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 September 30, 2026

or

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

For the transition period from _____ to _____

Commission file number: 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 101,218,643 as of October 26, 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)	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 641.5	$ 713.0
Available-for-sale debt securities	96.4	767.4
Accounts receivable	957.3	686.8
Inventory	66.1	69.0
Prepaid expenses	212.4	170.7
Other current assets	34.5	115.8
Total current assets	2,008.2	2,522.7
Noncurrent inventory	177.7	—
Noncurrent available-for-sale debt securities	51.8	1,063.0
Right-of-use assets	437.2	455.4
Equity investments	95.0	120.8
Property and equipment, net	92.2	89.8
Intangible assets, net	2,191.0	4.7
Goodwill	500.6	6.1
Deferred tax assets	11.8	320.3
Other noncurrent assets	61.9	48.7
Total assets	$ 5,627.4	$ 4,631.5
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 923.4	$ 674.3
Other current liabilities	61.2	69.1
Total current liabilities	984.6	743.4
Deferred tax liabilities	105.0	—
Noncurrent operating lease liabilities	392.3	415.3
Other noncurrent liabilities	266.8	219.7
Total liabilities	1,748.7	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; 101.3 and 100.1 shares issued and outstanding, respectively	0.1	0.1
Additional paid-in capital	3,035.8	2,792.2
Accumulated other comprehensive income	4.4	13.1
Retained earnings	838.4	447.7
Total stockholders’ equity	3,878.7	3,253.1
Total liabilities and stockholders’ equity	$ 5,627.4	$ 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 September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues:				
Net product sales	$ 1,119.0	$ 789.9	$ 2,884.3	$ 2,035.6
Collaboration revenues	3.7	5.0	11.9	19.4
Total revenues	1,122.7	794.9	2,896.2	2,055.0
Operating expenses:				
Cost of revenues, excluding amortization of acquired intangible assets	26.6	13.0	63.5	31.5
Research and development	351.8	250.0	974.7	757.5
Acquired in-process research and development	11.7	0.3	34.4	0.4
Selling, general, and administrative	366.3	291.6	1,124.5	854.4
Amortization of acquired intangible assets	35.0	1.0	51.5	3.0
Gain on sale of business, net of transaction costs	—	—	(28.6)	—
Total operating expenses	791.4	555.9	2,220.0	1,646.8
Operating income	331.3	239.0	676.2	408.2
Other (expense) income:				
Interest expense	(0.3)	—	(3.2)	—
Unrealized (loss) gain on equity investments	(52.3)	30.6	(25.8)	(6.7)
Investment income and other, net	5.0	22.2	45.5	64.5
Total other (expense) income, net	(47.6)	52.8	16.5	57.8
Income before provision for income taxes	283.7	291.8	692.7	466.0
Provision for income taxes	77.2	82.3	143.9	141.1
Net income	$ 206.5	$ 209.5	$ 548.8	$ 324.9
Foreign currency translation adjustments, net of tax	(0.1)	1.6	0.5	3.9
Unrealized (loss) gain on available-for-sale debt securities, net of tax	(0.6)	(0.9)	(9.2)	3.5
Comprehensive income	$ 205.8	$ 210.2	$ 540.1	$ 332.3
Earnings per share:				
Basic	$ 2.03	$ 2.11	$ 5.43	$ 3.27
Diluted	$ 1.96	$ 2.04	$ 5.26	$ 3.19
Weighted-average shares outstanding:				
Basic	101.6	99.4	101.0	99.3
Diluted	105.2	102.5	104.3	102.0

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	Total
Balance at June 30, 2026	101.6	$ 0.1	$ 2,964.4	$ 5.1	$ 724.0	$ 3,693.6
Net income	—	—	—	—	206.5	206.5
Other comprehensive loss, net of tax	—	—	—	(0.7)	—	(0.7)
Stock-based compensation expense	—	—	54.3	—	—	54.3
Issuances of common stock under benefit plans, net of tax	0.3	—	17.1	—	—	17.1
Repurchases of common stock	(0.6)	—	—	—	(92.1)	(92.1)
Balance at September 30, 2026	101.3	$ 0.1	$ 3,035.8	$ 4.4	$ 838.4	$ 3,878.7
Balance at June 30, 2025	99.0	$ 0.1	$ 2,597.2	$ 12.5	$ 84.5	$ 2,694.3
Net income	—	—	—	—	209.5	209.5
Other comprehensive income, net of tax	—	—	—	0.7	—	0.7
Stock-based compensation expense	—	—	53.7	—	—	53.7
Issuances of common stock under benefit plans	0.7	—	45.4	—	—	45.4
Repurchases of common stock	—	—	—	—	—	—
Balance at September 30, 2025	99.7	$ 0.1	$ 2,696.3	$ 13.2	$ 294.0	$ 3,003.6
Balance at December 31, 2025	100.1	$ 0.1	$ 2,792.2	$ 13.1	$ 447.7	$ 3,253.1
Net income	—	—	—	—	548.8	548.8
Other comprehensive loss, net of tax	—	—	—	(8.7)	—	(8.7)
Stock-based compensation expense	—	—	176.5	—	—	176.5
Issuances of common stock under benefit plans, net of tax	2.3	—	67.1	—	—	67.1
Repurchases of common stock	(1.1)	—	—	—	(158.1)	(158.1)
Balance at September 30, 2026	101.3	$ 0.1	$ 3,035.8	$ 4.4	$ 838.4	$ 3,878.7
Balance at December 31, 2024	99.4	$ 0.1	$ 2,554.6	$ 5.8	$ 29.2	$ 2,589.7
Net income	—	—	—	—	324.9	324.9
Other comprehensive income, net of tax	—	—	—	7.4	—	7.4
Stock-based compensation expense	—	—	159.3	—	—	159.3
Issuances of common stock under benefit plans	2.1	—	90.0	—	—	90.0
Repurchases of common stock	(1.8)	—	(107.6)	—	(60.1)	(167.7)
Balance at September 30, 2025	99.7	$ 0.1	$ 2,696.3	$ 13.2	$ 294.0	$ 3,003.6

See accompanying notes to the condensed consolidated financial statements.

NEUROCRINE BIOSCIENCES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in millions)	Nine Months Ended September 30, 2026	2025
Cash flows from operating activities:		
Net income	$ 548.8	$ 324.9
Adjustments to reconcile net income to net cash from operating activities:		
Stock-based compensation	176.5	159.3
Depreciation	24.6	19.6
Amortization of inventory fair-value step-up	9.3	—
Accretion of discount on available-for-sale debt securities, net	(1.5)	(10.7)
Realized loss on sale of available-for-sale debt securities	5.2	—
Amortization of acquired intangible assets	51.5	3.0
Changes in fair values of equity investments	25.8	6.7
Deferred income taxes	(75.8)	117.2
Non-cash lease expense	4.6	20.9
Gain on sale of business, net of transaction costs	(28.6)	—
Other	0.2	1.4
Change in operating assets and liabilities:		
Accounts receivable	(235.9)	(248.9)
Inventory	1.1	(11.9)
Accounts payable and accrued liabilities	54.0	83.7
Income tax assets and liabilities	103.6	(54.3)
Other assets and liabilities, net	14.0	(16.6)
Cash flows from operating activities	677.4	394.3
Cash flows from investing activities:		
Purchases of available-for-sale debt securities	(861.4)	(996.8)
Sales and maturities of available-for-sale debt securities	2,532.5	821.7
Acquisition of business, net of cash acquired	(2,358.5)	—
Proceeds from sale of business	63.2	—
Capital expenditures	(28.5)	(36.4)
Cash flows from investing activities	(652.7)	(211.5)
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	133.7	92.1
Taxes paid related to net share settlement of equity awards	(66.6)	—
Repurchases of common stock	(158.1)	(167.7)
Cash flows from financing activities	(97.7)	(75.6)
Change in cash, cash equivalents and restricted cash	(73.0)	107.2
Cash, cash equivalents and restricted cash at beginning of period	721.0	241.0
Cash, cash equivalents and restricted cash at end of period	$ 648.0	$ 348.2

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 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 of 2026 and were included in selling, general, and administrative expenses.

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. For the third quarter of 2026 and from the acquisition date through September 30, 2026, total net revenues attributable to Soleno were $106.7 million and $161.1 million, respectively. Soleno contributed net income of $17.1 million for the third quarter of 2026 and a net loss of $35.1 million from the acquisition date through September 30, 2026. These results included $59.7 million and $163.3 million, respectively, of acquisition-related expenses and amortization expense associated with the VYKAT XR fair-value step-up and acquired VYKAT XR developed product rights.

