the comparable periods last year, the increase primarily reflected increased investments in the Phase 1 program for NBIP-01435 in CAH, the Phase 2 program for NBI-1065890 in TD, and our early-stage obesity and immunology programs, partially offset by decreased investments in certain early-stage psychiatry and neurology programs.

Research and Discovery. Research and discovery consists of costs incurred prior to the approval of an investigational new drug application by the applicable regulatory agency.

Compared with the comparable periods last year, the increase primarily reflected continued investments to expand our discovery and preclinical programs across therapeutic areas and modalities, including endocrinology and metabolic disease (including obesity) and immunology, and expanding our capabilities in biologics (including peptides and antibodies) and gene therapy.

Milestones. Milestones consists of costs incurred in connection with the achievement of development milestones under collaborative arrangements. The following table presents milestones expense by collaboration partner.

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Nxera Pharma UK Limited	$ —	$ 15.0	$ 22.5	$ 15.0
Takeda Pharmaceutical Company Limited	—	—	—	37.5
Xenon Pharmaceuticals Inc.	—	—	—	7.5
Other	0.3	0.1	0.4	0.5
Total milestones	$ 0.3	$ 15.1	$ 22.9	$ 60.5

Refer to Note 10 to the condensed consolidated financial statements for additional information regarding our significant collaboration and license agreements.

Payroll and Benefits. Payroll and benefits consist of costs incurred for salaries and wages, payroll taxes, benefits, and stock-based compensation associated with employees involved in research and development activities. Stock-based compensation may fluctuate from period to period based on factors that are not within our control, such as our stock price on the dates stock-based grants are issued.

Compared with the comparable periods last year, the increase primarily reflected higher headcount to support our expanded discovery and preclinical programs across therapeutic areas and modalities, including endocrinology and metabolic disease (including obesity) and immunology, expanding our capabilities in biologics (including peptides and antibodies) and gene therapy, and $23.1 million of acquisition-related expenses, including $18.1 million of stock-based compensation expense related to Soleno equity awards for which vesting was accelerated in connection with the acquisition of Soleno in May 2026.

Facilities and Other. Facilities and other consists of indirect costs incurred for the benefit of multiple programs, including facility-based expenses (such as rent expense) and other overhead allocations.

Compared with the comparable periods last year, the increase primarily reflected increased facility-based expenses related to our new campus facility.

Acquired In-Process Research and Development (IPR&D)

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Acquired in-process research and development	$ 1.5	$ —	$ 22.7	$ 0.1
as a % of total revenues	0.2 %	— %	1.3 %	— %

Compared with the comparable periods last year, the increase reflected increased payments for upfront fees in connection with our collaborations.

Selling, General, and Administrative (SG&A)

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Selling, general, and administrative	$ 439.7	$ 286.3	$ 758.2	$ 562.8
as a % of total revenues	45.8 %	41.6 %	42.8 %	44.7 %

Compared with the comparable periods last year, the increase primarily reflected continued investment in our commercial organization, including the recent expansion of our INGREZZA and CRENESSITY sales teams in the first quarter of 2026, and $96.8 million of acquisition-related expenses, including $40.2 million of stock-based compensation expense related to Soleno equity awards for which vesting was accelerated in connection with the acquisition of Soleno in May 2026.

Amortization of Acquired Intangible Assets

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Amortization of acquired intangible assets	$ 16.4	$ 1.0	$ 16.5	$ 2.0
as a % of total revenues	1.7 %	0.1 %	0.9 %	0.2 %

Compared with the comparable periods last year, the increase primarily reflected amortization of intangible assets acquired through the acquisition of Soleno in May 2026. The estimated fair value of the acquired intangible assets, which relates to developed product rights for VYKAT XR and is being amortized straight line over a useful life of 16 years, was $2.24 billion as of the acquisition date.

Gain on Sale of Business, Net of Transaction Costs

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Gain on sale of business, net of transaction costs	$ —	$ —	$ (28.6)	$ —

Compared with the comparable periods last year, the change reflected a pre-tax gain, net of transaction costs, recognized on the sale of Neurocrine Group Limited in January 2026.

Other Income (Expense)

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Interest expense	$ (2.9)	$ —	$ (2.9)	$ —
Unrealized gain (loss) on equity investments	1.2	(6.7)	26.5	(37.3)
Investment income and other, net	12.4	20.6	40.5	42.3
Total other income, net	$ 10.7	$ 13.9	$ 64.1	$ 5.0

Compared with the comparable periods last year, the change primarily reflected periodic fluctuations in the fair values of our equity investments and decreased interest income on lower investment balances due to the liquidation of a significant portion of our debt security investments to fund the acquisition of Soleno in May 2026.

Provision for Income Taxes

(dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Provision for income taxes	$ 17.8	$ 52.0	$ 66.7	$ 58.8
Effective tax rate	11.0 %	32.6 %	16.3 %	33.8 %

For the second quarter and first six months of 2026, the effective tax rate varied from the federal and state statutory rates primarily due to foreign tax effects, including the impact of net CFC tested income (NCTI), credits generated for research activities, excess tax benefits related to stock-based compensation, certain nondeductible expenses and state income tax effects which include fluctuations in state effective tax rates and a discrete tax benefit from the release of a portion of the valuation allowance against certain state deferred tax assets.

For the second quarter and first six months of 2025, the effective tax rate varied from the federal and state statutory rates primarily due to credits generated for research activities, certain nondeductible expenses, excess tax benefits related to stock-based compensation, fluctuations in state effective tax rates, and losses in foreign and domestic jurisdictions for which no tax benefit was recorded as management cannot conclude that it is more likely than not that the tax benefit of such losses will be realized in the future.

Liquidity and Capital Resources

Sources of Liquidity

We believe that our existing capital resources, funds generated by anticipated net product sales of our commercial products, available borrowing capacity under our 2026 Credit Facility, and investment income will be sufficient to satisfy our current and projected funding requirements for at least the next 12 months. However, we cannot guarantee that our existing capital resources and anticipated revenues will be sufficient to conduct and complete all of our research and development programs or commercialization activities as planned. We may seek to access the public or private equity markets whenever conditions are favorable or pursue opportunities to obtain additional debt financing in the future. We may also seek additional funding through strategic alliances or other financing mechanisms. However, we cannot provide assurance that adequate funding will be available on terms acceptable to us, if at all.

In May 2026, we completed our acquisition of Soleno. Preliminary consideration transferred was $2.83 billion, and cash paid to acquire Soleno, net of cash acquired, was $2.36 billion. Refer to Note 2 to the condensed consolidated financial statements for additional information.

On May 14, 2026, we entered into a credit agreement that provides for a five-year, $1.0 billion senior secured revolving credit facility, which we refer to as the 2026 Credit Facility. The 2026 Credit Facility provides us with an additional source of liquidity for general corporate purposes. In May 2026, we borrowed $600.0 million under the 2026 Credit Facility, and in June 2026, we repaid $600.0 million of principal. As of June 30, 2026, no amounts were outstanding under the 2026 Credit Facility and we had $1.0 billion of available borrowing capacity, subject to continued compliance with the covenants and other conditions to borrowing under the credit agreement. The credit agreement contains customary affirmative and negative covenants and financial covenants requiring us to maintain a maximum total net leverage ratio and a minimum consolidated interest coverage ratio. Refer to Note 5 to the condensed consolidated financial statements for additional information regarding the 2026 Credit Facility.

Information Regarding Our Financial Condition

(in millions)	June 30, 2026	December 31, 2025
Total cash, cash equivalents, and marketable securities	$ 481.7	$ 2,543.4
Working Capital:		
Total current assets	$ 1,637.5	$ 2,522.7
Less total current liabilities	874.5	743.4
Total working capital	$ 763.0	$ 1,779.3

Information Regarding Our Cash Flows

	Six Months Ended June 30,	
(in millions)	2026	2025
Cash flows from operating activities	$ 282.2	$ 166.8
Cash flows from investing activities	(641.6)	(14.8)
Cash flows from financing activities	(22.7)	(121.2)
Effect of exchange rate changes on cash and cash equivalents	—	0.2
Change in cash, cash equivalents, and restricted cash	$ (382.1)	$ 31.0

Cash Flows from Operating Activities

Compared with the comparable period last year, the increase primarily reflected increased total net product sales, partially offset by acquisition and divestiture-related expenses of $125.6 million, including $60.1 million of stock-based compensation expense related to Soleno equity awards for which vesting was accelerated in connection with the acquisition of Soleno in May 2026 and which were settled in cash, and continued investments in our commercial organization, including the recent expansion of our CRENESSITY and INGREZZA sales teams in the first quarter of 2026 and expanded pre-clinical and clinical portfolio. The increase in accounts receivable was primarily driven by higher total gross product sales. The increase in income tax assets and liabilities was primarily due to timing of income tax payments.

Cash Flows from Investing Activities

Compared with the comparable period last year, the decrease reflected $2.36 billion in cash paid, net of cash acquired, to acquire Soleno in May 2026, partially offset by increased sales and maturities of debt security investments, net of purchases, to fund the Soleno acquisition and $63.2 million in proceeds from our sale of Neurocrine Group Limited in January 2026.

Cash Flows from Financing Activities

Compared with the comparable period last year, the change reflected decreased repurchases of our common stock under the $500.0 million 2025 Repurchase Program that was authorized by our Board of Directors in February 2025, decreased proceeds from issuances of our common stock, and increased taxes paid related to net share settlement of equity awards (shares withheld for taxes). In addition, in May 2026, we borrowed $600.0 million under the 2026 Credit Facility, and in June 2026, we repaid $600.0 million of principal under the 2026 Credit Facility.

Material Cash Requirements

In the pharmaceutical industry, it can take a significant amount of time and capital resources to successfully complete all stages of research and development and commercialize a product candidate, which ultimate length of time and spend required cannot be accurately estimated as it varies substantially according to the type, complexity, novelty and intended use of a product candidate.

The funding necessary to execute our business strategies is subject to numerous uncertainties and we may be required to make substantial expenditures if unforeseen difficulties arise in certain areas of our business. In particular, our future capital requirements will depend on many factors, including:

- the success of our commercial products;
- continued scientific progress in our research and clinical development programs;
- the magnitude and complexity of our research and development programs;
- progress with preclinical testing and clinical trials;
- the time and costs involved in obtaining regulatory approvals;
- the costs involved in filing and pursuing patent applications, enforcing patent claims, or engaging in interference proceedings or other patent litigation;
- costs associated with securing adequate coverage and reimbursement for our products;
- competing technological and market developments;
- developments related to any future litigation;
- the cost of commercialization activities and arrangements, including our advertising campaigns; and
- the cost of manufacturing our product candidates.

In addition to the foregoing factors, we have significant future capital requirements, including:

External Business Developments

In addition to our independent efforts to develop and market products, we may enter into collaboration and license agreements or acquire businesses from time-to-time to enhance our drug development and commercial capabilities. With respect to our existing collaboration and license agreements, we may be required to make potential future payments of up to $15.35 billion upon the achievement of certain milestones. Refer to Note 10 to the condensed consolidated financial statements for additional information regarding our significant collaboration and license agreements.

In May 2026, we completed our acquisition of Soleno. Cash paid for the acquisition, net of cash acquired, was approximately $2.36 billion and was funded from available liquidity, including cash on hand and proceeds from sales and maturities of available-for-sale debt securities. Following the acquisition, our future capital requirements may include costs associated with integrating Soleno and supporting commercialization and development activities related to the acquired business. Refer to Note 2 to the condensed consolidated financial statements for additional information regarding the acquisition.

Share Repurchase Program

In addition to the foregoing future capital requirements, in February 2025, our Board of Directors authorized the 2025 Repurchase Program under which we may repurchase up to $500.0 million of our common stock, subject to market conditions. The 2025 Repurchase Program is in addition to the $300.0 million 2024 Repurchase Program that was announced in October 2024 and completed in February 2025. Under the 2025 Repurchase Program, we repurchased 0.5 million shares on the open market for a cost of $66.0 million during the first six months of 2026. As of June 30, 2026, we had $266.3 million remaining under the 2025 Repurchase Program.

Critical Accounting Policies and Estimates

There were no changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Interest Rate Risk

We maintain a diversified investment portfolio consisting of low-risk, investment-grade debt securities with maturities of up to three years, including investments in commercial paper, securities of government-sponsored entities and corporate bonds that are subject to interest rate risk. The primary objective of our investment activities is to preserve principal and maintain liquidity. If a 1% unfavorable change in interest rates were to have occurred on June 30, 2026, it would not have had a material effect on the fair value of our investment portfolio as of that date.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve a number of risks and uncertainties. Although our forward-looking statements reflect the good faith judgment of our management, these statements can only be based on facts and factors currently known by us. Consequently, these forward-looking statements are inherently subject to risks and uncertainties, and actual results and outcomes may differ materially from results and outcomes discussed in the forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “hopes,” “may,” “will,” “plan,” “intends,” “estimates,” “could,” “should,” “would,” “continue,” “seeks,” “proforma,” or “anticipates,” or other similar words (including their use in the negative), or by discussions of future matters such as the development of new products, technology enhancements, possible changes in legislation and other statements that are not historical. These statements include but are not limited to statements under the captions “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as other sections in this report. You should be aware that the occurrence of any of the events discussed under the heading in Part II titled “Item 1A. Risk Factors” and elsewhere in this report could substantially harm our business, results of operations and financial condition and that if any of these events occurs, the trading price of our common stock could decline and you could lose all or a part of the value of your shares of our common stock.

The cautionary statements made in this report are intended to be applicable to all related forward-looking statements wherever they may appear in this report. We urge you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Except as required by law, we assume no obligation to update our forward-looking statements, even if new information becomes available in the future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A discussion of our exposure to, and management of, market risk appears in Part I, Item 2 of this Quarterly Report on Form 10-Q under the heading “Interest Rate Risk” and is incorporated into this Part I, Item 3 by reference.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports required by the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized and reported within the timelines specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level for the period covered by this report.

Changes in Internal Control over Financial Reporting

An evaluation was also performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of any changes to our internal control over financial reporting that occurred during the quarter ended June 30, 2026, and that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There were no significant changes in our internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 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

For a description of our legal proceedings, refer to Note 13 to the condensed consolidated financial statements, which is incorporated herein by reference.

From time to time, we may become subject to other legal proceedings or claims arising in the ordinary course of our business. We currently believe that none of the claims or actions pending against us is likely to have, individually or in the aggregate, a material adverse effect on our business, financial condition, or results of operations. Given the unpredictability inherent in litigation, however, we cannot predict the outcome of these matters.

Item 1A. Risk Factors

The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Quarterly Report on Form 10-Q and those we may make from time to time. If any of the following risks actually occur, our business, operating results, prospects or financial condition could be harmed. Additional risks not presently known to us, or that we currently deem immaterial, may also affect our business operations. The risk factors set forth below with an asterisk (*) contain changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Summary Risk Factors

We face risks and uncertainties related to our business, many of which are beyond our control. In particular, risks associated with our business include:

- We may not be able to continue to successfully commercialize our commercial products, INGREZZA, CRENESSITY and VYKAT XR, or any of our product candidates if they are approved in the future.
- If healthcare providers and patients do not continue to accept our commercial products, or our sales and marketing efforts are not effective, we may not generate sufficient revenue.
- We face intense competition, and if we are unable to compete effectively, the demand for our products may be reduced.
- Government and third-party payors may impose sales and pharmaceutical pricing controls on our products or limit coverage and/or reimbursement for our products or impose policies and/or make decisions regarding the status of our products that could limit our product revenues and delay sustained profitability.
- We may not successfully integrate Soleno Therapeutics. Inc. (Soleno) or realize the anticipated benefits of the acquisition. which could adversely affect our business and financial condition.
- Because the development of our product candidates is subject to a substantial degree of technological uncertainty, we may not succeed in developing any of our product candidates, which could adversely affect our business and financial condition.
- Our clinical trials may be delayed for safety or other reasons, or fail to demonstrate the safety and efficacy of our product candidates, which could prevent or significantly delay their regulatory approval.
- Enacted healthcare reform, drug pricing measures and other recent legislative initiatives, including the Inflation Reduction Act of 2022 (IRA), could adversely affect our business.
- We have increased the size of our organization and will need to continue to increase the size of our organization. Such increases may not be sufficient and we may encounter difficulties with managing our growth, which could adversely affect our results of operations.
- We are transforming our research and development strategies to include the development of biologics, which requires substantial investment, including in personnel and facilities. We may encounter difficulties as we expand and may fail to successfully develop or commercialize our biologic product candidates, which could adversely affect our results of operations.
- If we are unable to retain and recruit qualified scientists and other employees or if any of our key senior executives discontinues his or her employment with us, it may delay our development efforts or impact our commercialization of our commercial products or any product candidate approved by the FDA in the future.
- Use of our approved products or those of our collaborators could be associated with side effects or adverse events.

- We currently depend on a limited number of third-party suppliers. The loss of these suppliers, or delays or problems in the supply of our commercial products or product candidates, could materially and adversely affect our ability to successfully develop or commercialize our commercial products or any of our product candidates.
- We depend on our current collaborators for the development and commercialization of several of our products and product candidates and may need to enter into future collaborations to develop and commercialize certain of our product candidates.
- We currently have no manufacturing capabilities. If third-party manufacturers of our commercial products or any of our product candidates fail to devote sufficient time and resources to our concerns, or if their performance is substandard, our ability to commercialize existing products, conduct clinical trials and develop new products could be impaired and our costs may rise.
- We license some of our core technologies, drug leads, products, and product candidates from third parties. If we default on any of our obligations under those licenses, or violate the terms of these licenses, we could lose our rights to those technologies, drug leads, products, and product candidates, or be required to pay damages.
- If we are unable to protect our intellectual property, our competitors could develop and market products based on our discoveries, which may reduce demand for our products.
- Our customers are concentrated and therefore the loss of a significant customer may harm our business.
- We may need additional capital in the future. If we cannot raise additional funding, we may be unable to fund our business plan and our future research, development, commercial and manufacturing efforts. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.
- Our credit facility imposes operating and financial restrictions, and our failure to comply with its covenants or satisfy our obligations under the facility could adversely affect our business and financial condition.
- We expect to increase our expenses for the foreseeable future, and we may not be able to sustain growth and profitability.

Risks Related to Our Company

**** We may not be able to continue to successfully commercialize our commercial products, INGREZZA, CRENESSITY and VYKAT XR, or any of our product candidates if they are approved in the future.***

We launched INGREZZA in the U.S. as the first FDA-approved drug for the treatment of TD in May 2017 and for the treatment of chorea associated with Huntington's disease in August 2023. We announced FDA approval and launched CRENESSITY capsules and oral solution as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH in December 2024 and, in the second quarter of 2026, acquired Soleno and its commercial product, VYKAT XR (diazoxide choline) extended-release tablets, which is indicated for the treatment of hyperphagia in adults and pediatric patients four years of age and older with Prader-Willi syndrome (PWS). Our ability to produce product revenues consistent with expectations ultimately depends on our ability to continue to successfully commercialize our commercial products, INGREZZA, CRENESSITY and VYKAT XR, and secure and maintain adequate third-party reimbursement. Our experience in marketing and selling pharmaceutical products began with INGREZZA's approval in 2017, when we hired our sales force and established our distribution and reimbursement capabilities, all of which are necessary to successfully commercialize our current and future products. We have continued to invest in our commercial infrastructure, including the recent expansion of our sales teams for INGREZZA in the first quarter of 2026. While our team members and consultants have experience marketing and selling pharmaceutical products, we may face difficulties related to managing the rapid growth of our personnel and infrastructure, and there can be no guarantee that we will be able to maintain the personnel, systems, arrangements and capabilities necessary to continue to successfully commercialize our commercial products or any product candidate approved by the FDA, or equivalent foreign authorities, in the future.

**** We may not be able to successfully commercialize CRENESSITY.***

In December 2024, we announced FDA approval and launched CRENESSITY capsules and oral solution as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH. We have also established our commercial team and hired our U.S. sales force for CRENESSITY. The successful commercialization of CRENESSITY depends on the extent to which patients and healthcare providers accept and adopt CRENESSITY as a treatment for CAH, and we do not know whether our expectations or estimates in this regard, or those of investors or securities analysts, will be accurate. Healthcare providers may not prescribe CRENESSITY and patients may be unwilling to use CRENESSITY. In addition, patients may be unwilling to use CRENESSITY if reimbursement is not

provided or reimbursement is inadequate to cover a significant portion of the cost to the patient. CRENESSITY is a first-in-class therapy for children and adults with classic CAH and will therefore require us to expend substantial time and resources to educate healthcare providers about the benefits of CRENESSITY. If we are unable to provide our sales force with effective materials, including medical and sales literature to help them inform and educate potential customers about the benefits of CRENESSITY, our efforts to commercialize CRENESSITY may not be successful. Further, any negative publicity related to CRENESSITY, or negative development for CRENESSITY in our post-marketing commitments or in regulatory processes in other jurisdictions, may adversely impact the potential of CRENESSITY and our commercial results. If the commercialization of CRENESSITY and future sales are less successful than anticipated by us or our investors or securities analysts, our stock price could decline and our business may be harmed.

**** We may not be able to successfully commercialize VYKAT XR.***

In the second quarter of 2026, we acquired Soleno and its commercial product, VYKAT XR, which was approved by the FDA in March 2025 for the treatment of hyperphagia in adults and pediatric patients four years of age and older with PWS. The successful commercialization of VYKAT XR depends on the extent to which healthcare providers, patients and payors accept and adopt VYKAT XR, and we do not know whether our expectations or estimates in this regard, or those of investors or securities analysts, will be accurate. To generate demand for VYKAT XR, we will need to continue to educate healthcare providers on its clinical utility, benefits, risks, dosing and monitoring. Our ability to generate revenue from VYKAT XR will also depend on our ability to obtain and maintain coverage and adequate reimbursement from payors. PWS is a rare disease, and if our estimates of the prevalence of PWS, the number of patients who may benefit from treatment with VYKAT XR, the number of healthcare providers willing to prescribe VYKAT XR, or the number of patients willing to stay on treatment prove to be incorrect, the market opportunity for VYKAT XR may be smaller than we believe it is. VYKAT XR may also compete with therapeutic products in various stages of clinical development for the treatment of PWS, including hyperphagia, as well as drugs approved for other indications, such as appetite suppression. In addition, adverse events, safety concerns, product complaints or other safety-related reports regarding VYKAT XR, including serious adverse events reported after commercialization, could adversely affect market acceptance, result in regulatory scrutiny, require changes to the approved labeling for VYKAT XR, or cause patients or caregivers to discontinue use of VYKAT XR or healthcare providers to be reluctant to prescribe or continue prescribing VYKAT XR. If commercialization of VYKAT XR and future sales are less successful than anticipated by us or our investors or securities analysts, our stock price could decline and our business may be harmed.

**** If healthcare providers and patients do not continue to accept our commercial products, or our sales and marketing efforts are not effective, we may not generate sufficient revenue.***

The commercial success of our commercial products, INGREZZA, CRENESSITY and VYKAT XR, will depend upon the acceptance of these products as safe and effective by the medical community and patients.

The market acceptance of our commercial products could be affected by a number of factors, including:

- the timing of receipt of marketing approvals for additional indications;
- the safety and efficacy of the products;
- the pricing of these products;
- the availability of healthcare payor coverage and adequate reimbursement for the products;
- public perception regarding these products;
- the success of existing competitor products addressing our target markets or the emergence of equivalent or superior products; and
- the cost-effectiveness of the products.

Patient advocacy organizations and other patient communities are important across our commercial portfolio in supporting disease awareness and patient and caregiver education. These activities may be particularly significant for CRENESSITY and VYKAT XR given the rare disease nature of those indications, where education and awareness among relatively small patient and caregiver communities can affect patient identification and access to information about available treatments.

If the medical community, patients and payors do not continue to accept our products as being safe, effective, superior and/or cost effective, we may not generate sufficient revenue.

**** We face intense competition, and if we are unable to compete effectively, the demand for our products may be reduced.***

The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face, and will continue to face, competition in the development and marketing of our products and product candidates from academic institutions, government agencies, research institutions and biotechnology and pharmaceutical companies.

Competition may also arise from, among other things:

- other drug development technologies;
- methods of preventing or reducing the incidence of disease, including vaccines; and
- new small molecule or other classes of therapeutic agents.

Developments by others (including the development of generic equivalents) may render our product candidates or technologies obsolete or noncompetitive.

We are commercializing and performing research on or developing products for the treatment of several disorders, including TD, chorea associated with Huntington's disease, classic congenital adrenal hyperplasia, hyperphagia in PWS, endometriosis, pain, Parkinson's disease, schizophrenia, epilepsy, and other neurology, psychiatry, endocrinology, obesity and related metabolic diseases, and immunology-related diseases and disorders, and there are a number of competitors to our products and product candidates. If one or more of our competitors' products or programs are successful (including the development of generic equivalents), the market for our products may be reduced or eliminated.

- INGREZZA competes with AUSTEDO (deutetrabenazine), marketed by Teva Pharmaceuticals Industries, for the treatment of TD in adults and chorea associated with Huntington's disease. A once-daily dosing of AUSTEDO (AUSTEDO XR) was introduced in February 2023. Additionally, there are a number of commercially available medicines used to treat TD off-label, such as XENAZINE (tetrabenazine) and generic equivalents, and various antipsychotic medications (e.g., clozapine), anticholinergics, benzodiazepines (off-label), and botulinum toxin. In addition, there are several programs in clinical development by other companies targeting Huntington's disease.
- CRENESSITY competes with high dose corticosteroid monotherapy which is the current standard of care to both correct the endogenous cortisol deficiency as well as reduce the excessive adrenocorticotropic hormone levels for patients with CAH. In the U.S. alone, there are more than two dozen companies manufacturing steroid-based products. In addition, there are several programs in clinical development by other companies targeting CAH.
- VYKAT XR is the first FDA-approved treatment for hyperphagia in patients with PWS. Other FDA-approved therapies indicated for patients with PWS in the United States are limited to growth hormone (somatropin) products approved for the treatment of growth failure associated with PWS. We expect VYKAT XR to compete with product candidates currently in clinical development for the treatment of PWS, including hyperphagia, as well as with therapies approved for other indications that may be used to manage appetite, weight, or other symptoms associated with PWS.
- Our investigational treatments for potential use in schizophrenia and depression may in the future compete with several development-stage programs being pursued by other companies. In addition, there are a number of different anti-psychotic, including the muscarinic agonist COBENFY, and anti-depressant medications currently used in these patient populations.
- Our investigational treatments for potential use in neurology, psychiatry, endocrinology, obesity and related metabolic diseases, and immunology may in the future compete with numerous approved products and development-stage programs being pursued by several other companies.

Compared to us, many of our competitors and potential competitors have substantially greater:

- capital resources;
- sales and marketing experience;
- research and development capabilities and capacity, including personnel and technology;
- regulatory experience;
- preclinical study and clinical testing experience;
- manufacturing, marketing and distribution experience; and
- production facilities.

Moreover, increased competition in certain disorders or therapies may make it more difficult for us to recruit or enroll patients in our clinical trials for similar disorders or therapies.

**** Government and third-party payors may impose sales and pharmaceutical pricing controls on our products or limit coverage and/or reimbursement for our products or impose policies and/or make decisions regarding the status of our products that could limit our product revenues and delay sustained profitability.***

Our ability to continue to commercialize our products, INGREZZA, CRENESSITY and VYKAT XR, will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available. The continuing efforts of government and third-party payors to contain or reduce the costs of healthcare and the price of prescription drugs through various means may impact our revenues. These payors' efforts could decrease the price that we receive for any products we may develop and sell in the future.

Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing healthcare providers, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the out-of-pocket cost of our products. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available regardless of whether they are approved by the FDA for that particular use. Coverage decisions by payors for our competitors' products may also impact coverage for our products.

Government authorities and other third-party payors are developing increasingly sophisticated methods of controlling healthcare costs, such as by limiting coverage and the amount of reimbursement for particular medications. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the U.S. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. In addition, communications from government officials, media outlets, and others regarding healthcare costs and pharmaceutical pricing could have a negative impact on our stock price, even if such communications do not ultimately impact coverage or reimbursement decisions for our products.

There may also be significant delays in obtaining coverage and reimbursement for newly approved drugs or indications, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacturing, sale and distribution. In addition, we could also be subject to amendments in our rebate agreements with pharmaceutical benefit managers that require us to pay larger rebate amounts or modify our formulary position, which could have a material adverse effect on our business. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. For example, government authorities could make a decision that adversely impacts the status of one of our products, which could impact the eligibility and/or the amount of government reimbursement for that product.

As a pharmaceutical manufacturer, we are subject to various federal statutes and regulations requiring the reporting of price data and the subsequent provision of concessions to certain purchasers/payors, including state Medicaid programs. Federal agencies issue guidance to manufacturers related to the interpretation of laws and regulations, and this guidance has changed and may change or be updated over time. In interpreting these laws, regulations and guidance, manufacturers may make reasonable assumptions to fill gaps, and these reasonable assumptions may need to be updated upon issuance of additional agency guidance.

If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may be unable to successfully commercialize our commercial products or any of our product candidates for which we obtain marketing approval in the future. Our inability to promptly obtain coverage and profitable reimbursement rates from both government-funded and private payors for any approved products that we develop or acquire could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products, and our overall financial condition. Further, a majority of our current revenue is derived from federal healthcare program payors, including Medicare and Medicaid. Thus, changes in government reimbursement policies, government negotiation of the price of any of our products, reductions in payments and/or our suspension or exclusion from participation in federal healthcare programs could have a material adverse effect on our business.

Further, the use of clinician telehealth services remains elevated, fueled by expansion of coverage and reimbursement for telehealth services across public and private insurers. The limitations that telehealth places on the ability to conduct a thorough physical examination may impact the ability of providers to screen for TD or chorea associated with Huntington's disease, leading to fewer patients being diagnosed and/or treated.

Outside the U.S., reimbursement and healthcare payment systems vary significantly by country, and many countries, including EU Member States, restrict the range of medicinal products for which their national health insurance systems provide reimbursement and control the prices of medicinal products for human use.

To obtain reimbursement for our products in some European countries, including some EU Member States, we may be required to compile additional data comparing the cost-effectiveness of our products to other available therapies. If we are unable to obtain favorable pricing and reimbursement status in EU Member States for our products or product candidates for which we may obtain regulatory approval, any anticipated revenue from and growth prospects for those products in the EU could be negatively affected.

Legislators, policymakers, and payors may continue to propose and implement cost-containing measures to keep healthcare costs down. For example, in April 2025, the President issued an executive order that, among other things, directed specified agency heads to develop a Center for Medicare and Medicaid Innovation (CMMI) model that enables the Medicare program to obtain better value for high-cost prescription drugs and biological products. In May 2025, the President issued another executive order directing the administration to take immediate steps to end global freeloading and take additional aggressive action should drug manufacturers fail to offer American consumers the Most-Favored Nation (MFN) price. In December 2025, the Centers for Medicare & Medicaid Services (CMS) issued proposed regulations that, if finalized, would create CMMI demonstrations that would institute MFN-level pricing in the Medicare Part D and Part B markets. At present, given that the demonstrations are proposed rules that may or may not be finalized or implemented, there is uncertainty as to how these and other potential legal and regulatory changes may impact our business. However, if implemented, these policies could reduce or limit the prices we are able to charge for our products and product candidates that we may successfully develop and for which we may obtain regulatory approval or the level of reimbursement available for our products from governmental authorities or third-party payors. Further, in January 2026, the President released The Great Healthcare Plan, a proposal which calls on Congress to codify the administration's MFN drug-pricing agreements with manufacturers and potentially extend MFN pricing to additional manufacturers. In addition, the One Big Beautiful Bill Act (OBBBA) is expected to reduce Medicaid spending and enrollment by implementing work requirements for some beneficiaries, capping state-directed payments, reducing federal funding and limiting provider taxes used to fund the program. The OBBBA also narrowed access to the Patient Protection and Affordable Care Act (ACA) marketplace exchange enrollment and declined to extend the ACA enhanced advanced premium tax credits, which expired at the end of 2025. These changes, along with other provisions of the OBBBA, are anticipated to reduce the number of Americans with health insurance. Further, an increasing number of countries use prices for medicinal products established in other countries as "reference prices" to help determine the price of the product in their own territory. Consequently, a downward trend in prices of medicinal products in some countries could contribute to similar downward trends elsewhere, including in the U.S.

**** We may not successfully integrate Soleno or realize the anticipated benefits of the acquisition, which could adversely affect our business and financial condition.***

In the second quarter of 2026, we completed the acquisition of Soleno. Our ability to realize the anticipated benefits of the acquisition depends on our ability to integrate Soleno's business, personnel, operations, systems, controls, commercial capabilities, supply, distribution and patient-support arrangements and regulatory activities into our existing business in a timely and efficient manner. Integration activities may require significant management attention, time and resources and may disrupt our ongoing business.

We may encounter difficulties integrating Soleno, retaining key employees, maintaining relationships with healthcare providers, patients, payors, suppliers, specialty pharmacies, distributors and other business partners, or maintaining the commercialization and regulatory strategy for VYKAT XR.

We also have assumed, and may become responsible for, liabilities and risks relating to Soleno that may not have been identified or fully quantified in due diligence, including product liability, regulatory, commercial, employment, contract, tax, intellectual property, securities and other claims or proceedings. For example, on March 6, 2026, a purported stockholder of Soleno filed a putative federal securities class action against Soleno and certain members of Soleno's management alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 on behalf of a putative class of purchasers of Soleno stock during a purported class period of March 26, 2025 through November 4, 2025, inclusive. Defense of or any adverse resolution of this action or any similar or related matters could result in substantial costs, damages, indemnification obligations, settlement payments or diversion of management's attention.

If we do not integrate Soleno successfully or realize the anticipated benefits of the acquisition, our business, financial condition or results of operations could be adversely affected.

**** Because the development of our product candidates is subject to a substantial degree of technological uncertainty, we may not succeed in developing any of our product candidates, which could adversely affect our business and financial condition.***

Only a small number of research and development programs ultimately result in commercially successful drugs.

Potential products that appear to be promising at early stages of development may not reach the market for a number of reasons. These reasons include the possibilities that the potential products may:

- be found ineffective or cause harmful side effects during preclinical studies or clinical trials;
- fail to receive necessary regulatory approvals on a timely basis or at all;
- be precluded from commercialization by proprietary rights of third parties;
- be difficult to manufacture on a large scale; or
- be uneconomical to commercialize or fail to achieve market acceptance.

If any of our product candidates encounters any of these potential problems, we may never successfully market that product candidate. Because we believe our continued growth and success depend in part on our ability to identify (by internal development, in-license or acquisition), develop and ultimately commercialize a steady number of additional product candidates, our failure or perceived failure to achieve that plan could adversely affect our business, results of operations and future growth prospects, and could cause the market price of our common stock to decline**.**

**** Our clinical trials may be delayed for safety or other reasons, or fail to demonstrate the safety and efficacy of our product candidates, which could prevent or significantly delay their regulatory approval.***

Before obtaining regulatory approval for the sale of any of our potential products, we must subject these product candidates to extensive preclinical and clinical testing to demonstrate their safety and efficacy for humans. Clinical trials are expensive, time consuming and may take years to complete and the outcomes are uncertain.

This risk is particularly significant for our late-stage product candidates, including our Phase 3 clinical programs for osavampator (NBI-1065845) in major depressive disorder and direclidine (NBI-1117568) in schizophrenia, because delays, failures, inconclusive results or safety concerns in these programs could materially and adversely affect our pipeline, business, financial condition, and the market price of our common stock.

In connection with the clinical trials of our product candidates, we face the risks that:

- the FDA or similar foreign regulatory authority may not allow an IND or foreign equivalent filings required to initiate human clinical studies for our drug candidates or the FDA or similar foreign regulatory authorities may require additional preclinical studies as a condition of the initiation of Phase 1 clinical studies, or additional clinical studies for progression from Phase 1 to Phase 2, or Phase 2 to Phase 3, or for NDA approval;
- the product candidate may not prove to be effective or as effective as other competing product candidates;
- we may discover that a product candidate may cause harmful side effects or results of required toxicology or other studies may not be acceptable to the FDA or similar foreign regulatory authorities;
- clinical trial results may not replicate or improve upon the results of previous trials;
- we or the FDA or similar foreign regulatory authorities may suspend or vary the trials;
- the results may not be statistically significant;
- clinical site initiation or patient recruitment and enrollment may be slower or more difficult than expected;
- the FDA or similar foreign regulatory authorities may not accept the data from any trial or trial site outside of the U.S.;
- a study is compromised due to patients dropping out and not completing the trials;
- unforeseen disruptions or delays may occur, caused by geopolitical and macroeconomic developments, man-made or natural disasters, public health pandemics or epidemics, armed conflicts, trade restrictions, tariffs, government shutdowns and the resulting effects on regulatory agencies, or other business interruptions; and
- regulatory requirements may change.

These risks and uncertainties impact all of our clinical programs and any of the clinical, regulatory or operational events described above could change our planned clinical and regulatory activities. Geopolitical tensions could also affect our ability to obtain supplies of our investigational products, which could cause delays or otherwise disrupt our clinical trials and research and development efforts. Some of our suppliers and research and development collaborators are located in China, exposing us to the possibility of supply disruption in the event of changes to the laws, rules, regulations, and policies of the governments of the U.S. or China. Any such changes to laws or the adoption of tariffs, export controls, investment, licensing or procurement restrictions or other restrictions could impact our ability to contract with or maintain relationships with certain Chinese biotechnology companies, cause delays, or have other adverse effects on the development of certain of our research programs.

In addition, late-stage clinical trials are often conducted with patients having the most advanced stages of disease. During the course of treatment, these patients can die or suffer other adverse medical effects for reasons that may not be related to the pharmaceutical agent being tested but which can nevertheless adversely affect clinical trial conduct, completion and results. Any failure or substantial delay in completing clinical trials for our product candidates may severely harm our business.