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 September 30,		Nine Months Ended September 30,	
(in millions)	2026	2025	2026	2025
Revenues	$ 1,122.7	$ 860.9	$ 3,030.2	$ 2,153.7
Net income (loss)	$ 204.3	$ 199.7	$ 599.4	$ 141.8

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-related cash bonuses paid to certain Soleno employees, from the historical periods in which such costs were recognized to the period 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 periods in which such costs were recognized to the period 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.

(in millions)	September 30, 2026			December 31, 2025		
	Fair Value	Leveling		Fair Value	Leveling	
		Level 1	Level 2		Level 1	Level 2
Cash and cash equivalents	$ 641.5	$ 641.5	$ —	$ 713.0	$ 713.0	$ —
Available-for-sale debt securities	148.2	—	148.2	1,830.4	—	1,830.4
Equity investments	95.0	95.0	—	120.8	120.8	—
	$ 884.7	$ 736.5	$ 148.2	$ 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 September 30, 2026 and December 31, 2025, we held available-for-sale debt securities with a total fair value of $144.1 million and $335.1 million, respectively, that were in unrealized loss positions totaling $1.2 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 September 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 $1.7 million and $20.5 million, respectively, as of September 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.

	Nine Months Ended September 30,	
	2026	2025
Customer A	36 %	41 %
Customer B	24 %	28 %
Customer C	29 %	17 %

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.

	September 30, 2026	December 31, 2025
Customer A	48 %	41 %
Customer B	21 %	31 %
Customer C	20 %	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
Additions in connection with the acquisition of Soleno Therapeutics, Inc. in May 2026	494.6
Foreign currency translation adjustments	(0.1)
Balance as of September 30, 2026	$ 500.6

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

	September 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	$ 51.8	$ 2,191.0	$ 5.0	$ 0.3	$ 4.7
Total intangible assets, net			$ 2,191.0			$ 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 September 30, 2026.

(in millions)	Amount
2026 (3 months remaining)	$ 35.0
2027	$ 140.2
2028	$ 140.2
2029	$ 140.2
2030	$ 140.2
Thereafter	$ 1,595.2

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 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 and repayments of borrowings under the 2026 Credit Facility and debt issuance costs paid to third parties, including certain reimbursed third-party costs, are presented separately within financing activities. As of September 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 September 30, 2026, unamortized deferred financing costs were $6.1 million and were included in other noncurrent assets in the condensed consolidated balance sheet as of September 30, 2026. In addition, interest expense associated with the 2026 Credit Facility totaled $0.3 million and $3.2 million, respectively, for the third quarter and first nine months of 2026.

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 September 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.

	Nine Months Ended September 30,	
(in millions, except weighted average data)	**2026**	**2025**
Operating lease cost	$ 47.3	$ 49.0
Sublease income	(2.9)	(2.6)
Net operating lease cost	$ 44.4	$ 46.4
Cash paid for amounts included in the measurement of operating lease liabilities	$ 42.8	$ 28.2

	September 30,	
	2026	**2025**
Weighted average remaining lease term	9.2 years	10.1 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 September 30, 2026.

(dollars in millions)	**Operating Leases**	**Sublease Income**
2026 (3 months remaining)	$ 15.2	$ (1.0)
2027	61.0	(4.0)
2028	62.4	(4.0)
2029	61.3	(3.6)
2030	60.7	(3.5)
Thereafter	307.0	(2.0)
Total operating lease payments (sublease income)	567.6	$ (18.1)
Less imputed interest	115.8	
Total operating lease liabilities	451.8	
Less current operating lease liabilities included in other current liabilities	59.5	
Noncurrent operating lease liabilities	$ 392.3	

7. Supplemental Financial Information

Inventory consisted of the following:

(in millions)	September 30, 2026	December 31, 2025
Raw materials	$ 38.8	$ 35.7
Work in process	67.7	19.2
Finished goods	137.3	14.1
Total inventory	243.8	69.0
Balance Sheet Classification:		
Inventory	$ 66.1	$ 69.0
Noncurrent inventory	177.7	—
Total inventory	$ 243.8	$ 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 September 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 September 30, 2026 and December 31, 2025.

As of September 30, 2026, noncurrent inventory consisted of inventory that, based on management's current demand forecasts, was expected to be realized after September 30, 2027.

In connection with the acquisition of Soleno in May 2026, 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 expense of $6.3 million and $9.3 million, respectively, related to the amortization of the fair-value step-up during the third quarter and first nine months of 2026.

Prepaid expenses consisted of the following:

(in millions)	September 30, 2026	December 31, 2025
Prepaid income taxes	$ 117.6	$ 94.0
Prepaid development costs	60.4	55.6
Other prepaid expenses	34.4	21.1
Total prepaid expenses	$ 212.4	$ 170.7

Accounts payable and accrued liabilities consisted of the following:

(in millions)	September 30, 2026	December 31, 2025
Sales rebates and reserves	$ 316.2	$ 226.0
Current income taxes payable	150.1	68.0
Accrued development costs	92.3	101.3
Accrued employee related costs	169.3	128.8
Current branded prescription drug fee	45.0	45.3
Accounts payable and other accrued liabilities	150.5	104.9
Total accounts payable and accrued liabilities	$ 923.4	$ 674.3

Other noncurrent liabilities consisted of the following:

(in millions)	September 30, 2026	December 31, 2025
Noncurrent income taxes payable	$ 266.6	$ 214.5
Other noncurrent liabilities	0.2	5.2
Total other noncurrent liabilities	$ 266.8	$ 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)	September 30, 2026	September 30, 2025
Cash and cash equivalents	$ 641.5	$ 340.2
Restricted cash included in other noncurrent assets	6.5	8.0
Total cash, cash equivalents, and restricted cash	$ 648.0	$ 348.2

The following table presents supplemental cash flow information.

	Nine Months Ended September 30,	
(in millions)	2026	2025
Cash paid for interest	$ 2.7	$ —
Cash paid for income taxes	$ 111.3	$ 73.6
Accrued capital expenditures	$ 0.7	$ 0.6
Right-of-use assets acquired through operating leases	$ 2.6	$ —

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 September 30,		Nine Months Ended September 30,	
(in millions)	2026	2025	2026	2025
Number of shares	0.6	—	1.1	1.8
Total cost of shares [1]	$ 92.1	$ —	$ 158.1	$ 167.7

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

As of September 30, 2026, we had $174.2 million remaining under the 2025 Repurchase Program.

9. Earnings per Share

Earnings per share were calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share data)	2026	2025	2026	2025
Net income - basic and diluted	$ 206.5	$ 209.5	$ 548.8	$ 324.9
Weighted-average common shares outstanding:				
Basic	101.6	99.4	101.0	99.3
Effect of dilutive securities	3.6	3.1	3.3	2.7
Diluted	105.2	102.5	104.3	102.0
Earnings per share:				
Basic	$ 2.03	$ 2.11	$ 5.43	$ 3.27
Diluted	$ 1.96	$ 2.04	$ 5.26	$ 3.19
Shares excluded from diluted per share amounts because their effect would have been anti-dilutive	2.4	3.3	3.8	4.3

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-1117567 is an investigational oral M1-preferring muscarinic agonist in development as a potential treatment for Alzheimer’s cognition. In connection with the U.S. Food and Drug Administration's acceptance of our investigational new drug application for a Phase 2 study of NBI-1117567 for the treatment of Alzheimer's cognition in August 2026, we expensed a milestone payment of $10.0 million as research and development (R&D) in the third quarter of 2026.

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 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 $2.5 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 luvadaxistat, and GPR139 agonists, including 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 $1.7 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 $6.1 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 September 30,		Nine Months Ended September 30,	
(in millions)	2026	2025	2026	2025
Revenues:				
INGREZZA net product sales	$ 801.5	$ 686.6	$ 2,174.8	$ 1,856.2
CRENESSITY net product sales	210.8	98.1	547.6	165.8
VYKAT XR net product sales	106.7	—	161.0	—
Other revenues [1]	3.7	10.2	12.8	33.0
Total revenues	1,122.7	794.9	2,896.2	2,055.0
Less:				
Cost of revenues, excluding amortization of acquired intangible assets	26.6	13.0	63.5	31.5
Research and development:				
External research and development	192.0	141.8	508.5	370.3
Payroll and benefits	106.6	74.6	306.5	221.8
Milestones	10.0	1.0	32.9	61.5
Other research and development [2]	43.2	32.6	126.8	103.9
Total research and development	351.8	250.0	974.7	757.5
Acquired in-process research and development	11.7	0.3	34.4	0.4
Selling, general, and administrative	366.3	291.6	1,124.5	854.4
Amortization of acquired intangible assets	35.0	1.0	51.5	3.0
Gain on sale of business, net of transaction costs	—	—	(28.6)	—
Interest expense	0.3	—	3.2	—
Unrealized loss (gain) on equity investments	52.3	(30.6)	25.8	6.7
Investment income and other, net	(5.0)	(22.2)	(45.5)	(64.5)
Provision for income taxes	77.2	82.3	143.9	141.1
Net income	$ 206.5	$ 209.5	$ 548.8	$ 324.9

(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. Other revenues also included net product sales of Neurocrine Group Limited (formerly Diurnal Group plc) for periods prior to its sale on January 21, 2026.

(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 (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.

In September 2026, we received a notice from Alvogen, Inc. (Alvogen) that it had filed an ANDA with the FDA seeking approval of a generic version of VYKAT XR (diazoxide choline). The ANDA contained a Paragraph IV Patent Certification alleging that certain of our patents covering VYKAT XR are invalid and/or will not be infringed by Alvogen'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 October 2026 against Alvogen. The complaint alleged that by filing their ANDA, Alvogen infringed certain of our patents covering VYKAT XR and seeks to prevent Alvogen from selling a generic version of VYKAT XR. The filing of the suit triggered a statutory 30-month stay of FDA approval of Alvogen's ANDA in addition to the existing New Product and Orphan Drug Exclusivities which expire in March 2028 and March 2032, respectively.

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. On August 28, 2026, Lead Plaintiff filed an amended complaint which added additional causes of action for alleged violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended. On October 30, 2026, Defendants filed a joint motion to dismiss. Lead Plaintiff's opposition to the motion to dismiss is due on December 18, 2026, and Defendants must file a reply by January 29, 2027. 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 June 30, 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 nine months of 2026 increased $848.7 million, or 41.7%, to $2.9 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 September 30, 2026, we had $1.0 billion of available borrowing capacity under the 2026 Credit Facility.
- 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.
- Announced that Eiry W. Roberts, M.D., who previously served as Neurocrine's Chief Medical Officer (CMO) and most recently as a Strategic Advisor, has rejoined the Company's executive management team as CMO.
- 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 evaluating the efficacy, safety, tolerability, and pharmacokinetics of NBI-1117567, an investigational M1/M4 (M1-preferring) selective muscarinic agonist being developed as an adjunctive therapy for cognitive impairment in Alzheimer’s disease.
- 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 a Phase 1 first-in-human clinical study evaluating the safety and tolerability of NBIM-'1008, an investigational therapy being developed for rheumatoid arthritis and other immune-mediated diseases.
- Initiated a Phase 1 first-in-human clinical study evaluating the safety and tolerability of NBIP-'1968, an investigational GLP-1/GIP/glucagon receptor triple agonist being developed as a therapy for obesity.
- 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 publication of the KINECT-PRO™ Phase 4 open-label study results demonstrating that treatment with once-daily INGREZZA capsules resulted in substantial and sustained improvements in patient-reported quality of life and functionality, alongside improvements in clinician-rated TD movement severity. Improvements were observed regardless of underlying psychiatric diagnosis or baseline TD movement severity, including among participants with clinician-rated mild TD movements. The manuscript appears in CNS Spectrums.
- 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 research advancing the understanding of Prader-Willi syndrome and real-world experience with VYKAT XR at the Foundation for Prader-Willi Research Symposium & Family Conference.
- 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 Nine Months Ended September 30, 2026 and 2025

(in millions, except per share data)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Revenues	$ 1,122.7	$ 794.9	$ 2,896.2	$ 2,055.0
Operating expenses	791.4	555.9	2,220.0	1,646.8
Operating income	331.3	239.0	676.2	408.2
Other (expense) income	(47.6)	52.8	16.5	57.8
Provision for income taxes	77.2	82.3	143.9	141.1
Net income	$ 206.5	$ 209.5	$ 548.8	$ 324.9
Earnings per share, diluted	$ 1.96	$ 2.04	$ 5.26	$ 3.19
Weighted average common shares outstanding, diluted	105.2	102.5	104.3	102.0

Revenues

(in millions)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
INGREZZA net product sales	$ 801.5	$ 686.6	$ 2,174.8	$ 1,856.2
CRENESSITY net product sales	210.8	98.1	547.6	165.8
VYKAT XR net product sales	106.7	—	161.0	—
Other	—	5.2	0.9	13.6
Total net product sales	1,119.0	789.9	2,884.3	2,035.6
Collaboration revenues	3.7	5.0	11.9	19.4
Total revenues	$ 1,122.7	$ 794.9	$ 2,896.2	$ 2,055.0

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 September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Cost of revenues, excluding amortization of acquired intangible assets	$ 26.6	$ 13.0	$ 63.5	$ 31.5
as a % of total revenues	2.4 %	1.6 %	2.2 %	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, and increased 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. 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Late stage	$ 82.5	$ 52.2	$ 219.8	$ 126.3
Early stage	37.8	16.1	93.8	54.5
Research and discovery	71.7	73.5	194.9	189.5
Milestones	10.0	1.0	32.9	61.5
Payroll and benefits	106.6	74.6	306.5	221.8
Facilities and other	43.2	32.6	126.8	103.9
Total research and development	$ 351.8	$ 250.0	$ 974.7	$ 757.5
as a % of total revenues	31.3 %	31.5 %	33.7 %	36.9 %

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 direclidine in schizophrenia and osavampator in major depressive disorder (MDD).

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 2 program for NBI-1065890 in TD, the Phase 1 program for NBIP-01435 in CAH, and our early-stage obesity and immunology programs, partially offset by the progression of the Phase 2 program for NBI-1117567 in Alzheimer's cognition to late-stage in the second quarter of 2026 and decreased investments in certain early-stage psychiatry 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 change 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
Nxera Pharma UK Limited	$ 10.0	$ —	$ 32.5	$ 15.0
Takeda Pharmaceutical Company Limited	—	—	—	37.5
Xenon Pharmaceuticals Inc.	—	—	—	7.5
Other	—	1.0	0.4	1.5
Total milestones	$ 10.0	$ 1.0	$ 32.9	$ 61.5

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 clinical pipeline and 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. In addition, the third quarter and first nine months of 2026 also reflected acquisition-related expenses of $8.9 million and $32.0 million, respectively. Acquisition-related expenses for the first nine months of 2026 included $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 September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Acquired in-process research and development	$ 11.7	$ 0.3	$ 34.4	$ 0.4
as a % of total revenues	1.0 %	— %	1.2 %	— %

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

Selling, General, and Administrative (SG&A)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Selling, general, and administrative	$ 366.3	$ 291.6	$ 1,124.5	$ 854.4
as a % of total revenues	32.6 %	36.7 %	38.8 %	41.6 %

Compared with the comparable periods last year, the increase primarily reflected continued investment in our commercial organization supporting INGREZZA growth and the launch of CRENESSITY and VYKAT XR, including the expansion of our INGREZZA and CRENESSITY sales teams in the first quarter of 2026. In addition, the third quarter and first nine months of 2026 also reflected $9.7 million and $106.5 million, respectively, or acquisition-related expenses. Acquisition-related expenses for the first nine months of 2026 included $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 September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Amortization of acquired intangible assets	$ 35.0	$ 1.0	$ 51.5	$ 3.0
as a % of total revenues	3.1 %	0.1 %	1.8 %	0.1 %

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 $2.2 billion as of the acquisition date.

Gain on Sale of Business, Net of Transaction Costs

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

The first nine months of 2026 reflected a pre-tax gain, net of transaction costs, recognized on the sale of Neurocrine Group Limited in January 2026.