Even if the clinical trials are successfully completed, we cannot guarantee that the FDA or similar foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. The FDA and similar foreign regulatory authorities have substantial discretion in the approval process and may either refuse to accept an application for substantive review or may form the opinion after review of an application that the application is insufficient to allow approval of a product candidate. To the extent that the FDA or similar foreign regulatory authorities do not accept our application for review or approve our application, we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. Depending on the extent of these additional trials or any other studies that might be required, approval of any applications that we submit may be significantly delayed. It is also possible that any such additional studies, if performed and completed, may not be considered sufficient by the FDA or similar foreign regulatory authorities and we may be forced to delay or abandon our applications for approval.

**** We have increased the size of our organization and will need to continue to increase the size of our organization. Such increases may not be sufficient and we may encounter difficulties with managing our growth, which could adversely affect our results of operations.***

Since 2017, the number of our full-time employees has grown from approximately 200 to over 2,500. Although we have substantially increased the size of our organization, we may need to add additional qualified personnel and resources, especially with the recent increase in the size of our sales force. Our current facilities, infrastructure and systems may be inadequate to support our development and commercialization efforts and expected growth. Future growth will impose significant added responsibilities on our organization, including the need to identify, recruit, maintain and integrate additional employees and implement and expand managerial, operational, and financial systems and may be costly and take time away from running other aspects of our business, including development and commercialization of our product candidates.

Our future financial performance and our ability to commercialize our commercial products or any of our product candidates that receive regulatory approval in the future, will partially depend on our ability to manage any future growth effectively. In particular, as we commercialize our commercial products we will need to support the training and ongoing activities of our sales force and will likely need to continue to expand the size of our employee base for managerial, operational, financial and other resources. To that end, we must be able to successfully:

- manage our development efforts effectively;
- integrate additional management, administrative and manufacturing personnel;
- manage increased operational complexity from employees and functions operating across multiple office locations and facilities;
- further develop our marketing and sales organization;
- compensate our employees on adequate terms in an increasingly competitive, inflationary market;
- attract and retain personnel; and
- maintain sufficient administrative, accounting and management information systems and controls.

We may not be able to accomplish these tasks or successfully manage our operations and, accordingly, may not achieve our research, development and commercialization goals. Our failure to accomplish any of these goals could harm our financial results and prospects.

**** We are transforming our research and development strategies to include the development of biologics, which requires substantial investment, including in personnel and facilities. We may encounter difficulties as we expand and may fail to successfully develop or commercialize our biologic product candidates, which could adversely affect our results of operations.***

We are transforming our research and development strategies to include the development of biologics, including peptides, proteins, antibodies, conjugates, gene therapies and nucleic acid-based therapeutics. As a company, we do not have experience successfully developing and commercializing biologics and our current infrastructure may be inadequate to support the expected growth and transformation of processes, personnel, and technologies required for these new programs. We have hired employees with expertise in these modalities, but we will need to hire additional qualified personnel and expand our management, administrative, and technical staff to support the research and development organization. If we are unable to identify, recruit and integrate additional employees with the requisite skills, or effectively manage our transformation activities, the development of our biologic product candidates may not be successful, or be delayed or paused indefinitely. Gene therapies, in particular, may entail additional safety and development risks because they often require specialized administration (including intravenous administration) and may cause serious adverse events, including immune or inflammatory reactions, which could delay, suspend or terminate clinical development. Pre-existing immunity or immunity that develops after dosing may limit eligible patients and may prevent repeat dosing, which could reduce effectiveness and limit commercial adoption. Additionally, the manufacture of biologics and cognate devices are more complex than the manufacture of small molecule therapies. We currently have no manufacturing capabilities for biologic product candidates and devices and rely on third-party manufacturers. We may encounter delays in production and delivery of our biologic product candidates and devices by our third-party manufacturers or other vendors, which would result in corresponding delays to our development and commercialization of such biologic candidates. In addition, the regulatory requirements in the U.S. and in other countries governing biologics are evolving and the FDA or comparable foreign regulatory authorities may change the requirements, or identify different regulatory pathways, for approval for any of our biologic candidates. As a result, we may be required to change our regulatory strategy or to modify our applications for regulatory approval, which could delay and impair our ability to complete the preclinical and clinical development and manufacture of, and obtain regulatory approval for, our biologic candidates. We have made, and expect to continue making, substantial investments in our research and development personnel and facilities, as well in external innovation to support our expansion into the development of our biologics. If any of these risks occur and we fail to successfully develop or commercialize our biologic product candidates, we may not realize a return on our investments which could have an adverse effect on our results of operations and financial condition.

**** If we are unable to retain and recruit qualified scientists and other employees or if any of our key senior executives discontinues his or her employment with us, it may delay our development efforts or impact our commercialization of our commercial products or any product candidate approved by the FDA in the future.***

We are highly dependent on the principal members of our management, commercial, and scientific staff. The loss of any of these people could impede the achievement of our objectives, including the successful commercialization of our commercial products or the commercialization of any product candidate approved by the FDA in the future. Furthermore, recruiting and retaining qualified scientific personnel to perform research and development work in the future, along with personnel with experience marketing and selling pharmaceutical products, is critical to our success. We may be unable to attract and retain personnel on acceptable terms given the competition among biotechnology, pharmaceutical and healthcare companies, and universities and non-profit research institutions for experienced scientists and individuals with experience marketing and selling pharmaceutical products. We may face particular retention challenges in light of the recent rapid growth in our personnel and infrastructure and the perceived impact of those changes upon our corporate culture, including as we integrate employees and operations from Soleno. In addition, we rely on a significant number of consultants to assist us in formulating our research and development strategy and our commercialization strategy. Our consultants may have commitments to, or advisory or consulting agreements with, other entities that may limit their availability to us.

**** Use of our approved products or those of our collaborators could be associated with side effects or adverse events.***

As with most pharmaceutical products, use of our approved products or those of our collaborators could be associated with side effects or adverse events which can vary in severity (from minor adverse reactions to death) and frequency (infrequent or prevalent). Side effects or adverse events associated with the use of our products or those of our collaborators may be observed at any time, including after a product is commercialized, and reports of any such side effects or adverse events may negatively impact demand for our or our collaborators' products or affect our or our collaborators' ability to maintain regulatory approval for such products. With respect to VYKAT XR, since it became commercially available, serious adverse events in patients taking VYKAT XR have been reported to FDA through the FDA Adverse Event Reporting System

(AEMS), formerly the FDA Adverse Event Reporting System (FAERS). Although reports in AEMS do not establish that a drug caused an adverse event and may be attributable to the patient's underlying disease, other medications or other factors, these reports could negatively impact demand for VYKAT XR, result in regulatory scrutiny or cause patients or caregivers to discontinue use of VYKAT XR or healthcare providers to be reluctant to prescribe or continue prescribing VYKAT XR. Side effects or other safety issues associated with the use of our approved products or those of our collaborators could require us or our collaborators to modify or halt commercialization of these products or expose us to product liability lawsuits which will harm our business. We or our collaborators may be required by regulatory agencies to conduct additional studies regarding the safety and efficacy of our products which we have not planned or anticipated. Furthermore, there can be no assurance that we or our collaborators will resolve any issues related to any product related adverse events to the satisfaction of the FDA or any regulatory agency in a timely manner or ever, which could harm our business, prospects and financial condition.

**** We currently depend on a limited number of third-party suppliers. The loss of these suppliers, or delays or problems in the supply of our commercial products or our product candidates, could materially and adversely affect our ability to successfully develop or commercialize our commercial products or any of our product candidates.***

The manufacture of pharmaceutical products requires significant expertise and capital investment, including the development of process controls required to consistently produce the active pharmaceutical ingredients (API), the finished drug product and packaging in sufficient quantities while meeting detailed product specifications on a repeated basis. Manufacturers of pharmaceutical products may encounter difficulties in production, such as difficulties with production costs and yields, process controls and validation, quality control and quality assurance, including testing of stability, impurities and impurity levels and other product specifications by validated test methods, compliance with strictly enforced U.S., state and non-U.S. regulations, and disruptions or delays caused by geopolitical and macroeconomic developments, man-made or natural disasters, public health pandemics or epidemics, armed conflicts, trade restrictions, tariffs, government shutdowns and the resulting effects on regulatory agencies, or other business interruptions. We depend on a limited number of suppliers for the production (including API) of our commercial products and product candidates and for the packaging of our commercial products. If our third-party suppliers for our commercial products or any of our product candidates encounter these or any other manufacturing, quality, or compliance difficulties, our ability to successfully develop or commercialize our commercial products or any of our product candidates could be materially and adversely affected.

In addition, if our suppliers fail or refuse to supply us with our commercial products or any of our product candidates, or their APIs for any reason, or terminate our supply agreements or do not perform as agreed, it would take a significant amount of time and expense to qualify a new supplier. The FDA and similar foreign regulatory authorities must approve manufacturers of the active and inactive pharmaceutical ingredients and certain packaging materials used in pharmaceutical products. The loss of a supplier could require us to obtain regulatory clearance and to incur validation and other costs associated with the transfer of the API or product manufacturing processes. If there are delays in qualifying new suppliers or facilities or if a new supplier is unable to meet FDA or a similar foreign regulatory authority's requirements for approval, there could be a shortage of our commercial products or any of our product candidates, which could materially and adversely affect our ability to successfully develop or commercialize our commercial products or any of our product candidates. These risks may be heightened for arrangements that rely on sole-source or limited-source suppliers, including certain arrangements for VYKAT XR, because qualifying an alternative supplier could take significant time and expense and could result in supply constraints or other product availability issues.

**** We may be unable to successfully pursue, complete or integrate strategic acquisitions, including our recently completed acquisition of Soleno, which could adversely affect our business and financial condition.***

Our ability to execute on our long-term strategy depends in part on our ability to pursue strategic business development when complementary opportunities arise, including through acquisitions, collaborations and other investments. We may continue to seek attractive opportunities to acquire businesses, enter into collaborations and make other investments that are complementary to our existing strengths. There can be no assurance, however, that any such opportunities will arise or, if they do, that they will be identified, consummated or successfully integrated. Strategic acquisitions and similar transactions involve numerous risks, including difficulties in identifying and consummating suitable transactions on acceptable terms, satisfying closing conditions, obtaining antitrust and/or other regulatory approvals, potential disputes or litigation, integrating acquired businesses, realizing anticipated benefits, retaining key employees and avoiding disruption to our ongoing business and diversion of management's attention. For risks related specifically to the integration of Soleno and the realization of anticipated benefits from the acquisition, see the risk factor titled "We may not successfully integrate Soleno or realize the anticipated benefits of the acquisition, which could adversely affect our business and financial condition."

**** We depend on our current collaborators for the development and commercialization of several of our products and product candidates and may need to enter into future collaborations to develop and commercialize certain of our product candidates.***

We depend on our current collaborators for the development and commercialization of several of our products and product candidates and may need to enter into future collaborations to develop and commercialize certain of our product candidates. We collaborate with TPC for the commercialization of DYSVAL in Japan and for the continued development and commercialization of valbenazine for movement disorders in other select Asian markets. Some of our other collaborators include Nxera Pharma UK Limited (formerly Sosei Heptares), Takeda Pharmaceutical Company Limited, Voyager Therapeutics, Inc., and Xenon Pharmaceuticals Inc. Additionally, we depend on collaborators for the development of some of our biologics leads and candidates.

Our current and future collaborations and licenses could subject us to a number of risks, including:

- strategic collaborators may sell, transfer or divest assets or programs related to our partnered product or product candidates;
- we may be required to undertake the expenditure of substantial operational, financial and management resources;
- we may be required to assume substantial actual or contingent liabilities;
- we may not be able to control the amount and timing of resources that our strategic collaborators devote to the development or commercialization of our products or product candidates;
- we may not be able to influence our strategic collaborator's decisions regarding the development and collaboration of our partnered product and product candidates, and as a result, our collaboration partners may not pursue or prioritize the development and commercialization of those partnered products and product candidates in a manner that is in our best interest;
- strategic collaborators may select indications or design clinical trials in a way that may be less successful than if we were doing so;
- strategic collaborators may not conduct collaborative activities in a timely manner, provide insufficient funding, terminate a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new version of a product candidate for clinical testing;
- strategic collaborators may not pursue further development and commercialization of products resulting from the strategic collaboration arrangement or may elect to discontinue research and development programs;
- disagreements or disputes may arise between us and our strategic collaborators that result in delays or in costly litigation or arbitration that diverts management's attention and consumes resources;
- strategic collaborators may experience financial difficulties;
- strategic collaborators may not properly maintain, enforce or defend our intellectual property rights or may use our proprietary information in a manner that could jeopardize or invalidate our proprietary information or expose us to potential litigation;
- we or strategic collaborators could terminate the arrangement (in whole or in part) or allow it to expire, which would delay the development and commercialization, result in disagreements or disputes or may increase the cost of developing and commercializing our products or product candidates;
- strategic collaborators could develop, either alone or with others, products or product candidates that may compete with ours; and
- our strategic collaborator's decisions regarding the development and commercialization of a partnered product or product candidate within their territory(ies) could negatively impact us in the territories where we have development and commercialization rights for such product or product candidate.

If any of these issues arise, it may delay and/or negatively impact the development and commercialization of drug candidates and, ultimately, our generation of product revenues.

**** We currently have no manufacturing capabilities. If third-party manufacturers of our commercial products or any of our product candidates fail to devote sufficient time and resources to our concerns, or if their performance is substandard, our ability to commercialize existing products, conduct clinical trials and develop new products could be impaired and our costs may rise.***

We have in the past utilized, and intend to continue to utilize, third-party manufacturers to produce the drug compounds we use in our clinical trials and for the commercialization of our products. We have limited experience in manufacturing products for commercial purposes and do not currently have any manufacturing facilities. Establishing internal commercial manufacturing capabilities would require significant time and resources, and we may not be able to timely or successfully establish such capabilities. Consequently, we depend on, and will continue to depend on, several contract manufacturers for all production of products for development and commercial purposes. If we are unable to obtain or retain third-party manufacturers, we will not be able to develop or commercialize our products.

The manufacture of our products for clinical trials and commercial purposes is subject to specific FDA and equivalent foreign regulations, including current good manufacturing practice (cGMP) regulations. Our third-party manufacturers might not comply with FDA or equivalent foreign regulations relating to manufacturing our products for clinical trials and commercial purposes or other regulatory requirements now or in the future. Our reliance on contract manufacturers also exposes us to the following risks:

- contract manufacturers may encounter difficulties in achieving volume production, quality control or quality assurance, and also may experience shortages in qualified personnel or materials and ingredients necessary to conduct their operations. As a result, our contract manufacturers might not be able to meet our clinical schedules or adequately manufacture our products in commercial quantities when required;
- switching manufacturers may be difficult because the number of potential manufacturers is limited. It may be difficult or impossible for us to find a replacement manufacturer quickly on acceptable terms, or at all;
- our contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to successfully produce, store or distribute our products or product candidates; and
- drug manufacturers are subject to ongoing periodic unannounced inspection by the FDA, the U.S. Drug Enforcement Administration, equivalent foreign regulatory authorities, and other agencies to ensure strict compliance with cGMP and other government regulations and corresponding foreign standards. Any delay, interruption, or other issue that arises in the manufacture of our products or product candidates as a result of a failure of a third-party manufacturer to pass regulatory inspections or maintain cGMP compliance could significantly impair our ability to develop our product candidates or to obtain approval for or successfully commercialize our products.

Further, changes in federal policy could affect the geopolitical landscape and could give rise to circumstances that negatively affect our business. The third parties that manufacture our products have manufacturing facilities located in Europe. The U.S. has implemented, and has proposed to further implement, tariffs that may increase the costs of our third-party manufacturers and the expense to us to produce the drug compounds we use in our clinical trials and for the commercialization of our products. If such actions were to materially affect us or our third-party manufacturers, we may not be able to successfully develop our product candidates or commercialize our products.

Our current dependence upon third parties for the manufacture of our products may reduce our profit margin, if any, on the sale of our commercial products or our future products and our ability to develop and deliver products on a timely and competitive basis.

We license some of our core technologies, drug leads, products, and product candidates from third parties. If we default on any of our obligations under those licenses, or violate the terms of these licenses, we could lose our rights to those technologies, drug leads, products, and product candidates or be required to pay damages.

We are dependent on licenses from third parties for some of our key technologies. These licenses typically subject us to various commercialization, reporting and other obligations. If we fail to comply with these obligations, we could lose important rights. If we were to default on our obligations under any of our licenses, we could lose some or all of our rights to develop, market and sell products covered by these licenses. In addition, several of our collaboration and license agreements allow our licensors to terminate such agreements if we challenge the validity or enforceability of certain intellectual property rights or if we commit a material breach in whole or in part of the agreement and do not cure such breach within the agreed upon cure period. In addition, if we were to violate any of the terms of our licenses, we could become subject to damages. Likewise, if we were to lose our rights under a license to use proprietary research tools, it could adversely affect our existing collaborations or adversely affect our ability to form new collaborations. We also face the risk that our licensors could, for a number of reasons, lose patent protection or lose their rights to the technologies we have licensed, thereby impairing or extinguishing our rights under our licenses with them.

**** Our customers are concentrated and therefore the loss of a significant customer may harm our business.***

We have entered into agreements for the distribution of INGREZZA with a limited number of specialty pharmacy providers and distributors. In addition, CRENESSITY and VYKAT XR are each distributed by one specialty pharmacy provider and therefore our sales of each of CRENESSITY and VYKAT XR are highly dependent on the performance of the respective specialty pharmacy. Specialty pharmacy providers may also perform dispensing, patient support and related services, and inadequate performance or compliance failures by any such provider could disrupt product access, adversely affect sales or expose us to regulatory or other liabilities. In the aggregate, four of these customers across our distribution arrangements for our commercial products represent over 90% of our total gross product sales. If any of our significant customers becomes subject to bankruptcy, is unable to pay us for our products or wants to terminate their relationship with us, or if we otherwise lose any of these significant customers, our revenue, results of operations and cash flows would be adversely affected. Also, we may need to enter into agreements with additional distributors or specialty pharmacy providers, and there is no guarantee that we will be able to do so on commercially reasonable terms or at all. Even if we replace the loss of a significant customer, we cannot predict with certainty that such transition would not result in a decline in our revenue, results of operations and cash flows.

**** We may need additional capital in the future. If we cannot raise additional funding, we may be unable to fund our business plan and our future research, development, commercial and manufacturing efforts. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.***

Our future funding requirements will depend on many factors and we may need to raise additional capital to fund our business plan and our future research, development, commercial and manufacturing efforts.