Other (Expense) Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
Interest expense	$ (0.3)	$ —	$ (3.2)	$ —
Unrealized (loss) gain on equity investments	(52.3)	30.6	(25.8)	(6.7)
Investment income and other, net	5.0	22.2	45.5	64.5
Total other (expense) income, net	$ (47.6)	$ 52.8	$ 16.5	$ 57.8

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Provision for income taxes	$ 77.2	$ 82.3	$ 143.9	$ 141.1
Effective tax rate	27.2 %	28.2 %	20.8 %	30.3 %

For the third quarter and first nine 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 third quarter and first nine 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 valuation allowances recorded in certain foreign and domestic state jurisdictions for tax benefits that management cannot conclude are more likely than not to be realized in the future. In addition, the effective tax rate for the third quarter of 2025 reflects increased tax expense related to foreign operations and the enactment of the One Big Beautiful Bill Act (OBBBA).

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 $2.8 billion, and cash paid to acquire Soleno, net of cash acquired, was $2.4 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 September 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)	September 30, 2026	December 31, 2025
Total cash, cash equivalents, and marketable securities	$ 789.7	$ 2,543.4
Working Capital:		
Total current assets	$ 2,008.2	$ 2,522.7
Less total current liabilities	984.6	743.4
Total working capital	$ 1,023.6	$ 1,779.3

Information Regarding Our Cash Flows

	Nine Months Ended September 30,	
(in millions)	2026	2025
Cash flows from operating activities	$ 677.4	$ 394.3
Cash flows from investing activities	(652.7)	(211.5)
Cash flows from financing activities	(97.7)	(75.6)
Change in cash, cash equivalents, and restricted cash	$ (73.0)	$ 107.2

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 $144.2 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 supporting INGREZZA growth and the launch of CRENESSITY and VYKAT XR, including the expansion of our CRENESSITY and INGREZZA sales teams in the first quarter of 2026 and expanded pre-clinical and clinical portfolio. The change 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 change primarily reflected $2.4 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 primarily reflected increased taxes paid related to net share settlement of equity awards (shares withheld for taxes), partially offset by increased proceeds from issuances of our common stock and decreased repurchases of our common stock under the $500.0 million 2025 Repurchase Program which was authorized by our Board of Directors in February 2025. 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 $16.5 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 $2.4 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 1.1 million shares on the open market for a cost of $158.1 million during the first nine months of 2026. As of September 30, 2026, we had $174.2 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 September 30, 2026, it would not have had a material effect on the fair value of our investment portfolio as of that date.

Borrowings under the 2026 Credit Facility bear interest at variable rates, and changes in interest rates would affect interest expense on any outstanding borrowings. As of September 30, 2026, no borrowings were outstanding under the 2026 Credit Facility. Refer to Note 5 to the condensed consolidated financial statements for additional information regarding the 2026 Credit Facility.

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 September 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 September 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

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 our 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 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.
- 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. For example, in August 2026, certain PWS patient advocacy organizations issued a statement regarding serious adverse events reported through the FDA's Adverse Event Reporting System (AEMS) in patients taking VYKAT XR and encouraged increased awareness of risks and monitoring considerations when initiating treatment. Although the statement noted that the adverse event reports do not establish whether VYKAT XR caused the reported events, the statement and related publicity could adversely affect perceptions of the safety of VYKAT XR, influence treatment decisions or otherwise reduce demand for 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, including publicity regarding reported adverse events or other safety concerns;
- 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. Statements

or communications by patient advocacy organization, clinicians or others concerning the safety, efficacy or appropriate use of our products may influence perceptions and treatment decisions within these communities, including where such statements or communications relate to adverse event reports for which a causal relationship to the applicable product has not been established.

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 would create CMMI models using international drug pricing information to establish benchmarks for calculating manufacturer rebates for certain drugs covered under Medicare Part B and Part D. In September 2026, CMS finalized the Global Benchmark for Efficient Drug Pricing (GLOBE) Model, a mandatory model for certain Medicare Part B drugs that will use an international pricing benchmark in calculating manufacturer rebates and is scheduled to begin in January 2027. The proposed Guarding U.S. Medicare Against Rising Drug Costs (GUARD) Model for certain Medicare Part D drugs has not been finalized. There remains uncertainty as to how these and other potential legal and regulatory changes may impact our business. However, 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 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.An amended complaint subsequently filed in this action also alleges violations of the Securities Act of 1933, as amended. 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 and other third parties with whom we do business, including consultants and service providers, are located in China, exposing us to the possibility of supply, development or other operational 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 or other third parties, cause delays, or have other adverse effects on our research, development or other business activities.

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 their associated delivery devices are more complex than the manufacture of small molecule therapies. We currently have no manufacturing capabilities for biologic product candidates or 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 Monitoring System (AEMS), formerly the FDA Adverse Event Reporting System (FAERS). In its quarterly report published in September 2026 of newly identified safety signals, the FDA identified fluid retention as a potential safety signal for VYKAT XR and stated that it is evaluating the need for regulatory action. Although reports in AEMS and the FDA's identification of a potential safety signal do not establish that a drug caused an adverse event and such events may be attributable to the patient's underlying disease, other medications or other factors, these reports and the FDA's evaluation of the potential safety signal could negatively impact demand for VYKAT XR, result in additional 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 result in changes to product labeling or requirements to implement risk mitigation measures, 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 September 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 $186 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 $174.2 million remained available for additional repurchases as of September 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. Although we maintain compliance controls, policies and procedures designed to comply with applicable anti-corruption laws, there is a risk that acts by our employees, agents, consultants, collaborators or other third-party service providers may violate these laws and that we could be held responsible for such acts. 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. The U.S. presidential administration has imposed tariffs on imports of certain patented pharmaceutical products and associated ingredients, subject to varying rates and exemptions. Although these tariffs have not had a material impact on our business, financial condition or results of operations to date, the imposition of new tariffs or changes to existing tariff rates or exemptions could negatively affect our business and operations. Unlike consumer goods, pharmaceuticals face unique regulatory constraints that make rapid supply chain adjustments particularly difficult and costly. New or increased tariffs on pharmaceutical imports could cause our production costs to 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 may 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, manufacturers and other third parties with whom we do business, possibly resulting in supply, development or other operational disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current geopolitical tensions, 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 third 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]
July 2026	—	$ —	—	$ 266,310,935
August 2026	145,799	$ 154.32	145,799	$ 243,811,773
September 2026	472,398	$ 147.27	472,398	$ 174,240,133
	618,197		618,197	

(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 July 1, 2026 to September 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**
William Rastetter Director	Adoption	9/3/2026	X		18,000	5/22/2027
Julie Cooke Chief Human Resource Officer	Adoption	8/31/2026	X		15,686	3/31/2027
Richard Pops Director	Adoption	8/27/2026	X		15,000	5/21/2027
Gary Lyons Director	Adoption	8/18/2026	X		15,000	5/22/2027
David Boyer Chief Corporate Affairs Officer	Adoption	8/11/2026	X		4,512	5/18/2028
Sanjay Keswani Chief Medical Officer *(through Sep. 25, 2026)*	Adoption	8/7/2026	X		11,200	1/30/2027

* 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:	Neurocrine Biosciences, Inc. 2018 Employee Stock Purchase Plan, as amended and restated
10.2+	Description:	Amended and Restated Employment Agreement dated November 2, 2026 between the Company and Eiry W. Roberts, M.D.
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: November 2, 2026

/s/ Matthew C. Abernethy

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

Neurocrine Biosciences, Inc.
2018 Employee Stock Purchase Plan

Adopted by the Board of Directors: February 6, 2018
Approved by the Stockholders: May 24, 2018
Amended and Restated by the Compensation Committee: March 14, 2022
Approved by the Stockholders: May 18, 2022
Amended and Restated by the Compensation Committee: March 14, 2025
Approved by the Stockholders: May 21, 2025
Amended and Restated by the Compensation Committee: September 11, 2026

1. General; Purpose.

(a) The Plan provides a means by which Eligible Employees of the Company and certain Designated Companies may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan. In addition, the Plan permits the Company to grant a series of Purchase Rights to Eligible Employees that do not meet the requirements of an Employee Stock Purchase Plan.

(b) The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes grants of Purchase Rights under the Non-423 Component that do not meet the requirements of an Employee Stock Purchase Plan. Except as otherwise provided in the Plan or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component. In addition, the Company may make separate Offerings which vary in terms (provided that such terms are not inconsistent with the provisions of the Plan or the requirements of an Employee Stock Purchase Plan to the extent the Offering is made under the 423 Component), and the Company will designate which Designated Company is participating in each separate Offering.

(c) The Company, by means of the Plan, seeks to retain the services of Eligible Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

2. Administration.

(a) The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, and may delegate certain authority under the Plan to officers of the Company, in each case as provided in Section 2(c). References herein to the Board shall be deemed to refer to the Committee except where context dictates otherwise.

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

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time (A) which Related Corporations of the Company will be eligible to participate in the Plan as Designated 423 Companies, (B) which Related Corporations or Subsidiaries will be eligible to participate in the Plan as Designated Non-423 Companies, (C) which Subsidiaries or Related Corporations may be excluded from participation in the Plan, and (D) which Designated Companies will participate in each separate Offering (to the extent that the Company makes separate Offerings).

(iii) To construe and interpret the Plan and Purchase Rights, 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, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan with respect to the 423 Component.

(viii) To adopt such rules, procedures and sub-plans as are necessary or appropriate to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside the United States. Without limiting the generality of, and consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures, and sub-plans regarding, without limitation, eligibility to participate in the Plan, the definition of eligible "earnings," handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, any of which may vary according to applicable requirements, and which, if applicable to a Designated Non-423 Company, do not have to comply with the requirements of Section 423 of the Code.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration 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 a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan and any applicable Offering Document to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Further, to the extent not prohibited by and in accordance with Applicable Law, the Board or Committee may, from time to time, delegate some or all of its authority under the Plan to one or more officers of the Company or other persons or groups of persons as it deems necessary, appropriate or advisable under conditions or limitations that it may set at or after the time of the delegation. The Board may retain the authority to concurrently administer the Plan with the Committee (or its delegate) and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee (or a delegate of the Committee), the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

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

3. Shares of Common Stock Subject to the Plan.

(a) Subject to Section 11(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued under the Plan will not exceed 1,700,000 shares, which number is the sum of (i) three hundred thousand (300,000) shares that were approved at the Annual Meeting in 2018, (ii) six hundred thousand (600,000) shares that were approved at the Annual Meeting in 2022, and (iii) 800,000 shares that were approved at the Annual Meeting in 2025. For the avoidance of doubt, up to the maximum number of shares of Common Stock reserved under this Section 3(a) may be used to satisfy purchases of Common Stock under the 423 Component and any remaining portion of such maximum number of shares may be used to satisfy purchases of Common Stock under the Non-423 Component.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. Grant of Purchase Rights; Offering.

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and with respect to the 423 Component, will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges.

The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless such Participant otherwise indicates in forms delivered to the Company or a third party designated by the Company (each, a "***Company Designee***"): (i) each form will apply to all of such Participant's Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. Eligibility.

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation or a Subsidiary. Except as provided in Section 5(b) or as required by Applicable Law, an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company, the Related Corporation or the Subsidiary, as the case may be, for such continuous period preceding such Offering Date as the Board may (unless prohibited by Applicable Law) require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may provide (unless prohibited by Applicable Law) that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company, the Related Corporation or the Subsidiary is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code with respect to the 423 Component. The Board may also exclude (unless prohibited by Applicable Law) from participation in the Plan or any Offering Employees who are "highly compensated employees" (within the meaning of Section 423(b)(4)(D) of the Code) of the Company, a Related Corporation or a Subsidiary, or a subset of such highly compensated employees.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, such individual will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights under the 423 Component if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights under the 423 Component only if such Purchase Rights, together with any other rights granted under all

Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds $25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any Designated Company, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may (unless prohibited by Applicable Law) provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

(f) Notwithstanding anything in this Section 5 to the contrary, in the case of an Offering under the Non-423 Component, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Board has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practical for any reason.

6. Purchase Rights; Purchase Price.

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant pursuant to such Offering, (ii) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date pursuant to such Offering, (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering, and/or (iv) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date pursuant to such Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock (rounded down to the nearest whole share) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be no less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. Participation; Withdrawal; Termination.

(a) An Eligible Employee may elect to participate in an Offering and authorize payroll deductions as the means of making Contributions by completing and delivering to the Company or a Company Designee, within the time specified in the Offering, an enrollment form provided by the Company or Company Designee. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Law requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions on or after the Offering Date. If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If required under Applicable Law or if specifically provided in the Offering and to the extent permitted by Section 423 of the Code with respect to the 423 Component, in

addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash, check or wire transfer prior to a Purchase Date.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company or a Company Designee a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Unless otherwise required by Applicable Law, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by Applicable Law) or (ii) is otherwise no longer eligible to participate. The Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions.

(d) Unless otherwise determined by the Board, a Participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company and a Designated Company or between Designated Companies will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's Purchase Right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Purchase Right will remain non-qualified under the Non-423 Component. The Board may establish different and additional rules governing transfers between separate Offerings within the 423 Component and between Offerings under the 423 Component and Offerings under the Non-423 Component.

(e) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.Unless otherwise specified in the Offering or required by Applicable Law, the Company will have no obligation to pay interest on Contributions.

8. Exercise of Purchase Rights.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock and such remaining amount is less than the amount required to purchase one share of Common Stock on the final Purchase Date of an Offering, then such remaining amount will be held in such Participant's account for the purchase of shares of Common Stock under the next Offering under the Plan, unless such Participant withdraws from or is not eligible to participate in such next Offering, in which case such amount will be distributed to such Participant after the final Purchase Date without interest (unless the payment of interest is otherwise required by Applicable Law). If the amount of Contributions remaining in a Participant's account after the purchase of shares of Common Stock is at least equal to the amount required to purchase one (1) whole share of Common Stock on the final Purchase Date of an Offering, then such remaining amount will be distributed in full to such Participant after the final Purchase Date of such Offering without interest (unless the payment of interest is otherwise required by Applicable Law).

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the Plan. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and, subject to Section 423 of the Code with respect to the 423 Component, the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will not be delayed more than 12 months and the Purchase Date will in no event be more than 27 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered or the Plan is not in material compliance with all

Applicable Laws, as determined by the Company in its sole discretion, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest (unless the payment of interest is otherwise required by Applicable Law).

9. Covenants of the Company.

The Company will seek to obtain from each U.S. federal or state, foreign or other regulatory commission, agency or other Governmental Body having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so is not practical or would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. Designation of Beneficiary.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions, without interest (unless the payment of interest is otherwise required by Applicable Law), to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. Adjustments upon Changes in Common Stock; Corporate Transactions.

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iii) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock (rounded down to the nearest whole share) within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. Amendment, Termination or Suspension of the Plan.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by Applicable Law.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to facilitate compliance with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code with respect to the 423 Component or with respect to other Applicable Laws. Notwithstanding anything in the Plan or any Offering Document to the contrary, the Board will be entitled to: (i) establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars; (ii) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (iii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iv) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code with respect to the 423 Component; and (v) establish other limitations or procedures as the Board determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

13. Tax Qualification; Tax Withholding.

(a) Although the Company may endeavor to (i) qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants.

(b) Each Participant will make arrangements, satisfactory to the Company and any applicable Related Corporation, to enable the Company or the Related Corporation to fulfill any withholding obligation for Tax-Related Items. Without limitation to the foregoing, in the Company's sole discretion and subject to Applicable Law, such withholding obligation may be satisfied in whole or in part by (i) withholding from the Participant's salary or any other cash payment due to the Participant from the Company or a Related Corporation; (ii) withholding from the proceeds of the sale of shares of Common Stock acquired under the Plan, either through a voluntary sale or a mandatory sale arranged by the Company; or (iii) any other method deemed acceptable by the Board. The Company shall not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

(c) The 423 Component is exempt from the application of Section 409A of the Code, and any ambiguities herein shall be interpreted to so be exempt from Section 409A of the Code. The Non-423 Component is intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities shall be construed and interpreted in accordance with such intent. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Board determines that an option granted under the Plan may be subject to Section 409A of the Code or that any provision in the Plan would cause an option under the Plan to be subject to Section 409A, the Board may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Board determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Section 409A of the Code, but only to the extent any such amendments or action by the Board would not violate Section 409A of the Code. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the option under the Plan that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Board with respect thereto.

14. Effective Date of Plan.

The Plan will become effective on the Effective Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

15. Miscellaneous Provisions.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment or amend a Participant's employment contract, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation or a Subsidiary, or on the part of the Company, a Related Corporation or a Subsidiary to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with Applicable Law, such provision shall be construed in such a manner as to comply with Applicable Law.