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

- the success of our commercial products;
- the cost of commercialization activities and arrangements, including advertising campaigns;
- continued scientific progress in our research and development and clinical development programs;
- the magnitude and complexity of our research and development programs;
- progress with preclinical testing and clinical trials;
- the time and costs involved in obtaining regulatory approvals;
- the cost involved in filing and pursuing patent applications, enforcing patent claims, or engaging in proceedings before the U.S. Patent and Trademark Office's Patent Trial and Appeal Board (PTAB), opposition proceedings before foreign patent offices, interference proceedings, or other patent litigation;
- costs associated with securing adequate coverage and reimbursement for our products;
- competing technological and market developments;
- developments related to any future litigation;

- the cost of manufacturing our product candidates;
- the impact of pandemics or epidemics on our business;
- costs associated with the integration of Soleno;
- our repayment obligations, interest expense and covenant compliance under our credit facility; and
- the cost of any strategic alliances, collaborations, product in-licensing, or acquisitions.

We may seek additional funding through public or private sales of our securities, including equity securities. In addition, we have previously financed capital purchases and may continue to pursue additional debt financing in the future. Additional equity or debt financing might not be available on reasonable terms, if at all. Any additional equity financings will be dilutive to our stockholders and any debt financings may involve operating covenants that restrict our business. In addition, our credit facility contains, and any additional debt financing we obtain in the future would likely contain, operating and financial covenants, which may restrict our current and future operations. Loans under our credit facility bear interest at variable rates, and borrowings thereunder could affect our liquidity or financial flexibility.

**** Our credit facility imposes operating and financial restrictions on us, and our failure to comply with its covenants or satisfy our obligations under the facility could adversely affect our business and financial condition.***

In May 2026, we entered into a five-year, $1.0 billion senior secured revolving credit facility. As of June 30, 2026, no amounts were outstanding under the facility. Any future borrowings under the facility would bear interest at variable rates, which could increase our debt service costs if interest rates rise. Our obligations under the facility are secured by substantially all of our assets, subject to customary exceptions and exclusions, and our material domestic subsidiaries are required to guarantee our obligations and grant security interests in substantially all of their assets, subject to customary exceptions and exclusions. The credit agreement contains customary affirmative and negative covenants and quarterly financial covenants, including a maximum total net leverage ratio and a minimum consolidated interest coverage ratio.

These covenants may affect our financial flexibility by requiring us to satisfy specified conditions or rely on exceptions before engaging in certain transactions, including incurring additional debt, granting liens, disposing of assets, making certain restricted payments, entering into transactions with affiliates, prepaying certain indebtedness or entering into sale and leaseback transactions. Our ability to comply with these covenants may be affected by events beyond our control. If we default under the credit agreement and the default is not cured or waived, the lenders could accelerate our repayment obligations, terminate commitments to extend further credit and exercise remedies against the collateral. Any such event could materially and adversely affect our liquidity, business, financial condition and results of operations.

**** We expect to increase our expenses for the foreseeable future, and we may not be able to sustain growth and profitability.***

We received FDA approval for INGREZZA for TD in April 2017 and for chorea associated with Huntington's disease in August 2023. We received FDA approval for CRENESSITY capsules and oral solution as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH in December 2024. In the second quarter of 2026, we acquired Soleno and its commercial product VYKAT XR, which was approved by the FDA in March 2025 for the treatment of hyperphagia in adults and pediatric patients four years of age and older with PWS. Our partner AbbVie received FDA approval for ORILISSA for endometriosis in July 2018 and for ORIAHNN for uterine fibroids in May 2020. Additionally, our partner TPC received Japanese Ministry of Health, Labour, and Welfare approval for DYSVAL for the treatment of TD in March 2022. However, we have not yet obtained regulatory approvals for any other product candidates. Even if we continue to succeed in commercializing our commercial products or are successful in commercializing any of our product candidates, we may not be able to sustain profitability. We also expect to continue to incur significant operating and capital expenditures as we:

- commercialize INGREZZA for TD and chorea associated with Huntington's disease;
- commercialize CRENESSITY as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH;
- commercialize VYKAT XR for hyperphagia in adults and pediatric patients four years of age and older with PWS;
- seek regulatory approvals for our product candidates or for additional indications for our current products;
- develop, formulate, manufacture and commercialize our product candidates;
- advance our substantial number of Phase 1 studies into Phase 2 or later-stage clinical studies, which could significantly increase our development expenses;

- develop programs across additional modalities, including biologics and other complex therapeutic modalities, which may require more complex and costly development, manufacturing and clinical activities than traditional small molecule programs;
- in-license or acquire new product development opportunities;
- implement additional internal systems and infrastructure; and
- hire additional clinical, scientific, sales, marketing and administrative personnel.

We expect to increase our expenses and other investments in the coming years as we fund our operations and capital expenditures. Thus, our future operating results and profitability may fluctuate from period to period due to the factors described above, and we will need to generate significant revenues to achieve and maintain profitability and positive cash flow on a sustained basis. We may not be able to generate these revenues, and we may never achieve profitability on a sustained basis in the future. In addition, there is no guarantee that our prioritization determinations regarding our research and development and clinical development programs, including the acceleration or discontinuation of certain programs and product candidates, will generate their expected benefits and/or meet investor expectations. Our prioritization decisions may also adversely affect other internal programs and initiatives as well as our ability to recruit and retain skilled and motivated personnel. Our failure to maintain or increase profitability on a sustained basis could negatively impact the market price of our common stock.

The independent clinical investigators and contract research organizations that we rely upon to conduct our clinical trials may not be diligent, careful or timely, or may make mistakes in the conduct of our trials.

We depend on independent clinical investigators and CROs to conduct our clinical trials under their agreements with us. The investigators are not our employees, and we cannot control the amount or timing of resources that they devote to our programs. If our independent investigators fail to devote sufficient time and resources to our drug development programs, or if their performance is substandard, or not in compliance with good clinical practices (GCPs), it may delay or prevent the approval of our regulatory applications and our introduction of new treatments. The CROs we contract with for execution of our clinical trials play a significant role in the conduct of the trials and the subsequent collection and analysis of data. Failure of the CROs to meet their obligations could adversely affect clinical development of our product candidates. Moreover, these independent investigators and CROs may also have relationships with other commercial entities, some of which may compete with us. If independent investigators and CROs assist our competitors at our expense, it could harm our competitive position.

**** We are subject to ongoing obligations and continued regulatory review for our commercial products. Additionally, our product candidates, if approved, could be subject to labeling and other post-marketing requirements and restrictions.***

Regulatory approvals for any of our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. For our commercial products and any product candidate that the FDA or a comparable foreign regulatory authority approves, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product is subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with GCPs for any clinical trials that we conduct post-approval. In addition, advertising and promotional materials for approved products must comply with FDA regulations and those of foreign regulatory authorities and may be subject to other potentially applicable federal and state laws. As part of the Make America Healthy Again (MAHA) Commission's recent Strategy Report, the current administration has prioritized stricter oversight of direct-to-consumer advertising, including increasing the amount of information manufacturers provide regarding risks associated with the use of prescription drugs and ensuring that advertisements are not false, misleading or lacking in fair balance through coordination across government agencies. In September 2025, the FDA Office of Prescription Drug Promotion (OPDP) issued numerous untitled letters and warning letters to drug manufacturers regarding advertising and promotion, including one untitled letter addressed to us which alleges that certain claims made in promotional material for INGREZZA are misleading. Following receipt of the letter, we reviewed the matters identified by OPDP and submitted a response. FDA subsequently responded to our submission and informed us that it considers the matter closed. FDA review of advertising and promotional materials remains an ongoing area of regulatory scrutiny. If OPDP or another regulatory authority objects to our advertising or promotional materials or activities in the future, including through untitled letters, warning letters or other communications, we may be required to modify or discontinue promotional materials or campaigns, the effectiveness of our advertising and promotional activities could be negatively impacted, our compliance, review or media costs could increase, and demand for our products could be reduced.

Failure to comply with these ongoing regulatory requirements, or later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, changes in the product's label, misbranding allegations, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, warning or untitled letters or holds on clinical trials;
- refusal by the FDA or similar foreign regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product license approvals;
- adverse inspection findings, enforcement actions, or other activities that temporarily delay manufacture and distribution of our products;
- product seizure or detention, or refusal to permit the import or export of products; and
- product injunctions or the imposition of civil or criminal penalties.

The occurrence of any of these events may adversely affect our business, prospects and ability to achieve or sustain profitability on a sustained basis.

The U.S. Supreme Court's June 2024 decision in *Loper Bright Enterprises v. Raimondo* overturned the longstanding *Chevron* doctrine, under which courts were required to give deference to regulatory agencies' reasonable interpretations of ambiguous federal statutes. The *Loper* decision could result in additional legal challenges to regulations and guidance issued by federal agencies, including the FDA, on which we rely. Any such legal challenges, if successful, could have a material impact on our business. Additionally, the *Loper* decision may result in increased regulatory uncertainty, inconsistent judicial interpretations, and other impacts to the agency rulemaking process, any of which could adversely impact our business and operations. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action or as a result of legal challenges, either in the U.S. or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, our business could be materially harmed.

**** If the market opportunities for our products and product candidates are smaller than we believe they are, our expected revenues may be adversely affected, and our business may suffer.***

Certain of the diseases that our commercial products and product candidates address or are being developed to address are in underserved and underdiagnosed populations, and, in the case of CRENESSITY, patients may also be incorrectly coded or misclassified in medical and reimbursement records. Accordingly, our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who will seek treatment utilizing our products or product candidates, may not be accurate. As we expand the number of product candidates we are developing and the number of products we commercialize, it will become increasingly important that we accurately assess the market opportunities for those candidates and products. If our estimates of the prevalence or number of patients potentially on therapy prove to be inaccurate, the market opportunities for our commercial products and product candidates may be smaller than we believe they are, our prospects for generating expected revenue may be adversely affected and our business may suffer.

**** Because our operating results may vary significantly in future periods, our stock price may decline.***

Our quarterly revenues, expenses and operating results have fluctuated in the past and are likely to fluctuate significantly in the future. Our financial results are unpredictable and may fluctuate, for among other reasons, due to seasonality and timing of customer purchases and sales of our commercial products, royalties from out-licensed products, the impact of Medicare Part D coverage, including redesign of the Part D benefit enacted as part of the IRA, our achievement of product development objectives and milestones, clinical trial enrollment and expenses, research and development expenses and the timing and nature of contract manufacturing, contract research payments, fluctuations in our effective tax rate, disruptions caused by geopolitical and macroeconomic developments, man-made or natural disasters, public health pandemics or epidemics, armed conflicts, trade restrictions, tariffs, government shutdowns and the resulting effects on regulatory agencies, or other business interruptions. Because a majority of our costs are predetermined on an annual basis, due in part to our significant research and development costs, small declines in revenue could disproportionately affect financial results in a quarter. Thus, our future operating results and profitability may fluctuate from period to period, and even if we become profitable on a quarterly or annual basis, we may not be able to sustain or increase our profitability. Moreover, as our company and our market capitalization have grown, our financial performance has become increasingly subject to quarterly and annual comparisons with the expectations of securities analysts or investors. The failure of our financial results to meet these expectations, either in a single quarterly or annual period over a sustained period of time, could cause our stock price to decline.

**** Future acquisitions could disrupt our business and harm our financial condition.***

In order to expand our portfolio of innovative medicines, we may decide to acquire additional businesses, products and technologies in the future. As we have limited experience in evaluating and completing acquisitions, our ability as an organization to make such acquisitions is unproven. Acquisitions could require significant capital infusions and could involve many risks, including, but not limited to, the following:

- we may use a substantial portion of our cash, cash equivalents and investments to complete an acquisition, we may choose to incur indebtedness to preserve liquidity or fund future acquisitions, or we may have to issue debt or equity securities to complete an acquisition, which could reduce our financial flexibility, dilute our stockholders and could adversely affect the market price of our common stock;
- an acquisition may negatively impact our results of operations because it may require us to amortize or write down amounts related to goodwill and other intangible assets, or incur or assume substantial debt or liabilities, or it may cause adverse tax consequences, substantial depreciation or deferred compensation charges;
- we may encounter difficulties in assimilating and integrating the business, products, technologies, personnel or operations of companies that we acquire;
- certain acquisitions may impact our relationship with existing or potential collaborators who are competitive with the acquired business, products or technologies;
- acquisitions may require significant capital infusions and the acquired businesses, products or technologies may not generate sufficient value to justify acquisition costs;
- we may take on liabilities from the acquired company such as debt, legal liabilities or business risk which could be significant;
- we may incur substantial transaction-related expenses in connection with an acquisition, including advisory fees, integration costs and severance, retention or other compensation-related payments, which may be significant;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- acquisitions may involve the entry into a geographic or business market in which we have little or no prior experience; and
- key personnel of an acquired company may decide not to work for us.

If any of these risks materialize, it could adversely affect our business, financial condition and operating results. There is no assurance that we will be able to identify or consummate any future acquisitions on acceptable terms, or at all.

**** Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flows, financial condition or results of operations.***

New tax laws or regulations could be enacted at any time, and existing tax laws or regulations could be interpreted, modified, or applied in a manner that is adverse to us or our customers, which could adversely affect our business and financial condition. Federal laws such as the One Big Beautiful Bill Act (OBBBA), enacted in 2025, the Inflation Reduction Act (IRA) enacted in 2022, the Coronavirus Aid, Relief, and Economic Security Act enacted in 2020, and the Tax Cuts and Jobs Act enacted in 2017, made significant changes to the U.S. tax laws. For example, the Tax Cuts and Jobs Act required taxpayers to capitalize and amortize U.S.-based and non-U.S. based research and experimental (R&E) expenditures over five and fifteen years, respectively. The OBBBA restored the deductibility of domestic R&E expenditures in the year incurred for tax years beginning after December 31, 2024, but retained the capitalization and amortization requirement for foreign R&E expenditures. Future guidance from the Internal Revenue Service and other tax authorities with respect to any laws may affect us, and certain aspects of such laws could be repealed or modified or sunset in future years. In addition, it is uncertain if and to what extent various states will conform to federal tax laws.

Furthermore, our tax obligations (including the cost of compliance) and effective tax rate in the jurisdictions in which we conduct business could increase as a result of international tax developments, including the implementation of the Organization for Economic Co-operation and Development's (OECD) Base Erosion and Profit Shifting "Two-Pillar" framework, which involves, among other measures, the imposition of a minimum effective corporate tax rate (referred to as Pillar Two). Certain countries in which we conduct business have enacted, or are in the process of enacting, core provisions of the Pillar Two rules (with further provisions expected to be enacted in the future). Based on our current understanding of the minimum revenue thresholds contained in the Pillar Two proposal, we currently fall within the scope of its rules. The OECD has issued (and is expected to continue to issue further) administrative guidance providing transition and safe harbor rules in relation to the implementation of the Pillar Two proposal. For example, on January 5, 2026, the OECD published

details of a proposed "side-by-side" arrangement providing for, among other things, additional safe harbors for multinational groups headquartered in certain qualifying jurisdictions. We continue to evaluate and assess the potential impact of these new rules, including on our effective tax rate, and our eligibility to qualify for any transition relief or safe harbor (including under the proposed "side-by-side" arrangement). Any changes in tax laws, including any new tax laws or initiatives, could not only significantly increase our tax provision, cash tax liabilities, and effective tax rate, but could also have a material impact on the value of our deferred tax assets, result in significant one-time charges and ongoing compliance costs, and increase our future tax expense.

Our effective tax rate may fluctuate, and we may incur obligations in tax jurisdictions in excess of accrued amounts.

We have a multinational tax structure and are subject to income tax in the U.S. and various foreign jurisdictions, including the United Kingdom and Switzerland. Our effective tax rate is influenced by many factors including changes in our operating structure, changes in the mix of our earnings among countries, our allocation of profits and losses among our subsidiaries, our intercompany transfer pricing agreements and rules relating to transfer pricing, our inability to secure or sustain acceptable agreements with tax authorities, the impact of stock-based compensation, the availability of U.S. research and development tax credits, the results of examinations and audits of our tax filings, changes in accounting for income taxes, and future changes in tax laws and regulations in the U.S. and foreign countries. Significant judgment is required in determining our tax liabilities including management's judgment for uncertain tax positions. The Internal Revenue Service, other U.S. taxing authorities, or non-U.S. taxing authorities may disagree with our interpretation of tax laws as applied to our operations. Our reported effective tax rate and after-tax cash flows may be materially and adversely affected by tax assessments in excess of amounts accrued for our financial statements. This could cause us to experience an effective tax rate significantly different from previous periods or our current expectations.

**** The price of our common stock is volatile.***

The market prices for securities of biotechnology and pharmaceutical companies historically have been highly volatile, and the market for these securities has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. For example, the applicability of the Medicare drug price negotiation provisions in the IRA negatively affected investor sentiment and resulted in significant volatility. Furthermore, especially as we and our market capitalization have grown, the price of our common stock has been increasingly affected by quarterly and annual comparisons with the valuations and recommendations of the analysts who cover our business. If our results do not meet these analysts' forecasts, the expectations of our investors or the financial guidance we provide to investors in any period, which is based on assumptions that may be incorrect or that may change from quarter to quarter, the market price of our common stock could decline. Over the course of the last 12 months, the price of our common stock has ranged from approximately $122 per share to approximately $181 per share.

The market price of our common stock may fluctuate in response to many factors, including:

- sales of our commercial products;
- failure of CRENESSITY or VYKAT XR to achieve commercial success;
- the results of our clinical trials;
- reports of safety issues related to our commercial products;
- any delay in filing an IND, NDA, marketing authorization application (MAA), or other regulatory submission for any of our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory agency's review of that IND, NDA, MAA, or other regulatory submission, including but not limited to the imposition of a temporary or permanent clinical hold by a regulatory agency;
- the perceived success of our plan to develop a steady cadence of innovative medicines for years to come;
- developments concerning new and existing collaboration agreements;
- our ability, or perceived ability, to successfully integrate Soleno's business and realize the anticipated benefits of the transaction;
- developments relating to our credit facility, indebtedness or ability to comply with applicable covenants;
- announcements of technological innovations or new therapeutic products by us or others, including our competitors;
- general economic and market conditions, including economic and market conditions affecting the biotechnology industry;
- developments in patent or other proprietary rights;

- developments related to the FDA, CMS and foreign regulatory agencies;
- government regulation, including the IRA;
- future sales of our common stock by us or our stockholders;
- any trading activity pursuant to a share repurchase program;
- comments by securities analysts;
- additions or departures of key personnel;
- fluctuations in our operating results;
- potential litigation matters;
- government and third-party payor coverage and reimbursement;
- failure of any of our product candidates to achieve commercial success even if approved;
- disruptions caused by geopolitical and macroeconomic developments, man-made or natural disasters, public health pandemics or epidemics, armed conflicts, trade restrictions, tariffs, including protectionist or retaliatory measures taken by the U.S. or other countries, government shutdowns and the resulting effects on regulatory agencies, or other business interruptions; and
- public concern as to the safety of our drugs.

In addition, we are a member of the S&P MidCap 400 index. If we cease to be represented in the S&P MidCap 400 index, or other indexes or indexed products, as a result of our market capitalization falling below the threshold for inclusion in the index, certain institutional shareholders may, due to their internal policies and investment guidelines, be required to sell their shareholdings. Such sales may result in further negative pressure on our stock price and, when combined with reduced trading volume and liquidity, could adversely affect the value of your investment and your ability to sell your shares.