16. Definitions.

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

(a) "***423 Component***" means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

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

(c) "***Applicable Law***" means the Code and 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 (or under the authority of the New York Stock Exchange, Nasdaq Stock Market or the Financial Industry Regulatory Authority).

(d) "***Board***" means the Board of Directors of the Company.

(e) "***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 Purchase Right after the date the Plan is adopted by the Board 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 other similar equity restructuring transaction, as that term is used in 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.

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

(g) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

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

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

(j) "***Contributions***" means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions and, with respect to the 423 Component, to the extent permitted by Section 423.

(k) "***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 in its sole discretion, of the consolidated assets of the Company and its subsidiaries;

(ii) a sale or other disposition of at least ninety percent (90%) 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.

(l) "***Designated 423 Company***" means any Related Corporation selected by the Board or its authorized designee as participating in the 423 Component.

(m) "***Designated Company***" means any Designated Non-423 Company or Designated 423 Company, provided, however, that at any given time, a Related Corporation participating in the 423 Component shall not be a Related Corporation participating in the Non-423 Component.

(n) "***Designated Non-423 Company***" means any Related Corporation or Subsidiary selected by the Board or its authorized designee as participating in the Non-423 Component.

(o) "***Director***" means a member of the Board.

(p) "***Effective Date***" means the effective date of this Plan document, which is the date of the Annual Meeting in 2018, provided that this Plan is approved by the Company's stockholders at such meeting.

(q) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(r) "***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation or solely with respect to the Non-423 Component, a Subsidiary. 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.

(s) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

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

(u) "***Fair Market Value***" means, as of any date, the value of the Common Stock 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 of a share of Common Stock will be, unless otherwise determined by the Board, 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 such source as the Board deems reliable. Unless otherwise provided by the Board, 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.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with Applicable Laws and regulations and, to the extent applicable as determined in the sole discretion of the Board, in a manner that complies with Sections 409A of the Code.

(v) "***Governmental Body***" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) 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 (d) self-regulatory organization (including the New York Stock Exchange, the Nasdaq Stock Market and the Financial Industry Regulatory Authority).

(w) "***Non-423 Component***" means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(x) "***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(y) "***Offering Date***" means a date selected by the Board for an Offering to commence.

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

(aa) "***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

(ab) "***Plan***" means this Neurocrine Biosciences, Inc. 2018 Employee Stock Purchase Plan, as amended from time to time, including both the 423 Component and the Non-423 Component.

(ac) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(ad) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(ae) "***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(af) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(ag) "***Securities Act***" means the U.S. Securities Act of 1933, as amended.

(ah) "***Subsidiary***" means, with respect to the Company, any of the following entities, in each case other than a Related Corporation: (i) any corporation of which more than fifty percent (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 fifty percent (50%). For purposes of the foregoing clause (i), the Company will be deemed to "Own" or have "Owned" such securities if the Company, 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.

(ai) "***Tax-Related Items***" means any income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items arising out of or in relation to a Participant's participation in the Plan, including, but not limited to, the exercise of a Purchase Right and the receipt of shares of Common Stock or the sale or other disposition of shares of Common Stock acquired under the Plan.

(aj) "***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the New York Stock Exchange, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (hereinafter this "Agreement") is entered into on November 2, 2026 and is effective as of September 28, 2026 (hereinafter the "Effective Date") by and between **Neurocrine Biosciences, Inc**., 6027 Edgewood Bend Court, San Diego, California 92130 (hereinafter the "Company", as further defined in **Annex I**), and Eiry W. Roberts, M.D. (hereinafter "Executive").

R E C I T A L S

WHEREAS, the Company and Executive are parties to an amended and restated employment agreement dated May 30, 2025, as amended on November 21, 2025 (as so amended, hereinafter the "Prior Employment Agreement"), setting forth the terms and conditions under which Executive has been employed by the Company in the role of Strategic Advisor; and

WHEREAS, effective as of the Effective Date, the Board of Directors of the Company (hereinafter the "Board") reappointed Executive to the role of Chief Medical Officer of the Company; and

WHEREAS, the Company and Executive wish to amend and restate the Prior Employment Agreement in its entirety, effective as of the Effective Date, to set forth in this Agreement the terms and conditions under which Executive is to continue to be employed by the Company in the role of Chief Medical Officer.

NOW, THEREFORE, the Company and Executive, in consideration of the mutual promises set forth herein, agree as follows:

Article 1

NATURE OF EMPLOYMENT

1.1 Effective Date. This Agreement shall govern the terms of Executive's continued full-time employment with the Company on and after the Effective Date until it is terminated by either the Company or Executive pursuant to the terms set forth in Article 6. This Agreement amends and restates the Prior Employment Agreement as of the Effective Date.

1.2 At-Will Employment. Executive shall continue to be employed at-will by the Company and therefore either Executive or the Company may terminate the employment relationship and this Agreement at any time, with or without Cause (as defined herein) and with or without advance notice, subject to the provisions of Article 6.

1.3 Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth on the attached **Annex I** which shall be considered part of and included in this Agreement for all purposes.

Article 2

EMPLOYMENT DUTIES

2.1 Title/Responsibilities. Executive hereby agrees to continue to be employed by the Company pursuant to the terms and conditions hereof, without interruption of service. Executive agrees to serve the Company in the position of Chief Medical Officer commencing as of the Effective Date. Executive shall have the powers and duties commensurate with such position.

2.2 Full-Time Attention. Except upon the prior written consent of the Company's Chief Executive Officer (hereinafter "CEO"), Executive shall devote Executive's best efforts and Executive's full business time and attention to the performance of the services customarily incident to such office and to such other services as the CEO or Board may reasonably request.

2.3 Other Activities. Except upon the prior written consent of the CEO, Executive shall not during the period of employment engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be competitive with, or that might place Executive in a competing position to that of the Company or any other corporation or entity that directly or indirectly controls, is controlled by, or is under common control with the Company, provided that Executive may own less than two percent (2%) of the outstanding securities of any such publicly traded competing corporation.

Article 3

COMPENSATION

3.1 Base Salary. Executive shall receive a base salary at an annual rate of $825,000, payable in accordance with the Company's normal payroll practices. Executive shall be eligible to receive increases in base salary as the Compensation Committee of the Board (hereinafter the "Compensation Committee"), after considering the recommendation of the CEO, may from time to time establish in their sole discretion.

3.2 Incentive Bonus. In addition to any other bonus Executive shall be awarded by the Compensation Committee, Executive shall be eligible to receive an annual cash incentive bonus as determined by the Compensation Committee, after considering the recommendation of the CEO, based upon the achievement by the Company of annual corporate goals established by the Board and/or the Compensation Committee and, if applicable, Executive's individual performance achievements. Executive's annual incentive bonus at target will be as set forth in the Company's annual incentive bonus program approved by the Compensation Committee and applicable to Executive for the relevant year; as of the Effective Date, this target is set at 60% of Executive's base pay earned for the applicable year. The Compensation Committee shall, in its sole discretion, determine whether the annual corporate goals have been attained and whether to adjust the amount of Executive's incentive bonus above or below the corporate goal achievement level, based on Executive's individual performance, after considering the recommendation of the CEO. Any annual incentive bonus shall be considered earned only if Executive is employed by the Company on the date that the Compensation Committee approves the final bonus amount, if any, to be paid to Executive for the applicable year. This determination will generally be made

within the first quarter following the end of the Company's fiscal year. Except as may be provided in the Severance Plan (as defined in Section 6.3 below) no pro-rata bonus will be considered earned if Executive's employment with the Company ceases for any reason prior to the foregoing determination date. Any annual incentive bonus that is earned shall be paid in a lump sum cash payment as soon as reasonably practicable, but no later than the fifteenth day of the third month following the end of the Company's fiscal year in which such bonus was earned.

3.3 Equity Awards.

(a) Equity Awards. In connection with Executive's reappointment to the role of Chief Medical Officer pursuant to this Agreement, Executive will receive the following equity grants: (i) stock options with a target grant value of approximately $625,000 (hereinafter the "Option Grant"); (ii) restricted stock units with a target grant value of approximately $250,000 (hereinafter the "RSU Grant"); and (iii) performance-vesting restricted stock units with a target grant value of approximately $375,000 (hereinafter the "PRSU Grant" and, together with the Option Grant and the RSU Grant, hereinafter the "Equity Grants"). The exact number of shares of Company common stock issuable in respect of the RSU Grant and the PRSU Grant, at target performance level, will be determined by the Company by dividing the applicable target grant value by the closing sales price of the Company's common stock as quoted on the Nasdaq Global Select Market on the Grant Date (as defined below). The exact number of shares underlying the Option Grant will be calculated using the Black-Scholes model which the Company uses to calculate the value of option grants in the Company's periodic reports filed with the U.S. Securities and Exchange Commission.

The Equity Grants will be subject to the terms and conditions of the Company's 2025 Equity Incentive Plan, as amended, or any successor equity incentive plan approved by the Company's stockholders, and the applicable form of stock option agreement, restricted stock unit agreement, or performance-vesting restricted stock unit agreement, respectively, as previously approved by the Compensation Committee, with such modifications as are necessary to reflect the terms of the Equity Grants described herein. The Equity Grants will automatically be granted to Executive on the date that is two business days after the filing of the Company's first quarterly report on Form 10-Q filed after the Effective Date (hereinafter the "Grant Date"), provided that Executive remains employed by the Company on the Grant Date.

The Option Grant will have an exercise price per share equal to the closing sales price per share of the Company's common stock as quoted on the Nasdaq Global Select Market on the Grant Date, will be an "incentive stock option" to the maximum extent permitted by applicable tax rules and will vest and become exercisable in forty-eight (48) equal monthly installments commencing on the one-month anniversary of the Grant Date. The RSU Grant will be settled as to 25% of the award each year on the anniversary of the Grant Date, and will be fully settled in full on the fourth anniversary of the Grant Date. The PRSU Grant will vest upon achievement of performance metrics set forth in the PRSU awards granted to the Company's executive officers in February 2026.

As soon as administratively practicable following the Grant Date, Executive will separately receive a stock option agreement, a restricted stock unit agreement, and a performance-vesting restricted stock unit agreement, along with associated documentation

related to the Equity Grants, including the applicable exercise price of the Option Grant.

(b) Additional Equity Awards. Subject to approval by the Compensation Committee, Executive will be eligible to receive additional equity incentive awards with respect to the Company's common stock on terms to be determined by the Compensation Committee at the time of any such grant. The determination whether to grant any additional equity incentive awards to Executive, and the form and terms of any such equity incentive award, is in the sole discretion of the Compensation Committee.

3.4 Withholdings. All compensation and benefits payable to Executive under this Agreement shall be subject to all federal, state, local taxes and other withholdings and similar taxes and payments required by applicable law.

Article 4

EXPENSE ALLOWANCES AND FRINGE BENEFITS

4.1 Vacation. Executive shall be entitled to participate in the Company's vacation plan pursuant to the terms of that plan.

4.2 Benefits. During Executive's employment hereunder, Executive will be eligible to participate in the employee benefit plans and programs currently and hereafter maintained by the Company of general applicability to other executive officer employees of the Company, including, without limitation, the Company's group medical, disability and life insurance. The amount and extent of benefits to which Executive is entitled shall be governed by the specific benefit plan or program as it may be amended from time to time. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

4.3 Business Expense Reimbursement. During the term of this Agreement, Executive shall be entitled to receive proper reimbursement for all reasonable out-of-pocket expenses incurred by Executive (in accordance with the Company's Expense Reimbursement Policy (hereinafter the "Expense Reimbursement Policy")) in performing services hereunder. Executive agrees to furnish to the Company adequate records and other documentary evidence of such expenses for which Executive seeks reimbursement under the terms of the Expense Reimbursement Policy. Such expenses shall be reimbursed and accounted for under the Expense Reimbursement Policy.

Article 5

CONFIDENTIALITY

5.1 Proprietary Information. As a condition of Executive's employment, Executive represents and warrants that Executive has previously executed and delivered to the Company the Company's standard Proprietary Information and Inventions Agreement attached hereto as Exhibit A (hereinafter the "Proprietary Information and Inventions Agreement") and will continue to comply with the obligations set forth therein.

5.2 Return of Property. All documents, records, apparatus, equipment and other physical property which is furnished to or obtained by Executive in the course of Executive's employment with the Company shall be and remain the sole property of the Company. Executive agrees that, upon the termination of Executive's employment, Executive shall return all such property (whether or not it pertains to Proprietary Information as defined in the Proprietary Information and Inventions Agreement), and agrees not to make or retain copies, reproductions or summaries of any such property.

5.3 Prior Obligations. Executive will not intentionally disclose to the Company or use on its behalf any confidential information belonging to any of Executive's former employers or any other third party. Executive represents to the Company that Executive is not subject to or a party to any employment agreement, non-competition covenant or other agreement that would be breached by, or prohibit Executive from, executing this Agreement and performing fully Executive's duties and responsibilities hereunder. Executive hereby represents that Executive has disclosed to the Company any contract Executive has signed that may restrict Executive's activities on behalf of the Company.

Article 6

TERMINATION

6.1 General. Executive's employment relationship is at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause or advance notice. Upon termination of Executive's employment for any reason, unless otherwise requested by the Board, Executive shall also be deemed to have resigned from all positions and terminated any relationships as an employee, advisor, officer or director with the Company and any of its affiliates, each effective on the date of termination. Without limiting the foregoing, Executive's employment and this Agreement may be terminated as follows:

(a) Death. Executive's employment and this Agreement shall terminate automatically upon the death of Executive.

(b) Disability. If Executive is prevented from performing Executive's duties hereunder by reason of Disability, then, to the extent permitted by law, the Company may terminate the employment of Executive and this Agreement at or after such time.

(c) Voluntary Resignation. Executive may resign Executive's employment and terminate this Agreement at any time for any reason.

(d) Termination by the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause without notice or liability at any time.

(e) Termination by the Company without Cause. The Company may terminate Executive's employment and this Agreement without Cause at any time by giving thirty (30) days advance written notice to Executive. The Company may, in its discretion, provide pay in lieu of notice for some or all of such thirty (30) day period.

6.2 **Payments Upon Termination**. Upon cessation of Executive's employment with the Company for any reason, the Company shall pay to Executive (or Executive's beneficiaries or estate, as the case may be) all Accrued Compensation, which shall not be considered a severance benefit for purposes of the Severance Plan or otherwise.

6.3 **Severance Benefits**. Executive will be eligible for severance benefits under the terms and conditions of the Company's Executive Severance Plan adopted by the Compensation Committee effective February 7, 2025, and amended from time to time (hereinafter the "Severance Plan") as a "Tier 2" Covered Employee as set forth in the Severance Plan. The Severance Plan supersedes the benefits set forth in the Prior Employment Agreement and, as further described in the Severance Plan, any other severance benefit plan, policy or practice previously maintained by the Company with respect to Executive and any change in control or severance benefits in any individually negotiated employment contract or other agreement between the Company and Executive.

Article 7

GENERAL PROVISIONS

7.1 **Tax Provisions**.

(a) Application of Section 409A. All benefits under this Agreement are intended to qualify for an exemption from the application of Section 409A (including but not limited to the exemption from the application of Section 409A provided under Treasury Regulation Section 1.409A-1(b)(4)) and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A, and any ambiguities herein shall be interpreted accordingly. For all purposes of Section 409A, Executive's right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i).

Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed by the Company at the time of Executive's "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder (hereinafter a "Separation from Service") to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with, or plan maintained by, the Company are deemed to be "deferred compensation," then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to Executive prior to the earliest of (i) the first date following expiration of the six (6)-month period following the date of Executive's Separation from Service with the Company, (ii) the date of Executive's death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this

paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. In no event shall the Company be liable for taxes or penalties imposed on Executive under Section 409A.

To the extent that any reimbursements payable to Executive under this Agreement are subject to the provisions of Section 409A: (w) to be eligible to obtain reimbursement for such expenses, Executive must submit expense reports within forty-five (45) days after the expense is incurred, (x) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (y) the amount of expenses reimbursed in one (1) year will not affect the amount eligible for reimbursement in any subsequent year, and (z) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit. In no event shall the Company be liable for taxes or penalties imposed under Section 409A.

(b) Parachute Payments. If any payment or benefit (including payments or benefits pursuant to this Agreement or otherwise) that Executive would or may receive from the Company or otherwise (hereinafter a "Payment") would (1) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (2) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (hereinafter the "Excise Tax"), then such Payment shall be equal to the Reduced Amount. The "Reduced Amount" shall 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 Executive'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, Executive shall 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 Executive. 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, Executive 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, Executive 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 Executive.