**** There can be no assurance that any share repurchases will enhance long-term stockholder value.***

In October 2024, our Board of Directors authorized a share repurchase program to repurchase up to $300 million of our common stock and we subsequently entered into an accelerated share repurchase (ASR) transaction to repurchase the entirety of this authorized amount. The purchase period for this ASR transaction ended in February 2025 and an aggregate of 2.3 million shares were delivered to us at an average repurchase price of $131.83 per share. Additionally, in February 2025, our Board of Directors authorized a share repurchase program under which we may repurchase up to $500 million of our common stock (of which $266.3 million remained available for additional repurchases as of June 30, 2026). This subsequent share repurchase authorization was in addition to the $300 million accelerated share repurchase program that was announced in October 2024 and completed in early February 2025. Our share repurchases may change from time to time, and we can provide no assurance that we will repurchase shares of our common stock at favorable prices, in particular amounts, or at all, and any repurchases may not enhance long-term stockholder value or prove to be the best use of our cash. If our Board of Directors authorizes any additional share repurchase programs, it could affect the trading price of our stock and increase volatility.

Compliance with changing laws, regulations and standards relating to various aspects of our business, including corporate governance, workforce initiatives and public disclosure, may result in additional expenses and failure to comply with such laws, regulations and standards could adversely affect our business.

Changing laws, regulations and standards relating to various aspects of our business, including corporate governance, workforce initiatives and public disclosure, including as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, new SEC regulations and Nasdaq rules and executive orders, are creating uncertainty for companies such as ours. These laws, regulations and standards are subject to varying interpretations in some cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure, policies and governance practices. We are committed to maintaining high standards of corporate governance, workforce initiatives and public disclosure. As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased selling, general and administrative expenses and management time related to compliance activities. If we fail, or are perceived to fail, to comply with these laws, regulations and standards, our reputation may be harmed and we might be subject to litigation, sanctions, investigations or other regulatory proceedings by regulatory authorities, such as the SEC. Any such action could adversely affect our financial results and the market price of our common stock.

Increasing use of social media could give rise to liability and result in harm to our business.

Our employees are increasingly utilizing social media tools and our website as a means of communication. Despite our efforts to monitor social media communications, there is risk that the unauthorized use of social media by our employees to communicate about our products or business, or any inadvertent disclosure of material, nonpublic information through these means, may result in violations of applicable laws and regulations, which may give rise to liability and result in harm to our business. In addition, there is also risk of inappropriate disclosure of sensitive information, which could result in significant legal and financial exposure and reputational damages that could potentially have a material adverse impact on our business, financial condition and results of operations. Furthermore, negative posts or comments about us or our products on social media could seriously damage our reputation, brand image and goodwill.

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

As is commonplace in the biotechnology industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Risks Related to Our Industry

**** Enacted healthcare reform, drug pricing measures and other recent legislative initiatives, including the Inflation Reduction Act of 2022 (IRA), could adversely affect our business.***

The business and financial condition of pharmaceutical and biotechnology companies are affected by the efforts of government and third-party payors to contain or reduce the costs of healthcare and to lower drug prices. In the U.S., comprehensive drug pricing legislation enacted by the Federal government implements, for the first time, government control over the pricing of certain prescription pharmaceuticals. Moreover, in some foreign jurisdictions, pricing of prescription pharmaceuticals is also subject to government control. Additionally, other federal and state laws impose obligations on manufacturers of pharmaceutical products, among others, related to disclosure of new drug products introduced to the market and increases in drug prices above a specified threshold.

For example, the IRA provides for, among other things: (1) the Secretary of the U.S. Department of Health and Human Services (HHS) to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare; (2) the redesign of the Medicare Part D prescription drug benefit to lower patient out-of-pocket costs and increase manufacturer liability; and (3) drug manufacturers to pay rebates on drugs whose prices increase greater than the rate of inflation. Each year up to twenty (20) products will be selected by HHS for the Medicare Drug Price Negotiation Program. Products subject to the Medicare Drug Price Negotiation Program are expected to experience a significant reduction in reimbursement from the Medicare program on a per unit basis. AUSTEDO and AUSTEDO XR, marketed by Teva Pharmaceuticals Industries, were selected for the Medicare Drug Negotiation Program in 2025 (for initial price applicability year 2027) and CMS has announced a negotiated maximum fair price (MFP) for these products that is lower than their pre-negotiation prices. Lower negotiated prices for AUSTEDO and AUSTEDO XR may increase competitive pressures on INGREZZA, including heightened pricing pressure and potential adverse effects on formulary coverage.

We were notified in January 2026 that INGREZZA continues to qualify for the small biotech exception, which provides an exemption from selection until 2027 (for initial price applicability year 2029, pursuant to which negotiated pricing would go into effect, if selected). If negotiated for initial price applicability year 2029, we expect that the negotiated price for INGREZZA would be constrained by the "short monopoly" price ceiling and temporary price floor for small biotech drugs.

Additionally, on January 1, 2025, CMS implemented those provisions of the IRA establishing a new Medicare Part D manufacturer discount program. Under this discount program and subject to certain exceptions, manufacturers must give a 10 percent discount on Part D program drugs in the initial coverage phase, and a 20 percent discount on Part D drugs when the beneficiary enters the catastrophic coverage phase (the phase after the patient incurs costs above the initial phase out-of-pocket threshold, which is $2,000 in 2025, indexed to inflation thereafter annually). However, the IRA allows the 10 and 20 percent discounts to be phased in over a multi-year period for "specified manufacturers" and "specified small manufacturers". During this phase-in period, such manufacturers would pay a lower percentage discount on Medicare Part D program drugs. In April 2024, we were notified by CMS that it qualified as a "specified small manufacturer" and will receive the discount phase-in discussed above for INGREZZA. INGREZZA is reimbursed under Medicare Part D, and increased discounts could impact INGREZZA revenues, while also having an industry-wide impact on the cost of other Part D program drugs such as AUSTEDO and AUSTEDO XR. The overall impact on INGREZZA revenues is inherently uncertain and difficult to predict, and we are still evaluating the potential impact of this discount program and our designation as a "specified small manufacturer."

Our designation as a "specified small manufacturer" under the new Medicare Part D manufacturer discount program and INGREZZA's qualification for the small biotech exception for purposes of the Medicare drug price negotiation program are subject to various requirements and there is no assurance that we will continue to qualify for these exemptions in the future. The loss or potential loss of these exemptions, including as a result of a third party acquiring us, could have an adverse impact on our business.

The most significant prior revisions to federal law governing the pharmaceutical industry and prescription drug pricing occurred in March 2010, when the ACA was signed into law. This law was intended to broaden access to health insurance by reducing the number of uninsured persons, reducing or constraining the growth of healthcare spending, enhancing remedies against fraud and abuse, adding transparency requirements for the healthcare and health insurance industries, imposing taxes and fees on the health industry and imposing additional health policy reforms. Congress is considering proposed legislation intended to further reduce healthcare costs with alternatives to replace the expiring ACA subsidies.

We expect that these health reform measures may result in more rigorous coverage criteria and lower reimbursement for prescription drugs, as well as result in additional downward pressure on any price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private third-party payors.

Other significant legislative changes impacting the pharmaceutical industry and prescription drug pricing have been adopted since the ACA was enacted. These changes include, among others, aggregate reductions to Medicare payments to providers of up to 2% per fiscal year pursuant to the Budget Control Act of 2011, which began in 2013 and, due to subsequent legislative amendments, including the Investment and Jobs Act, will remain in effect through 2032.

We participate in the Public Health Service's 340B Drug Pricing Program (which is administered by the Health Resources and Services Administration), the Medicaid Drug Rebate program, and other federal and state government pricing programs. Participation in some of these programs is required in order to obtain reimbursement of our drug products under Medicaid or Medicare Part B. These programs generally require that we provide discounts or pay rebates to certain payors when our products are dispensed to beneficiaries of these programs. Pricing and rebate calculations are complex and are often subject to interpretation by us, governmental or regulatory agencies, and the courts, which can change and evolve over time. Furthermore, regulatory and legislative changes, and judicial rulings relating to these programs and policies could introduce additional uncertainty for our business and impact our product prices and rebate liability. These could include expansion of the 340B Drug Pricing Program and growth of entities claiming entitlement under this program, changes to the calculation of rebates under the programs, or other regulatory changes impacting reimbursement. Continued expansion of the 340B Drug Pricing Program and growth of entities claiming entitlement to 340B pricing, including in ways that may be inconsistent with the statutory scheme, could impact our revenue.

The current administration is pursuing policies to reduce regulations and expenditures across the government including at HHS, the FDA, CMS and related agencies. These actions, presently directed by executive orders or memoranda from the Office of Management and Budget, may propose policy changes that create additional uncertainty for our business. For example, the current administration has announced agreements with several pharmaceutical companies that require the drug manufacturers to offer, through a direct-to-consumer platform, U.S. patients and Medicaid programs prescription drug Most-Favored Nation pricing equal to or lower than those paid in other developed nations, with additional mandates for direct-to-patient discounts and repatriation of foreign revenues.

Other recent actions, for example, include (1) directives to reduce agency workforces and cut programs; (2) directing HHS and other agencies to lower prescription drug costs through a variety of initiatives, including by improving upon the Medicare Drug Price Negotiation Program and establishing MFN pricing for pharmaceutical products; (3) imposing tariffs on certain imported pharmaceutical products; and (4) as part of the MAHA Commission's recent Strategy Report, working across government agencies to increase enforcement of direct-to-consumer pharmaceutical advertising, each of which creates uncertainty for us and could negatively impact our business.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Any such approved importation plans, when implemented, may result in lower drug prices for products covered by those programs. Further, certain states through legislation have created a state prescription drug affordability board (PDAB) to help control costs of drugs for that state. The functions of the PDABs vary by state, and may include among other things, recommending or setting upper limits on the price the state pays for certain drugs, performing drug affordability reviews, and advising state lawmakers on additional ways to reduce the state's drug spending. It is possible that the actions taken by the PDABs may result in lower prices for certain drug products sold in their states. The implementation of these cost containment measures may prevent us from being able to generate revenue, attain sustained profitability or commercialize our drugs, particularly since the majority of our current revenue is derived from federal healthcare programs, including Medicare and Medicaid.

**** If we are unable to protect our intellectual property, our competitors could develop and market products based on our discoveries, which may reduce demand for our products.***

Our success will depend on our ability to, among other things:

- obtain patent protection for our products;
- preserve our trade secrets;
- obtain, maintain, and enforce trademark, trade name, and service mark protection;
- prevent third parties from infringing upon our proprietary rights; and
- operate without infringing upon the proprietary rights of others, both in the U.S. and internationally.

Because of the substantial length of time and expense associated with bringing new products through the development and regulatory approval processes in order to reach the marketplace, the pharmaceutical industry places considerable importance on obtaining patent and trade secret protection for new technologies, products and processes. Accordingly, we intend to seek patent protection for our proprietary technology and compounds. However, we face the risk that we may not obtain any of these patents and that the breadth of claims we obtain, if any, may not provide adequate protection of our proprietary technology or compounds, particularly as courts continue to interpret and apply requirements relating to patent eligibility, written description, enablement, obviousness and other conditions for patentability. Changes in the interpretation or application of these requirements could adversely affect our ability to obtain, maintain, enforce or defend patents covering our products, product candidates, technologies or compounds. Additionally, if our employees, commercial collaborators or consultants use generative artificial intelligence (AI) technologies to develop our proprietary technology and compounds, it may impact our ability to obtain or successfully defend certain intellectual property rights. Further, to the extent any of our products, product candidates, technologies or compounds are developed using government funding or are in-licensed from, or developed in collaboration with, universities, academic institutions or other research institutions that received government funding, the U.S. government or other applicable government agencies may have rights in the resulting intellectual property, including march-in rights or other rights that could require us or our licensors to grant licenses to third parties or otherwise limit our ability to exclude competitors.

We also rely upon unpatented trade secrets and improvements, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, through confidentiality agreements with our commercial collaborators, employees and consultants. We also have invention or patent assignment agreements with our employees and some, but not all, of our commercial collaborators and consultants. However, if our employees, commercial collaborators or consultants breach these agreements, we may not have adequate remedies for any such breach, and our trade secrets may otherwise become known or independently discovered by our competitors.

In addition, although we own a number of patents, the issuance of a patent is not conclusive as to its validity or enforceability, and third parties have challenged and may in the future challenge the validity or enforceability of our patents, including patents listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book), or assert that our Orange Book patent listings are improper. We cannot assure you how much protection, if any, will be given to

our patents if we attempt to enforce them and they are challenged in court or in other proceedings. It is possible that a competitor may successfully challenge our patents or that challenges will result in limitations of their coverage. Moreover, competitors may infringe our patents or successfully avoid them through design innovation. In addition, potential competitors have in the past and may in the future file an abbreviated new drug application (ANDA) with the FDA seeking approval to market a generic version of our products, or our competitors' products, before the expiration of the patents covering our products or our competitors' products, as applicable, including by challenging patents listed in the Orange Book or asserting that our Orange Book patent listings are improper. A successful challenge to any of our patents, including Orange Book-listed patents, or to our Orange Book patent listings, could adversely affect our ability to prevent third parties from developing or commercializing generic or other competing products.

To prevent infringement or unauthorized use, we have in the past and may in the future need to file infringement claims, which are expensive and time-consuming. In addition, in an infringement proceeding a court may decide that a patent of ours or a patent of a competitor is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover its technology. Derivation proceedings declared by the U.S. Patent and Trademark Office may be necessary to determine the priority of inventions with respect to our patent applications (or those of our licensors) or a patent of a competitor. Litigation or derivation proceedings may fail and, even if successful, may result in substantial costs and be a distraction to management. Litigation or derivation proceedings, including proceedings of a competitor, may also result in a competitor entering the marketplace faster than expected. We cannot assure you that we will be able to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the U.S.

Changes in the FDA, the U.S. Patent and Trademark Office, other government agencies or comparable foreign regulatory authorities could hinder their ability to hire and retain key leadership and other personnel, delay the development and commercialization of new products or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA or comparable foreign regulatory authorities to review and approve new products, and the ability of the U.S. Patent and Trademark Office and other government agencies to perform their normal business functions, can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and manage user fee programs, and statutory, regulatory, and policy changes (such as reductions in force). FDA review performance has fluctuated in recent years as a result. In addition, government funding of other government agencies or comparable foreign regulatory authorities on which our operations may rely, including the U.S. Patent and Trademark Office, the Patent Trial and Appeal Board and those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA, other government agencies or comparable foreign regulatory authorities may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical employees and stop critical activities to the extent they are not funded by existing available user fees. A prolonged government shutdown could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, government shutdowns could impact our ability to access the public markets and obtain additional capital in the future.

**** Proposed healthcare reform, drug pricing measures and other prospective legislative initiatives could adversely affect our business.***

We expect that there will continue to be a number of federal and state proposals to implement additional government controls over the pricing of prescription pharmaceuticals. Increasing emphasis on reducing the cost of healthcare in the U.S. will continue to put pressure on the pricing and reimbursement of prescription pharmaceuticals.

In addition, certain jurisdictions outside of the U.S., including the EU, have instituted price ceilings on specific products and therapies, as described further in the risk factor titled "Government and third-party payors may impose sales and pharmaceutical pricing controls on our products or limit coverage and/or reimbursement for our products or impose policies and/or make decisions regarding the status of our products that could limit our product revenues and delay sustained profitability."

We are currently unable to predict what other additional legislation or regulation, if any, relating to the healthcare industry may be enacted in the future or what effect recently enacted federal or equivalent foreign legislation or any such additional legislation or regulation would have on our business. The pendency or approval of such proposals or reforms could result in a decrease in our stock price or limit our ability to raise capital or to enter into collaboration agreements for the further development and commercialization of our programs and products.

**** Any relationships with healthcare professionals, principal investigators, consultants, customers (actual and potential) and third-party payors in connection with our current and future business activities are and will continue to be subject, directly or indirectly, to federal and state healthcare laws. If we are unable to comply, or have not fully complied, with such laws, we could face penalties, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations.***

Our business operations and activities may be directly, or indirectly, subject to various federal and state healthcare laws, including without limitation, fraud and abuse laws, false claims laws, data privacy and security laws, as well as transparency laws regarding payments or other items of value provided to healthcare providers. These laws may restrict or prohibit a wide range of business activities, including, but not limited to, research, manufacturing, distribution, pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. These laws may impact, among other things, our current activities with principal investigators and research subjects, as well as current and future sales, marketing, patient co-payment assistance and education programs.

Such laws include:

- the federal Anti-Kickback Statute which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;
- the federal civil and criminal false claims laws, including the federal civil False Claims Act, and Civil Monetary Penalties Laws, which impose criminal and civil penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the Health Insurance Portability and Accountability Act (HIPAA), which imposes criminal and civil liability for, among other things, executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) and its implementing regulations, which also imposes obligations, including mandatory contractual terms, on covered entities, including certain healthcare providers, health plans and healthcare clearinghouses, as well as their business associates and their covered subcontractors, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to report annually to CMS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by physicians and their immediate family members; and
- analogous state, local and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state laws that require drug manufacturers to report information related to payments and other transfers of value to healthcare providers or marketing expenditures or drug pricing; state laws that require disclosure of price increases above certain identified thresholds as well as of new commercial launches in the state; state laws that create Prescription Drug Price Affordability Boards to review or attempt to cap drug spending; state and local "drug take back" laws and regulations; state laws that require the registration or licensure

of manufacturers and wholesale distributors of drug and biological products in a state, including, in certain states, for manufacturers and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state; state and local jurisdictions that require pharmaceutical and biotechnology companies to register their sales representatives; and state and foreign laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. While our interactions with healthcare professionals, including our speaker programs and other arrangements have been structured to comply with these laws and related guidance, it is possible that governmental and enforcement authorities will conclude that our business practices, business practices of our vendors or consultants, or a rogue employee's activities, may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws. For example, we maintain a patient assistance program to help eligible patients afford our products. These and other types of programs have become the subject of governmental scrutiny, and numerous organizations, including pharmaceutical manufacturers, have been subject to litigation, enforcement actions and settlements related to their patient assistance programs. In August 2025, we received a civil investigative demand from the U.S. Department of Justice (DOJ) requesting certain documents and information related to our sales and marketing of INGREZZA. We are cooperating with the DOJ's request. No assurance can be given as to the timing or outcome of the DOJ's investigation. If our operations or activities or those of our vendors are found to be in violation of any of the laws described above or any other applicable governmental regulations, we may be subject to, without limitation, significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate.

Any sales of our product once commercialized outside the U.S. will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. Additionally, because of our U.S. and international operations, we are also subject to anti-corruption laws and regulations, in the U.S. and internationally, including but not limited to the U.S. Foreign Corrupt Practices (FCPA), the U.K. Bribery Act 2010, and other applicable anti-bribery and corruption laws. Anti-corruption laws are interpreted broadly and prohibit corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. It is illegal to pay, offer to pay or authorize the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The FCPA also imposes accounting standards and requirements on publicly traded U.S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments. Recent years have seen substantial increase in the global enforcement of anti-corruption laws. Our operations outside the U.S. could increase the risk of such violations. Our business is also heavily regulated and involves significant interaction with foreign officials. In many countries outside the U.S., independent clinical investigators conducting our clinical trials and prescribers of our products are employed by government entities, and purchasers themselves can be government entities. As such, our interactions with such investigators, prescribers and purchasers may be subject to regulation under the FCPA, as well as other similar under anti-corruption laws and/or regulations enacted by other countries. Failure to comply with these laws, where applicable, can result in significant penalties, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal and equivalent foreign healthcare programs, and additional reporting requirements and regulatory oversight, any of which could adversely affect our ability to operate our business and our results of operations.

International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations and prospects.

We operate in a global economy, and our business depends on a global supply chain for the development, manufacturing, and distribution of our products, and for the advancement of our development programs. There is inherent risk, based on the complex relationships among the U.S. and the countries in which we conduct our business, that political, diplomatic, and national security factors can lead to global trade restrictions and changes in trade policies and export regulations that may adversely affect our business and operations.

We source and procure APIs, precursor chemicals, and specialized equipment from international suppliers, with substantial reliance on foreign contract manufacturers in Europe. Tariff policies, particularly those affecting pharmaceutical products, could increase our costs and reduce our profitability. Additionally, recent policy discussions have included potential targeted tariffs or other trade measures specifically aimed at pharmaceutical products and ingredients as part of broader healthcare cost control or national security initiatives. In April 2025, the U.S. Department of Commerce initiated an investigation on imports of pharmaceuticals and pharmaceutical ingredients, which may result in the current U.S. presidential administration taking actions to impose tariffs on the pharmaceutical industry. The U.S. presidential administration also indicated that it may impose a 100% tariff on any branded or patented pharmaceutical product, unless a company is building a pharmaceutical manufacturing plant in the U.S. The specific impact of the investigation and announcements to enact substantial tariffs on patented pharmaceutical products remain uncertain at this time but could negatively impact our business and operations. Unlike consumer goods, pharmaceuticals face unique regulatory constraints that make rapid supply chain adjustments particularly difficult and costly. Should tariffs be imposed specifically targeting pharmaceutical imports, our production costs could rise, and it would be difficult and costly to qualify alternative sources within another country with a lower tariff rate or within the U.S., as developing and qualifying alternative sources typically requires substantial time, investment, and regulatory approvals.

Unlike many industries, our ability to pass increased costs to customers is limited by the structure of pharmaceutical pricing and reimbursement systems. As a result, cost increases due to tariffs may be difficult or impossible to pass through to customers.

Current or future tariffs will also result in increased research and development expenses, including with respect to increased costs associated with APIs, raw materials, laboratory equipment and research materials and components. Trade restrictions affecting the import of materials necessary for clinical trials could result in delays to our development timelines. Increased development costs and extended development timelines could place us at a competitive disadvantage compared to companies operating in regions with more favorable trade relationships and could reduce investor confidence and negatively impact our business, results of operations, financial condition and growth prospects.

Trade disputes, tariffs, restrictions and other political tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns. The ultimate impact of current or future tariffs and trade restrictions remains uncertain and could materially and adversely affect our business, financial condition, and prospects. While we actively monitor these risks, any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, ability to access the capital markets or other financing sources, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described elsewhere in this report.

**** We could face liability if a regulatory authority determines that we are promoting our commercial products or any of our product candidates that receives regulatory approval, for "off-label" uses.***

A company may not promote "off-label" uses for its drug products. An off-label use is the use of a product for an indication that is not described in the product's FDA-approved label in the U.S. or for uses in other jurisdictions that differ from those approved by the applicable regulatory agencies. Healthcare providers, on the other hand, may prescribe products for off-label uses. Although the FDA and other regulatory agencies do not regulate a healthcare provider's choice of drug treatment made in the healthcare provider's independent medical judgment, they do restrict promotional communications from companies or their sales force with respect to off-label uses of products for which marketing clearance has not been issued. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. A company that is found to have promoted off-label use of its product may be subject to significant liability, including civil and criminal sanctions.

If the FDA or any other governmental agency, including equivalent foreign authorities, initiates an enforcement action against us, or if we are the subject of a *qui tam* suit brought by a private plaintiff on behalf of the government, and it is determined that we violated prohibitions relating to the promotion of products for unapproved uses, we could be subject to substantial civil or criminal fines or damage awards and other sanctions such as consent decrees and corporate integrity agreements pursuant to which our activities would be subject to ongoing scrutiny and monitoring to ensure compliance with applicable laws and regulations. Any such fines, awards or other sanctions would have an adverse effect on our revenue, business, financial prospects and reputation.

**** If our information technology systems or data, or those of third parties with whom we work, are compromised, now or in the future, we could experience adverse impacts resulting from such a compromise, including, but not limited to, interruptions to our operations such as our clinical trials, claims that we breached our data protection obligations, harm to our reputation, regulatory investigations or actions, litigation, fines and penalties, a loss of customers or sales, and other adverse impacts.***

We are increasingly dependent on information technology systems and infrastructure, including mobile technologies and technology systems and infrastructure of third parties upon whom we rely, including CROs and other vendors, to operate our business. In the ordinary course of our business, we and the third parties with whom we work, collect, receive, store, use, generate, disclose, make accessible, protect, dispose of, transmit, use, safeguard, share and transfer, or collectively, process, confidential and sensitive electronic information on our networks and in our data centers. This information includes, among other things, de-identified or pseudonymous sensitive personal data (including health data), our intellectual property and proprietary information, the confidential information of our collaborators and licensees, and the personal data of our employees. It is important to our operations and business strategy that this electronic information remains secure and is perceived to be secure. Our ability to protect such information also depends on effective data governance. This includes appropriate data classification, data retention practices, access controls and handling procedures for confidential and sensitive data. If we fail to classify data accurately or apply controls that are appropriate to the sensitivity of the data, the risk of unauthorized access, disclosure, loss or misuse could increase.

The size and complexity of our information technology systems, and those of third-party vendors with whom we contract, and the volume of data we retain, make such systems potentially vulnerable to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malware (such as malicious code, adware, and command and control (C2)), denial-of-service attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, attacks enhanced or facilitated by AI, telecommunications failures, and other similar threats. In addition, AI has and will continue to make existing threats more sophisticated and difficult to detect, increase the volume of threats, and generate new threats. Our ability to protect our information technology systems and data also depends in significant part on the conduct of our personnel, contractors, consultants, vendors and other authorized users. Intentional or inadvertent conduct by any of them could create or worsen security vulnerabilities despite our policies, training and technical controls. Such conduct may include failures to follow policies, susceptibility to phishing or other social engineering attacks, system misconfigurations, use of weak or compromised credentials, or inappropriate use of approved technologies.

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties with whom we work. Such threats continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors (also referred to as APTs). Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties with whom we work are vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, which could materially disrupt our systems and operations, as well as our ability to conduct clinical trials.

Ransomware attacks are increasingly prevalent and severe, and we have experienced such an attack and may again in the future. Ransomware attacks can lead to certain adverse consequences for our business, including significant interruptions in our operations (including our ability to conduct clinical trials), loss of sensitive data (including related to our clinical trials) and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments (including, for example, if applicable laws or regulations prohibit such payments). Similarly, supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties in our supply chain have not been compromised or that they do not contain exploitable defects, vulnerabilities, or bugs that could result in a breach of or disruption to our information technology systems and infrastructure or the information technology systems and infrastructure of third parties that support our operations.

Remote work has increased risks to our information technology systems and data, as certain of our employees work from home, utilizing network connections, computers and devices outside our premises, including at home, while in transit or in public locations.

Additionally, natural disasters, public health pandemics or epidemics, terrorism, war and geopolitical conflicts, and telecommunication and electrical failures may result in damage to or the interruption or impairment of key business processes, or the loss or corruption of confidential information, including intellectual property, proprietary business information and personal data.

Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities or modify our business activities (including our clinical trial activities) to try to protect against security incidents. Even if we continue to modify and enhance our protective measures, we may remain exposed to newly identified or previously unknown vulnerabilities while we evaluate, develop and implement responsive measures. There can be no assurance that our efforts to identify, prioritize and remediate vulnerabilities, or to enhance our controls, will be sufficient to address the speed, persistence and sophistication of threat actors or the development of new technologies, attack methods or exploitable vulnerabilities.

While we take steps designed to detect, mitigate, and remediate vulnerabilities in our information security systems (such as our hardware and/or software, including that of third parties with whom we work), there can be no assurance that these measures will be effective. We have experienced cybersecurity incidents, such as business email compromise, and identified vulnerabilities in the past, and may experience or identify more in the future. However, we may not detect and remediate all vulnerabilities, including on a timely basis, and we may experience delays in developing and deploying remedial measures and patches. Accordingly, vulnerabilities could be exploited and result in a security incident.

It may be, and in certain cases has been, difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

The previously identified and similar threats have in the past resulted in, and may in the future result in, security incidents or other interruptions involving the unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon who we rely.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email and other functions. We also rely on third-party service providers to provide other products, services, parts, or otherwise to operate our business, including clinical trial sites and investigators, contractors, manufacturers, suppliers and consultants. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers or CROs experience a security incident or other interruption, we could experience adverse consequences. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised or otherwise subject to a security incident. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

Although to our knowledge we, or the third parties upon who we rely, have not experienced a security incident or disruption to date that is material to us, we and our vendors have been, either directly or indirectly, the target of cybersecurity incidents and expect them to continue. While we have implemented security measures designed to protect our data security and information technology systems, those measures may not be effective in preventing all such events and may not timely detect, prevent, contain, or mitigate future events. Furthermore, while we have implemented certain redundancies designed to avoid interruptions to our operations, not all potential events can be anticipated and interruptions to our operations could lead to decreased productivity.

If we (or a third party with whom we work) experience a significant security incident, ransomware attack or are perceived to have experienced a significant security incident, we may experience material adverse consequences. Such material consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm (including but not limited to damage to our patient, partner, or employee relationships); monetary fund diversions; diversion of management's attention; interruptions in our operations (including availability of data, loss of connectivity to our network or internet); financial loss (including decreased productivity resulting from interruptions in our operations); and other similar harms. Similarly, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy. Applicable data privacy and security obligations may also require us, or we may voluntarily choose, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

Our contracts, with for example third parties or CROs, may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We also cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, our sensitive information could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' potential use of generative AI technologies.

**** Unfavorable geopolitical and macroeconomic developments could adversely affect our business, financial condition or results of operations.***

Our business could be adversely affected by conditions in the U.S. and global economies, the U.S. and global financial markets and adverse geopolitical and macroeconomic developments, including potential future disruptions in access to bank deposits due to bank failures, tariffs and trade barriers, government shutdowns and the resulting effects on regulatory agencies, geopolitical tensions, and military conflicts. General business and economic conditions that could affect our business, financial condition or results of operations include fluctuations in economic growth, inflation and interest rates, debt and equity capital markets, liquidity of the global financial markets, the availability and cost of credit, investor and consumer confidence, and the strength of the economies in which we, our manufacturers and suppliers, and our collaborators operate. A weak or declining global economy due to geopolitical tensions or tariffs and trade barriers could also strain our suppliers and manufacturers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

**** If we fail to obtain or maintain orphan drug designation or other regulatory exclusivity for some of our product candidates, our competitive position would be harmed.***

In addition to any patent protection, we rely on forms of regulatory exclusivity to protect our products such as orphan drug designation. A product candidate that receives orphan drug designation can benefit from a streamlined regulatory process as well as potential commercial benefits following approval. Under current law, this designation provides market exclusivity in the U.S. for seven years and EU for 10 years if a product is the first such product approved for such orphan indication. This market exclusivity does not, however, pertain to indications other than those for which the drug was specifically designated in the approval, nor does it prevent other types of drugs from receiving orphan designations or approvals in these same indications. Further, even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the product is clinically superior to the orphan product or a market shortage occurs.

In the EU, orphan exclusivity may be reduced to six years if the drug no longer satisfies the original designation criteria or can be lost altogether if the marketing authorization holder consents to a second orphan drug application or cannot supply enough drug, or when a second applicant demonstrates its drug is clinically superior to the original orphan drug. In addition, legislative, regulatory or judicial actions or interpretations by the U.S. Congress, the FDA, EU legislative and regulatory authorities, including the European Commission, the European Medicines Agency (EMA), courts or other regulators could modify, narrow, eliminate, reinterpret or shorten the duration or scope of existing statutory or regulatory exclusivity periods,

which could accelerate competition. The new EU pharmaceutical legislation, if finalized and implemented as currently anticipated, could also make certain regulatory protections in the EU more variable or conditional, including by modifying baseline protection periods and linking certain protections to launch, supply or other obligations.

If we do not have adequate patent protection for our products, then the relative importance of obtaining regulatory exclusivity is even greater. We may not be successful in obtaining orphan drug designations for any indications and, even if we succeed, such product candidates with such orphan drug designations may fail to achieve FDA approval. Even if a product candidate with orphan drug designation may receive marketing approval from the FDA, it may fail to result in or maintain orphan drug exclusivity upon approval, which would harm our competitive position.

The technologies we use in our research as well as the drug targets we select may infringe the patents or violate the proprietary rights of third parties.

We cannot assure you that third parties will not assert patent or other intellectual property infringement claims against us or our collaborators with respect to technologies used in potential products. If a patent infringement suit were brought against us or our collaborators, we or our collaborators could be forced to stop or delay developing, manufacturing or selling potential products that are claimed to infringe a third party's intellectual property unless that party grants us or our collaborators rights to use its intellectual property. In such cases, we could be required to obtain licenses to patents or proprietary rights of others in order to continue to commercialize our products. However, we may not be able to obtain any licenses required under any patents or proprietary rights of third parties on acceptable terms, or at all. Even if our collaborators or we were able to obtain rights to the third party's intellectual property, these rights may be non-exclusive, thereby giving our competitors access to the same intellectual property. Ultimately, we may be unable to commercialize some of our potential products or may have to cease some of our business operations as a result of patent infringement claims, which could severely harm our business.

**** Our business operations may subject us to disputes, claims and lawsuits, which may be costly and time-consuming and could materially and adversely impact our financial position and results of operations.***

From time to time, we may become involved in disputes, claims and lawsuits relating to our business operations, including matters involving companies or businesses that we have acquired. In particular, we may face claims related to the safety of our products, intellectual property matters, employment matters, tax matters, commercial disputes, competition, sales and marketing practices, environmental matters, personal injury, insurance coverage, acquisition or divestiture-related matters and securities law matters.

For example, prior to our acquisition of Soleno on May 18, 2026, on March 6, 2026, a purported stockholder of Soleno filed a putative federal securities class action against Soleno and certain members of Soleno's management alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and SEC Rule 10b-5 on behalf of a putative class of purchasers of Soleno stock during a purported class period of March 26, 2025 through November 4, 2025, inclusive.

Any dispute, claim or lawsuit may divert management's attention away from our business, we may incur significant expenses in addressing or defending any dispute, claim or lawsuit, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial results. In addition, the uncertainty associated with litigation could lead to increased volatility in our stock price.

Our employees, independent contractors, principal investigators, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees and independent contractors, such as principal investigators, consultants, commercial partners and vendors, or by employees of our commercial partners could include failures to comply with FDA regulations, to provide accurate information to the FDA, to comply with manufacturing standards we have established, to comply with federal and state healthcare fraud and abuse laws, to report financial information or data accurately, to maintain the confidentiality of our trade secrets or the trade secrets of our commercial partners, or to disclose unauthorized activities to us. In particular, sales, marketing and other business arrangements in the healthcare industry are subject to extensive laws intended to prevent fraud, kickbacks, self-dealing and other abusive practices. Employee and independent contractor misconduct could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. Any action against our employees, independent contractors, principal investigators, consultants, commercial partners or vendors for violations of these laws could result in significant civil, criminal and administrative penalties, fines and imprisonment.

**** We face potential product liability exposure far in excess of our insurance coverage.***

The use of any of our potential products in clinical trials, and the sale of any approved products may expose us to liability claims. These claims might be made directly by consumers, healthcare providers, pharmaceutical companies or others selling our products. We have product liability insurance coverage for both our clinical trials as well as related to the sale of our commercial products in amounts consistent with customary industry practices. However, our insurance may not reimburse us or may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability from any current or future clinical trials or approved products. A successful product liability claim, or series of claims, brought against us would decrease our cash reserves and could cause our stock price to fall. Furthermore, regardless of the eventual outcome of a product liability claim, any product liability claim against us may decrease demand for our approved products, damage our reputation, result in regulatory investigations that could require costly recalls or product modifications, cause clinical trial participants to withdrawal, result in costs to defend the related litigation, decrease our revenue, and divert management's attention from managing our business.

Our activities involve hazardous materials, and we may be liable for any resulting contamination or injuries.

Our research activities involve the controlled use of hazardous materials. We cannot eliminate the risk of accidental contamination or injury from these materials. If an accident occurs, a court may hold us liable for any resulting damages, which may harm our results of operations and cause us to use a substantial portion of our cash reserves, which would force us to seek additional financing.

We are subject to stringent and changing obligations related to data privacy and information security. Our actual or perceived failure to comply with such obligations could have a material adverse effect on our reputation, business, financial condition or results of operations.

In the ordinary course of our business, we process confidential and sensitive information, including personal data, proprietary and confidential business data, trade secrets, intellectual property, data we collect about clinical trial participants in connection with clinical trials, and sensitive third-party data, on our networks and in our data centers. We are subject to numerous federal, state, local and foreign laws, orders, codes, regulations and regulatory guidance regarding privacy, data protection, information security and the processing of personal information (including clinical trial data), the number and scope of which are expanding, changing, subject to differing applications and interpretations, and may be inconsistent among jurisdictions. Our data processing activities may also subject us to other data privacy and security obligations, such as industry standards, external and internal privacy and security policies, contracts and other obligations that govern the processing of data by us and by third parties on our behalf.

Laws regarding privacy, data protection, information security and the processing of personal data are becoming increasingly common in the U.S. at both the federal and state level. Additionally, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act, as amended by the California Privacy Rights Act of 2020 (collectively, CCPA), requires businesses to provide specific disclosures in privacy notices, and honor requests of California residents to exercise certain privacy rights. The CCPA allows for fines for noncompliance. Although some U.S. comprehensive privacy laws and the CCPA exempt some data processed in the context of clinical trials, these laws may increase compliance costs and potential liability with respect to other personal data we may maintain about California residents. Other states have also enacted data privacy laws and we expect more jurisdictions to pass similar laws in the future. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us and the third parties upon whom we rely.

Additionally, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information.

Laws in Europe regarding privacy, data protection, information security and the processing of personal data have also been significantly reformed and continue to undergo reform. For example, the EU's General Data Protection Regulation (EU GDPR) and the UK's GDPR (UK GDPR) (collectively, GDPR) impose strict requirements for processing the personal data of individuals located, respectively, within the European Economic Area (EEA) and the UK, and the Swiss Federal Act on Data Protection similarly applies to the collection and processing of personal data, including health-related information, in

Switzerland. The GDPR provides for enhanced data protection obligations for processors and controllers of personal data, including, for example, obligations relating to: processing health and other sensitive data; obtaining consent of individuals; providing notice to individuals regarding data processing activities; responding to data subject requests; taking certain measures when engaging third-party processors; notifying data subjects and regulators of data breaches; and implementing safeguards to protect the security and confidentiality of personal data. The GDPR imposes substantial fines for breaches of data protection requirements. For example, under the GDPR, such fines can be up to four percent of global revenue or 20 million euros under the EU GDPR / 17.5 million pounds sterling under the UK GDPR, whichever is greater in either case, and also allow for private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as EU regulations governing clinical trial data and other healthcare data, could require us to change our business practices or lead to government enforcement actions, private litigation or significant penalties against us and could have a material adverse effect on our business, financial condition or results of operations.

We may be subject to additional foreign data laws. For example, in Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA) and various related provincial laws, as well as Canada's Anti-Spam Legislation (CASL), may apply to our operations. As another example, the General Data Protection Law, Lei Geral de Proteção de Dados Pessoais (LGPD) (Law No. 13,709/2018), may apply to our operations. The LGPD broadly regulates processing personal data of individuals in Brazil and imposes compliance obligations and penalties comparable to those of the EU GDPR. We also target customers in Asia and may be subject to new and emerging data privacy regimes in Asia, including Japan's Act on the Protection of Personal Information and Singapore's Personal Data Protection Act.

In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the U.S. or other countries. Certain jurisdictions have enacted data localization laws and cross-border personal data transfers laws. For example, countries in the EEA and the UK have significantly restricted the transfer of personal data to the U.S. and other countries, whose privacy laws it generally believes are inadequate. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the U.S. in compliance with law, such as the EEA standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers for to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the U.S. If we cannot implement a valid compliance mechanism for cross-border personal data transfers or if the requirements for a legally-compliant transfer are too onerous, we may face increased exposure to regulatory actions, substantial fines and injunctions against processing or transferring personal data from Europe or elsewhere. The inability to import personal data to the U.S. may significantly and negatively impact our business operations, including by limiting our ability to conduct clinical trial activities in Europe and elsewhere; limiting our ability to collaborate with parties subject to European and other data protection laws or requiring us to increase our personal data processing capabilities in Europe and/or elsewhere at significant expense. Other jurisdictions may adopt or have already adopted similarly stringent interpretations of their data localization and cross-border data transfer laws. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the U.S., are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

Additionally, the DOJ issued a rule entitled the Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restriction on certain data transactions involving countries of concern (e.g., China, Russia, Iran) and covered persons (i.e., individuals and entities who are designated as such by the U.S. Attorney General or considered "foreign persons" and are majority owned by, organized under the laws of, a primary resident in, or a contractor of, a covered person or country of concern, as applicable) that may impact certain business activities such as vendor engagements, sale or sharing of data, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule applies regardless of whether data is anonymized, key-coded, pseudonymized, de-identified or encrypted, which presents particular challenges for companies like ours and may impact our ability to engage in certain transactions or agreements.

Our employees and personnel are permitted to use generative AI technologies to perform some of their work, and the disclosure and use of personal information data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and consumer lawsuits. Furthermore, it is possible that use of generative AI to develop our proprietary technology and compounds may also impact

our ability to obtain or successfully defend certain intellectual property rights. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.

In addition to data privacy and security laws, we may contractually be subject to industry standards adopted by industry groups and, we are, or may become subject to such obligations in the future. We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies, marketing materials and other statements regarding data privacy and security. Regulators in the U.S. are increasingly scrutinizing these statements, and if these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, misleading, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Our obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing in an increasingly stringent fashion and creating uncertainty. These obligations may be subject to differing applications and interpretations, which may be inconsistent among jurisdictions or in conflict. Preparing for and complying with these obligations requires us to devote significant resources (including, without limitation, financial and time-related resources). These obligations may necessitate changes to our information technologies, systems and practices and those of any third parties that process personal data on our behalf. In addition, these obligations may even require us to change our business model.

Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail (or be perceived to have failed) to do so. Moreover, despite our efforts, our personnel or third-parties upon whom we rely may fail to comply with such obligations that impacts our compliance posture. If we fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences. These consequences may include, but are not limited to, government enforcement actions, litigation (including class claims), additional reporting requirements and/or oversight, bans on processing personal data, imprisonment of company officials, and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, financial condition or results of operations.

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

Issuer Purchases of Equity Securities

The following table presents information relating to purchases of our common stock during the second quarter of 2026.

Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Dollar Value of Shares that May Yet Be Purchased Under the Program [1]
April 2026	76,015	$ 131.53	76,015	$ 266,310,935
	76,015		76,015	

(1) In February 2025, our Board of Directors authorized a share repurchase program (the 2025 Repurchase Program) under which we may repurchase up to $500.0 million of our common stock, subject to market conditions. The 2025 Repurchase Program is in addition to the $300.0 million repurchase program that was announced in October 2024 and completed in February 2025. Under the 2025 Repurchase Program, share repurchases may be made from time to time at management's discretion through a variety of methods, such as open-market transactions including pre-set trading plans, privately negotiated transactions, accelerated share repurchases, and other transactions in accordance with applicable securities laws.

Item 5. Other Information

During the period from April 1, 2026 to June 30, 2026, our officers (as defined in Rule 16a-1(f) under the Exchange Act) and/or directors adopted or terminated contracts, instructions or written plans for the purchase or sale of our securities as noted below:

			Trading Arrangement			
Name and Title	**Action**	**Date**	**Rule 10b5-1***	**Non-Rule 10b5-1****	**Total Shares Authorized to be Sold*****	**Expiration Date**
Eric Benevich Chief Commercial Officer	Adoption	6/9/2026	X		15,300	5/31/2027
Matthew Abernethy Chief Financial Officer	Adoption	5/22/2026	X		77,176	5/22/2027
George Morrow Director	Adoption	5/26/2026	X		15,000	5/22/2027

* Intended to satisfy the affirmative defense of Rule 10b5-1(c)

** Not intended to satisfy the affirmative defense of Rule 10b5-1(c)

*** Represents the maximum number of shares that may be sold pursuant to the 10b5-1 arrangement. The number of shares sold is dependent on the satisfaction of certain conditions as set forth in the written plan and the satisfaction of applicable vesting conditions of equity awards.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this report:

Exhibit		
2.1*	Description:	Agreement and Plan of Merger, dated April 5, 2026, by and among Neurocrine Biosciences, Inc., Sigma Merger Sub, Inc. and Soleno Therapeutics, Inc.
	Reference:	Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on April 6, 2026.
3.1	Description:	Certificate of Incorporation, as amended
	Reference:	Incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q filed on November 5, 2018
3.2	Description:	Bylaws, as amended
	Reference:	Incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q filed on October 30, 2024
4.1	Description:	Form of Common Stock Certificate
	Reference:	Incorporated by reference to the Company's Registration Statement on Form S-1 (Registration No. 333-03172)
10.1	Description:	Form of Tender and Support Agreement
	Reference:	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on April 6, 2026.
10.2*	Description:	Credit Agreement, dated May 14, 2026, among Neurocrine Biosciences, Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.
	Reference:	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 18, 2026.
10.3+	Description:	Neurocrine Biosciences, Inc. 2025 Equity Incentive Plan, as amended
31.1	Description:	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934
31.2	Description:	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934
32**	Description:	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Description:	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	Description:	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Description:	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Description:	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Description:	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Description:	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Description:	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibit 101)

+ Management contract or compensatory plan or arrangement.

* Certain annexes, exhibits or schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplemental copies of any of the omitted annexes, exhibits and schedules upon request by the U.S. Securities and Exchange Commission.

** These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and are not to be incorporated by reference into any filing of Neurocrine Biosciences, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Except as specifically noted above, the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K have a Commission File Number of 000-22705.

SIGNATURES

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

NEUROCRINE BIOSCIENCES, INC.

Dated: July 30, 2026

/s/ Matthew C. Abernethy

Matthew C. Abernethy
Chief Financial Officer
(Duly authorized officer and Principal Financial Officer)

NEUROCRINE BIOSCIENCES, INC.
2025 EQUITY INCENTIVE PLAN

ADOPTED BY THE COMPENSATION COMMITTEE: MARCH 14, 2025
APPROVED BY THE STOCKHOLDERS: MAY 21, 2025
AMENDED BY THE COMPENSATION COMMITTEE: MARCH 17, 2026
APPROVED BY THE STOCKHOLDERS: MAY 27, 2026

1. GENERAL.

(a) Relationship to Prior Plans. The Plan is the successor to the 2020 Plan. As of the Effective Date: (i) no additional awards may be granted under the 2020 Plan; and (ii) all Prior Plan Awards will remain subject to the terms of the applicable Prior Plan (except that any Prior Plans' Returning Shares will become available for issuance pursuant to Awards granted under this Plan). All Awards granted under this Plan will be subject to the terms of this Plan.

(b) Plan Purpose. The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(c) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(d) Adoption Date. The Plan will come into existence on the Adoption Date. No Award may be granted under the Plan prior to the Adoption Date. Any Award granted prior to the Effective Date is contingent upon timely receipt of stockholder approval to the extent required under applicable tax, securities and regulatory rules, and satisfaction of any other compliance requirements.

2. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve.

(i) Subject to Section 2(a)(iii), any adjustment in accordance with Section 2(b), and any adjustment as necessary to implement any Capitalization Adjustment, the aggregate number of shares of Common Stock that may be issued pursuant to Awards (the "***Share Reserve***") will not exceed: (A) the sum of (i) 7,800,000 shares that were approved at the 2025 Annual Meeting, (ii) an additional 4,000,000 shares that were approved at the 2026 Annual Meeting, and (iii) the Prior Plans' Returning Shares, if any, as such shares become available for issuance under this Plan from time to time; *minus* (B) one share for each share of Common Stock subject to an Appreciation Award granted under the 2020 Plan after March 24, 2025 and prior to the Effective Date and 2.43 shares for each share of Common Stock subject to a Full Value Award granted under the 2020 Plan after March 24, 2025 and prior to the Effective Date.

Award granted under the 2020 Plan after March 24, 2025 and prior to the Effective Date.

(ii) Subject to Section 2(b), the Share Reserve will be reduced by: (A) one share for each share of Common Stock issued pursuant to an Appreciation Award granted under the Plan; and (B) 2.43 shares for each share of Common Stock issued pursuant to a Full Value Award granted under the Plan.

(iii) Subject to Section 2(b), the Share Reserve will be increased by: (A) one share for each Prior Plans' Returning Share or 2025 Plan Returning Share (as defined in Section 2(b)(ii)) subject to an Appreciation Award; and (B) 2.43 shares for each Prior Plans' Returning Share or 2025 Plan Returning Share subject to a Full Value Award.

(iv) For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 2(a) does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(b) Share Reserve Operation.

(i) No Reduction to Share Reserve. The Share Reserve will not be reduced by any of the following shares of Common Stock and such shares will remain available for issuance under the Plan: (A) any shares subject to an Award that are not issued because such Award or any portion thereof expires or otherwise terminates without all of the shares covered by such Award having been issued; and (B) any shares subject to an Award that are not issued because such Award or any portion thereof is settled in cash.

(ii) Shares Available for Subsequent Issuance. The following shares of Common Stock (collectively, the "***2025 Plan Returning Shares***") will become available again for issuance under the Plan: (A) any shares issued pursuant to an Award that are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; and (B) any shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with a Full Value Award granted under the Plan.

(iii) Shares Not Available for Subsequent Issuance. The following shares of Common Stock will not revert to the Share Reserve or become available again for issuance under the Plan: (A) any shares that are reacquired or withheld (or not issued) by the Company to satisfy the exercise, strike or purchase price of an Award or a Prior Plan Award (including any shares subject to such award that are not delivered because such award is exercised through a reduction of shares subject to such award (*i.e.*, "net exercised")); (B) any shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with an Appreciation Award granted under the Plan or a Prior Plan; (C) any shares

repurchased by the Company on the open market with the proceeds of the exercise, strike or purchase price of an Award or a Prior Plan Award; and (D) in the event that a Stock Appreciation Right granted under the Plan or a stock appreciation right granted under a Prior Plan is settled in shares of Common Stock, the gross number of shares of Common Stock subject to such award.

3. ELIGIBILITY AND LIMITATIONS.

(a) Eligible Award Recipients. Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) Specific Award Limitations.

(i) Limitations on Incentive Stock Option Recipients. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders. A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (1) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (2) such Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) Limitations on Nonstatutory Stock Options and SARs. Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as "service recipient stock" under Section 409A because such Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

(c) Aggregate Incentive Stock Option Limit. Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustment as necessary to implement any Capitalization Adjustment, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 11,800,000 shares.

(d) Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid, as applicable, by the Company to any individual for service as a

Non-Employee Director with respect to any period commencing on the date of the Annual Meeting for a particular year and ending on the date immediately prior to the date of the Annual Meeting for the next subsequent year (the "***Annual Period***"), including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed $750,000 in total value. In addition, the aggregate value of any equity award(s) granted under the Plan or otherwise by the Company to any individual for service as a Non-Employee Director upon or in connection with his or her initial election or appointment to the Board will not exceed $1,500,000 in total value; for the avoidance of doubt, the aggregate compensation granted or paid, as applicable, by the Company to any individual for service as a Non-Employee Director with respect to an Annual Period in which such individual is first appointed or elected to the Board will not exceed the sum of the two preceding limitations in this Section 3(d). The value of any equity awards, for purposes of the limitations described in this Section 3(d), will be calculated based on the grant date fair value of such equity awards for financial reporting purposes.

4. OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock

Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; *provided, however*, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; *provided, however*, that each Option Agreement and SAR Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(a) Term. Subject to Section **Error! Reference source not found.** regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

(b) Exercise or Strike Price. Subject to Section **Error! Reference source not found.** regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Transaction and in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code.

(c) Exercise Procedure and Payment of Exercise Price for Options. In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as

determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash (including electronic funds transfers), check, bank draft or money order payable to the Company;

(ii) pursuant to a "cashless exercise" program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that is necessary to satisfy the exercise price, provided that any amount of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment;

(iv) if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the whole number of shares with a Fair Market Value on the date of exercise that is necessary to satisfy the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any amount of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) Exercise Procedure and Payment of Appreciation Distribution for SARs. In order to exercise a SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the SAR Agreement or otherwise provided by the Company. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) Transferability. The Board may impose such limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the restrictions set forth in this Section 4(e) on the transferability of Options and SARs will apply. Notwithstanding the foregoing or anything in the Plan or an Award Agreement to the contrary, no Option or SAR may be transferred to any third-party financial institution for value without prior stockholder approval.

(i) Restrictions on Transfer. An Option or SAR will not be transferable,

except by will or by the laws of descent and distribution (and pursuant to Sections 4(e)(ii) and 4(e)(iii) below), and will be exercisable during the lifetime of the Participant only by the Participant; *provided, however*, that the Company may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, provided the Participant and transferee enter into any transfer and other agreements required by the Company.

(ii) Domestic Relations Orders. The Company may permit an Option or SAR to be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Company, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with Applicable Law.

(f) Vesting. The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

(g) Termination of Continuous Service for Cause. Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service, and the Participant will have no further right, title or interest in the forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than for Cause. Except as otherwise provided in the Award Agreement, other written agreement between a Participant and the Company or an Affiliate or as otherwise determined by the Board, subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such

other period of time provided in the Award Agreement, other written agreement between a Participant and the Company or an Affiliate or as otherwise determined by the Board; *provided, however*, that in no event may such Award be exercised after the expiration of its maximum term as set forth in the Award Agreement:

(i) three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination or death, as applicable, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in the terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) Restrictions on Exercise; Extension of Exercisability. A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement, other written agreement between a Participant and the Company or an Affiliate or as otherwise determined by the Board, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law; or (ii) the immediate sale of any shares of Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions; *provided, however*, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in the Award Agreement).

(j) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in

accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then-current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Award will be exempt from the employee's regular rate of pay, the provisions of this Section 4(j) will apply to all Awards and are hereby incorporated by reference into such Award Agreements.

(k) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

5. AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.

(a) Restricted Stock Awards and RSU Awards. Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board. The terms and conditions of separate Restricted Stock Awards and RSU Awards need not be identical; *provided, however*, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(i) Form of Award.

(1) Restricted Stock Awards. To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) RSU Awards. A RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to a RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

(ii) Consideration.

(1) Restricted Stock Awards. A Restricted Stock Award may be granted in consideration for (A) cash (including electronic funds transfers), check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration (including future services) as the Board may determine and permissible under Applicable Law.

(2) RSU Awards. Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) Vesting. The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

(iv) Termination of Continuous Service. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (1) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination under the terms set forth in the Restricted Stock Award Agreement, and (2) any portion of the Participant's RSU Award that has not vested as of the date of such termination will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

(v) Settlement of RSU Awards. A RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. The Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

(b) Performance Awards. With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards.

Performance Awards that are settled in cash or other property are not required to be valued in

whole or in part by reference to, or otherwise based on, the Common Stock.

(c) Other Awards. Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof, may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards, and all other terms and conditions of such Other Awards.

6. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Common Stock subject to the Plan pursuant to Section 2(a); (ii) the class(es) and maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); and (iii) the class(es) and number of shares of Common Stock and the exercise, strike or purchase price of Common Stock subject to outstanding Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock will be created in order to implement any Capitalization Adjustment. The Board will determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that may be created by the adjustments referred to in the preceding provisions of this Section 6(a).

(b) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to a forfeiture condition or the Company's right of repurchase may be reacquired or repurchased by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service.

(c) Transaction. In the event of a Transaction, the provisions of this Section 6(c) will apply to each outstanding Award unless otherwise provided in the instrument evidencing the Award, in any other written agreement between a Participant and the Company or an Affiliate, or in any director compensation policy of the Company.

(i) Awards May Be Assumed. In the event of a Transaction, the Acquiring Entity may assume or continue any or all outstanding Awards or may substitute similar awards for any or all outstanding Awards (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued

pursuant to outstanding Awards may be assigned by the Company to the Acquiring Entity. For clarity, in the event of a Transaction, the Acquiring Entity may choose to assume or continue only a portion of an outstanding Award, to substitute a similar award for only a portion of an outstanding Award, or to assume or continue, or substitute similar awards for, the outstanding Awards held by some, but not all, Participants. The terms of any assumption, continuation or substitution will be set by the Board.

(ii) Awards Held by Current Participants. In the event of a Transaction in which the Acquiring Entity does not assume or continue outstanding Awards or substitute similar

awards for outstanding Awards, then with respect to any such Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Transaction (referred to as the "***Current Participants***"), the vesting (and exercisability, if applicable) of such Awards will be accelerated in full (and with respect to any such Awards that are subject to performance-based vesting conditions or requirements, vesting will be deemed to be satisfied at the greater of (x) the target level of performance or (y) the actual level of performance measured in accordance with the applicable performance goals as of the date of the Transaction) to a date prior to the effective time of such Transaction (contingent upon the effectiveness of the Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is 15 days prior to the effective time of the Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Transaction). With respect to the vesting of Awards that will accelerate upon the occurrence of a Transaction pursuant to this Section 6(c)(ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Transaction.

(iii) Awards Held by Participants other than Current Participants. In the event of a Transaction in which the Acquiring Entity does not assume or continue outstanding Awards or substitute similar awards for outstanding Awards, then with respect to any such Awards that have not been assumed, continued or substituted and that are held by Participants other than Current Participants, such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Transaction; *provided, however*, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Transaction.

(iv) Payment for Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event any outstanding Award held by a Participant will terminate if not exercised at or prior to the effective time of a Transaction, the Board may provide that the Participant may not exercise such Award but instead will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of such Award, over (2) any exercise price payable by the Participant in connection with such exercise. For clarity, such payment may be zero if the value of such property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Stock in connection with the Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

(d) Involuntary Termination Upon or Following a Transaction. Except as otherwise provided in the Award Agreement, in any other written agreement between a Participant and the Company or an Affiliate, in any severance plan of the Company governing the Participant's Awards under the Plan, or in any director compensation policy of the Company, in the event that an Employee or Director's Continuous Service is involuntarily terminated without Cause (including any such termination due to such Employee or Director's death or Disability) upon or within 12 months following the effective time of a Transaction, the vesting (and exercisability, if applicable) of any Assumed Awards (as defined in this Section 6(d)) held by such Employee or Director as of the date of such termination will be accelerated in full (and with respect to any such Awards that are subject to performance-based vesting conditions or requirements, vesting will be deemed to be satisfied at the greater of (x) the target level of performance or (y) the actual level of performance measured in accordance with the applicable performance goals as of the date of such termination), effective as of the date of such termination. For purposes of this Section 6(d), an "***Assumed Award***" means any outstanding Award that was assumed or continued, or any outstanding similar award that was granted in substitution for an Award, in each case by the Acquiring Entity in connection with the applicable Transaction.

(e) Parachute Payments. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate or in any severance plan of the Company that applies to the Participant, if any payment or benefit (including payments or benefits pursuant to this Plan or otherwise) that the Participant would or may receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment will be equal to the Reduced Amount. The "***Reduced Amount***" will be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Participant's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, the Participant will have no rights to any additional payments and/or benefits, and reduction shall occur in the manner that results in the greatest economic benefit for the Participant. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata.

In the event it is subsequently determined by the Internal Revenue Service that some portion of the Reduced Amount as determined pursuant to clause (x) in the preceding paragraph is subject to the Excise Tax, the Participant agrees to promptly return to the Company a sufficient amount of the Payment so that no portion of the Reduced Amount is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount is determined pursuant to clause (y) in the preceding paragraph, the Participant will have no obligation to return any portion of the Payment pursuant to the preceding sentence.

The foregoing calculations will be determined by the independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code or such nationally recognized independent registered public accounting firm chosen by the Company. The Company will bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder. Any good faith determinations of the independent registered public accounting firm made hereunder will be final, binding and conclusive upon the Company and the Participant.

(f) Appointment of Stockholder Representative. As a condition to the receipt of an Award, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

(g) No Restriction on Right to Undertake Transactions. The grant of any Award and the issuance of shares of Common Stock pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 7(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time: (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; and (6) the Fair Market Value applicable to an Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any

Award Agreement, in a manner and to the extent it deems necessary or expedient to make the

Plan or Awards fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock, including any Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan (including Section 7(b)(ix)) or an Award Agreement, suspension or termination of the Plan will not Materially Impair a Participant's rights under any Award granted while the Plan is in effect unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; *provided, however,* that stockholder approval will be required for any such amendment to the extent required by Applicable Law. Except as otherwise provided in the Plan (including Section 7(b)(ix)) or an Award Agreement, a Participant's rights under any Award granted before any amendment of the Plan will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided, however*, that except as otherwise provided in the Plan (including this Section 7(b)(ix)) or an Award Agreement, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with any Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revest in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more non-employee directors, as determined under Rule 16b-3(b)(3) of the Exchange Act, and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(e) Cancellation and Re-Grant of Awards. Except in connection with a Transaction, as provided in Section 6(a) relating to Capitalization Adjustments, or unless the stockholders of the Company have approved such an action within 12 months prior to such an event, neither the Board nor any Committee will have the authority to: (i) reduce the exercise or strike price of any outstanding Option or SAR; or (ii) cancel any outstanding Option or SAR that has an exercise or strike price greater than the then-current Fair Market Value in exchange for cash or other Awards under the Plan.

(f) Delegation to an Officer. The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof;

and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; *provided, however*, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

8. TAX WITHHOLDING.

(a) Withholding Authorization. As a condition to acceptance of any Award, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise,

obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company will have no obligation to issue shares of Common Stock subject to an Award, unless and until such withholding obligations are satisfied.

(b) Satisfaction of Withholding Obligations. To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment (which may be in the form of a check, electronic wire transfer or other method permitted by the Company); (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board; or (vi) by such other method as may be set forth in the Award Agreement or otherwise approved by the Board.

(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims. Except as required by Applicable Law, the Company has no duty or obligation to any Participant to advise such Participant as to the time or manner of exercising an Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such Participant of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to any Participant and will not be liable to any Participant for any adverse tax consequences to such Participant in connection with an Award. As a condition to accepting an Award, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her

own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges that any Option or SAR is exempt from Section 409A only if the exercise or strike price of such Option or SAR is at least equal to the "fair market value" of the Common Stock on the date of grant of such Option or SAR as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR, each Participant agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the exercise or strike price of such Option or SAR is less than the "fair market value" of the Common Stock on the date of grant of such Option or SAR as subsequently determined by the Internal Revenue Service.

(d) Withholding Indemnification. As a condition to accepting an Award, in the event that the amount of the Company's and/or its Affiliate's withholding obligations in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

9. MISCELLANEOUS.

(a) Dividends and Dividend Equivalents.

(i) Dividends or dividend equivalents may not be paid or credited to Options or SARs.

(ii) With respect to any Award other than an Option or SAR, dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to such Award, as determined by the Board and specified in the applicable Award Agreement; *provided, however*, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under the terms of such Award Agreement.

(b) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

(c) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(d) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as

of the date of such corporate action, unless otherwise determined by the Board, regardless of

when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (*e.g.*, Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (*e.g.*, exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(e) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

(f) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(g) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company or any Affiliate is reduced (for example, and without limitation, if the Participant is an Employee and has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(h) Execution of Additional Documents. As a condition to accepting an Award, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

(i) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or

posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award, the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company.

(j) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with the following, as applicable: (i) the Neurocrine Biosciences, Inc. Policy for Recoupment of Incentive Compensation; (ii) the Neurocrine Biosciences, Inc. Incentive Compensation Recoupment Policy; (iii) any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law; and (iv) any other clawback policy that the Company adopts. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntary terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

(k) Securities Law Compliance. A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

(l) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or an Award Agreement, Awards may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

(m) Effect on Other Employee Benefit Plans. The value of any Award, as determined upon grant, vesting or settlement, will not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

(n) Deferrals. To the extent permitted by Applicable Law, the Board may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals by will be made in accordance with the requirements of Section 409A.

(o) Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and each Award Agreement will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Company determines that any Award granted hereunder is not exempt from and is therefore

Company determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A is a "specified employee" for purposes of Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment may be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(p) Choice of Law. This Plan and any controversy arising out of or relating to this Plan will be governed by, and construed in accordance with, the internal laws of the State of California, without regard to conflict of law principles that would result in any application of any law other than the law of the State of California.

(q) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; *provided, however*, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for

failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

10. SEVERABILITY.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. SUSPENSION OR TERMINATION OF THE PLAN.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date; or (ii) the Effective Date. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

12. DEFINITIONS.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) "***2020 Plan***" means the Neurocrine Biosciences, Inc. 2020 Equity Incentive Plan.

(b) "***Acquiring Entity***" means the surviving or acquiring corporation (or the surviving or acquiring corporation's parent company) in connection with a Transaction.

(c) "***Adoption Date***" means the date the Plan is first approved by the Compensation Committee.

(d) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(e) "***Annual Meeting***" means the first meeting of the Company's stockholders held each calendar year at which Directors are selected.

(f) "***Applicable Law***" means any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any

applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock

Exchange, or the Financial Industry Regulatory Authority).

(g) "***Appreciation Award***" means (i) a stock option or stock appreciation right granted under a Prior Plan or (ii) an Option or SAR, in each case with respect to which the exercise or strike price is at least 100% of the Fair Market Value of the Common Stock subject to the stock option or stock appreciation right, or Option or SAR, as applicable, on the date of grant.

(h) "***Award***" means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a SAR, a Restricted Stock Award, a RSU Award, a Performance Award or any Other Award).

(i) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(j) "***Board***" means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board will be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination will be final and binding on all Participants.

(k) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(l) "***Cause***" has the meaning ascribed to such term in any written agreement between the Participant and the Company or an Affiliate defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any crime involving fraud, dishonesty or moral turpitude; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company or an Affiliate that results in (or might have reasonably resulted in) material harm to the business of the Company or an Affiliate; (iii) such Participant's intentional, material violation of any contract or agreement between such Participant and the Company or an Affiliate, or of any statutory duty such Participant owes to the Company or an Affiliate; or (iv) such Participant's conduct that constitutes gross insubordination, incompetence or habitual neglect of duties and that results in (or might have reasonably resulted in) material harm to the business of the Company or an Affiliate; *provided, however*, that the action or

conduct described in clauses (iii) and (iv) above will constitute "***Cause***" only if such action or conduct continues after the Company has provided such Participant with written notice thereof and not less than five business days to cure the same. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are Officers and by the Chief Executive Officer of the Company with respect to Participants who are not Officers. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(m) "***Change in Control***" or "***Change of Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; *provided, however*, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, such transaction also constitutes a Section 409A Change in Control:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the stockholders of the Company approve a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur, except for a liquidation into a parent corporation;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) individuals who, on the date the Plan is adopted by the Compensation Committee, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided, however*, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent

such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; *provided, however*, that (1) if no definition of Change in Control (or any analogous term) is set forth in such an individual written agreement, the foregoing definition will apply; and (2) no Change in Control (or any analogous term) will be deemed to occur with respect to Awards subject to such an individual written agreement without a requirement that the Change in Control (or any analogous term) actually occur.

(n) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(o) "***Committee***" means the Compensation Committee and any other committee of Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(p) "***Common Stock***" means the common stock of the Company.

(q) "***Company***" means Neurocrine Biosciences, Inc., a Delaware corporation.

(r) "***Compensation Committee***" means the Compensation Committee of the Board.

(s) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service,

will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(t) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however,* that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or a duly authorized Officer, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. A leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant or as otherwise approved by the Board (or a duly authorized Officer) or required by Applicable Law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(u) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(v) "***determine***" ***or*** "***determined***" means as determined by the Board or the

Committee (or its designee) in its sole discretion.

(w) "***Director***" means a member of the Board of Directors of the Company.

(x) "***Disability***" means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(y) "***Effective Date***" means the date of the Annual Meeting in 2025, provided this Plan is approved by the Company's stockholders at such meeting.

(z) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(aa) "***Employer***" means the Company or the Affiliate of the Company that employs the Participant.

(bb) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(cc) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(dd) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary, (ii) any employee benefit plan of the Company or any Subsidiary or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company, or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(ee) "***Fair Market Value***" means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume

of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(iii) In the absence of such exchange or market for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

good faith and in a manner that complies with Sections 409A and 422 of the Code.

(ff) "***Full Value Award***" means (i) a stock award granted under a Prior Plan or (ii) an Award, in each case that is not an Appreciation Award.

(gg) "***Governmental Body***" means any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any tax authority) or other body exercising similar powers or authority; or (iv) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(hh) "***Grant Notice***" means the notice provided to a Participant that he or she has been granted an Award and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(ii) "***Incentive Stock Option***" means an option granted pursuant to Section 4 that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(jj) "***Materially Impair***" means that a Participant's rights under an Award will be materially adversely affected by a suspension or termination of the Plan, an amendment of the Plan, or an amendment to the terms of the Award, as applicable. For purposes of the Plan, a Participant's rights under an Award will not be deemed to have been Materially Impaired by any of the foregoing actions if the Board determines that such action, taken as a whole, does not materially impair the Participant's rights under the Award. For example, an amendment to the terms of an Award in order to do any of the following, or that results in any of the following, will not be deemed to Materially Impair the Participant's rights under the Award: (i) an imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised; (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) a change in the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring

the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

(kk) "***Non-Employee Director***" means a Director who is not an employee of the Company or an Affiliate.

(ll) "***Nonstatutory Stock Option***" means any option granted pursuant to Section 4 that does not qualify as an Incentive Stock Option.

(mm) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(nn) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock which is granted pursuant to the terms and conditions of Section 4.

(oo) "***Option Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Option grant. The Option Agreement

includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(pp) "***Other Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 5(b).

(qq) "***Other Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(rr) "***Own***," "***Owned***," "***Owner***," or "***Ownership***" means that a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(ss) "***Participant***" means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(tt) "***Performance Award***" means an Award that may vest or may be exercised, or that may become earned and paid, contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted pursuant to the terms and conditions of Section 5(a)(v) and such terms as approved by the Board.

(uu) "***Performance Criteria***" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or

combination of, the following, as determined by the Board: (1) earnings (including earnings per share and net earnings, in either case before or after any or all of: interest, taxes, depreciation and amortization, legal settlements or other income (expense), or stock-based compensation, other non-cash expenses and changes in deferred revenue); (2) total stockholder return; (3) return on equity or average stockholder's equity; (4) return on assets, investment, or capital employed; (5) stock price; (6) margin (including gross margin); (7) income (before or after taxes); (8) operating income; (9) operating income after taxes; (10) pre-tax profit; (11) operating cash flow; (12) sales, prescriptions, or revenue targets; (13) increases in revenue or product revenue; (14) expenses and cost reduction goals; (15) improvement in or attainment of working capital levels; (16) economic value added (or an equivalent metric); (17) market share; (18) cash flow; (19) cash flow per share; (20) cash burn; (21) share price performance; (22) debt reduction; (23) implementation or completion of projects or processes (including, without limitation, discovery of a pre-clinical drug candidate, recommendation of a drug candidate to enter a clinical trial, clinical trial initiation, clinical trial enrollment and dates, clinical trial results, regulatory filing submissions, regulatory filing acceptances, regulatory or advisory committee interactions, regulatory approvals, presentation of studies and launch of commercial plans, compliance programs or education campaigns); (24) customer satisfaction; (25) stockholders' equity; (26) capital expenditures; (27) debt levels; (28) financings; (29) operating profit or net operating profit; (30) growth of net income or operating income; (31) billings; (32) employee hiring; (33) funds from operations; (34) budget management; (35) strategic partnerships or transactions (including acquisitions, joint ventures or licensing transactions); (36) engagement of thought leaders and patient advocacy groups; (37) enhancement of intellectual property portfolio, filing of patent applications and granting of patents; (38) litigation preparation and management; and (39) any other measure of performance selected by the Board.

(vv) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. The Board is authorized to make appropriate adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated Performance Goals; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset

impairment charges that are required to be recorded under generally accepted accounting

principles; (12) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the U.S. Food and Drug Administration or any other regulatory body; and (13) to make other appropriate adjustments selected by the Board. In addition, the Board retains the discretion to define the manner of calculating the Performance Criteria it selects to use for a Performance Period and to reduce or eliminate the compensation or economic benefit due upon the attainment of any Performance Goal. Partial attainment of any Performance Goal may result in payment or vesting corresponding to the degree of attainment as specified in the applicable Award Agreement or the written terms of a Performance Award.

(ww) "***Performance Period***" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to vesting or exercise of, or any payment under, an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(xx) "***Plan***" means this Neurocrine Biosciences, Inc. 2025 Equity Incentive Plan.

(yy) "***Plan Administrator***" means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company's other equity incentive programs.

(zz) "***Post-Termination Exercise Period***" means the period following termination of a Participant's Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

(aaa) "***Prior Plans***" means the 2020 Plan and the Neurocrine Biosciences, Inc. 2011 Equity Incentive Plan and each is a "***Prior Plan***".

(bbb) "***Prior Plan Award***" means an award granted under a Prior Plan that is outstanding as of the Effective Date.

(ccc) "***Prior Plans' Returning Shares***" means: (i) any shares of Common Stock subject to a Prior Plan Award that after March 24, 2025 are not issued because such Prior Plan Award or any portion thereof expires or otherwise terminates without all of the shares covered by such Prior Plan Award having been issued; (ii) any shares of Common Stock subject to a Prior Plan Award that after March 24, 2025 are not issued because such Prior Plan Award or any portion thereof is settled in cash; (iii) any shares of Common Stock issued pursuant to a Prior Plan Award that after March 24, 2025 are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; and (iv) any shares of Common Stock that after March 24, 2025 are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with a Full Value Award granted under a Prior Plan.

(ddd) "***Prospectus***" means the document containing the Plan information specified in Section 10(a) of the Securities Act.

(eee) "***Restricted Stock Award***" means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(fff) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and

conditions of the Plan.

(ggg) "***RSU Award***" means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(hhh) "***RSU Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a RSU Award grant. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

(iii) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(jjj) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(kkk) "***Section 409A***" means Section 409A of the Code and the regulations and other guidance thereunder.

(lll) "***Section 409A Change in Control***" means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(mmm) "***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(nnn) "***SAR***" or "***Stock Appreciation Right***" means a right to receive the appreciation on Common Stock which is granted pursuant to the terms and conditions of Section 4.

(ooo) "***SAR Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

(ppp) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(qqq) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(rrr) "***Trading Policy***" means the Company's policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

(sss) "***Transaction***" means a Corporate Transaction or a Change in Control.

32.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kyle W. Gano, Chief Executive Officer of Neurocrine Biosciences, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Neurocrine Biosciences, 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.

Dated: July 30, 2026

/s/ Kyle W. Gano

Kyle W. Gano

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew C. Abernethy, Chief Financial Officer of Neurocrine Biosciences, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Neurocrine Biosciences, 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.

Dated: July 30, 2026

/s/ Matthew C. Abernethy

Matthew C. Abernethy
Chief Financial Officer

CERTIFICATIONS OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Neurocrine Biosciences, Inc. (Company) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (Report), I, Kyle W. Gano, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), of the Securities Exchange Act of 1934; and

(2) That information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2026

By: /s/ Kyle W. Gano

Name: Kyle W. Gano
Title: Chief Executive Officer

In connection with the Quarterly Report of Neurocrine Biosciences, Inc. (Company) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (Report), I, Matthew C. Abernethy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), of the Securities Exchange Act of 1934; and

(2) That information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2026

By: /s/ Matthew C. Abernethy

Name: Matthew C. Abernethy
Title: Chief Financial Officer