7.2 Clawback/Recovery. Compensation provided under this Agreement, the Severance Plan or otherwise awarded or paid to Executive in connection with Executive's employment with the Company will be subject to recoupment in accordance with the following, as applicable (each, as applicable, hereinafter a "Clawback Policy"): (i) the Neurocrine Biosciences, Inc. Policy for Recoupment of Incentive Compensation, as may be amended from time to time; (ii) the Neurocrine Biosciences, Inc. Incentive Compensation Recoupment Policy, as may be amended from time to time; (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. No recovery of compensation under such a Clawback Policy will be an event giving rise to Executive's right to voluntarily 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 or a breach of this Agreement by the Company. If the Company determines that any compensation granted, awarded, earned or paid to Executive must be forfeited or reimbursed to the Company pursuant to the applicable Clawback Policy, Executive will promptly take any action necessary to effectuate such forfeiture and/or reimbursement. Executive agrees and acknowledges that Executive is not entitled to indemnification, and hereby waives any right to advancement of expenses, in connection with any enforcement of a Clawback Policy by the Company.

7.3 Governing Law. The validity, interpretation, construction and performance of this Agreement and the rights of the parties thereunder shall be interpreted and enforced under California law without reference to principles of conflicts of laws. The parties expressly agree that inasmuch as the Company's headquarters and principal place of business are located in California, it is appropriate that California law govern this Agreement.

7.4 Assignment; Successors; Binding Agreement.

(a) No Assignment by Executive. Executive may not assign, pledge or encumber Executive's interest in this Agreement or any part thereof. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributee, devisees and legatees. If Executive should die while any amount is at such time payable to Executive hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legates or other designee or, if there be no such designee, to Executive's estate.

(b) Assignment by Company; Assumption by Successor. The Company may assign this Agreement to any affiliate in the event of a corporate re-organization or restructuring upon prior written notice to Executive. This Agreement shall inure to the benefit of and be enforceable by the Company's successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by operation of law or by

agreement in form and substance reasonably satisfactory to Executive, to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

7.5 Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

To the Company:

Neurocrine Biosciences, Inc.
6027 Edgewood Bend Court
San Diego, CA 92130
Attn.: Chief Executive Officer

To Executive:

Eiry W. Roberts, M.D.
Address on file with the Company

7.6 Modification; Waiver; Entire Agreement. This Agreement constitutes the complete, final and exclusive embodiment of the entire agreement between Executive and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations, including, without limitation, the Prior Employment Agreement which shall have no further force or effect. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time.

7.7 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

7.8 Executive Acknowledgment. Executive acknowledges (a) that Executive has consulted with or has had the opportunity to consult with independent counsel of Executive's own choice concerning this Agreement and has been advised to do so by the Company, and (b) that Executive has read and understands this Agreement, is fully aware of its legal effect and has entered into it freely based on Executive's own judgment.

7.9 Dispute Resolution. To aid the rapid and economical resolution of disputes that may arise in connection with Executive's employment with the Company, and in exchange for the mutual promises contained in this Agreement, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, Executive's employment with the Company, or the termination of Executive's employment, shall be resolved to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS, Inc. (hereinafter "JAMS") or its successor, under JAMS' then applicable rules and procedures appropriate to the relief being sought (available upon request and also currently available at the following web address: (i) https://www.jamsadr.com/rules-employment-arbitration/ and (ii) https://www.jamsadr.com/rules-comprehensive-arbitration/) at a location closest to where Executive last worked for the Company or another mutually agreeable location. Executive acknowledges that by agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge. The Federal Arbitration Act, 9 U.S.C. § 1 et seq., will, to the fullest extent permitted by law, govern the interpretation and enforcement of this arbitration agreement and any arbitration proceedings. This provision shall not be mandatory for any claim or cause of action to the extent applicable law prohibits subjecting such claim or cause of action to mandatory arbitration and such applicable law is not preempted by the Federal Arbitration Act or otherwise invalid (collectively hereinafter the "Excluded Claims"), such as non-individual claims that cannot be waived under applicable law, claims or causes of action alleging sexual harassment or a nonconsensual sexual act or sexual contact or unemployment or workers' compensation claims brought before the applicable state governmental agency. In the event Executive or the Company intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. Executive acknowledges and agrees that proceedings of any non-individual claim(s) under the California Private Attorneys General Act (hereinafter "PAGA") that may be brought in court shall be stayed for the duration and pending a final resolution of the arbitration of any individual or individual PAGA claim. Nothing herein prevents Executive from filing and pursuing proceedings before a federal or state governmental agency, although if Executive chooses to pursue a claim following the exhaustion of any applicable administrative remedies, that claim would be subject to this provision. In addition, with the exception of Excluded Claims arising out of 9 U.S.C. § 401 et seq., all claims, disputes, or causes of action under this Section 7.9, whether by Executive or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class, representative, or collective proceeding, nor joined or consolidated with the claims of any other person or entity. Executive acknowledges that by agreeing to this arbitration procedure, both Executive and the Company waive all rights to have any dispute be brought, heard, administered, resolved, or arbitrated on a class, representative, or collective action basis. The arbitrator may not consolidate the claims of more than one person or entity and may not preside over any form of representative or class proceeding. If a court finds, by means of a final decision, not subject to any further appeal or recourse, that the preceding sentences regarding class, representative, or collective claims or proceedings violate applicable law or are otherwise unenforceable, as to a particular claim or request for relief, the parties agree that any such claim(s) or request(s) for relief be severed from the arbitration and may proceed in a court of law rather than by arbitration. All other claims or requests for relief shall be arbitrated. Executive will have the right to be

represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration and procedural questions which grow out of the dispute and bear on the final disposition are matters for the arbitrator to decide, provided however, that if required by applicable law, a court and not the arbitrator may determine the enforceability of this paragraph with respect to Excluded Claims. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as Executive or the Company would otherwise be entitled to seek in a court of law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The Company shall pay all JAMS arbitration administrative fees in excess of the administrative fees that Executive would be required to pay if the dispute were decided in a court of law. Each party is responsible for its own attorneys' fees, except as may be expressly set forth in Executive's Proprietary Information and Inventions Agreement or as otherwise provided under applicable law. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

7.10 Remedies.

(a) Injunctive Relief. The parties agree that the services to be rendered by Executive hereunder are of a unique nature and that in the event of any breach or threatened breach of any of the covenants contained herein, the damage or imminent damage to the value and the goodwill of the Company's business will be irreparable and extremely difficult to estimate, making any remedy at law or in damages inadequate. Accordingly, the parties agree that the Company shall be entitled to injunctive relief against Executive in the event of any breach or threatened breach of any such provisions by Executive, in addition to any other relief (including damages) available to the Company under this Agreement or under law.

(b) Exclusive. Both parties agree that the remedy specified in Section 7.10(a) above is not exclusive of any other remedy for the breach by Executive of the terms hereof.

7.11 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same Agreement.

Executed by the parties as follows:

EXECUTIVE **NEUROCRINE BIOSCIENCES, INC.**

By: /s/ Eiry Roberts By: /s/ Kyle Gano

Date: 02-Nov-2026 Date: 01-Nov-2026

ANNEX I
DEFINITIONS

(a) "Accrued Compensation" means the following, as applicable, as of the date of Executive's termination of employment with the Company: Executive's accrued but unpaid base salary, any vested benefits or compensation under any plans of the Company (other than pension and profit-sharing plans) in which Executive is a participant to the full extent of Executive's rights under such plans, any accrued vacation pay and any appropriate business expenses incurred by Executive in connection with Executive's duties to the Company.

(b) "Agreement" has the meaning set forth in the preamble.

(c) "Board" has the meaning set forth in the Recitals.

(d) "Cause" means the occurrence of any one or more of the following:

(i) Executive's intentional commission of an act, or intentional failure to act, that materially injures the business or reputation of the Company;

(ii) Executive's intentional refusal or intentional failure to act (excluding during period(s) of Executive's physical or mental incapacity) in accordance with any lawful and proper direction or order of the Board or such other individual or body to whom the employee reports, if applicable;

(iii) Executive's material breach of Executive's fiduciary, statutory, contractual or common law duties to the Company (including any material breach of this Agreement or the Company's Proprietary Information and Inventions Agreement and including any material breach of the Company's written policies that causes material harm to the Company);

(iv) Executive's conviction of or plea of guilty or no contest to any felony or any crime involving dishonesty; or

(v) Executive's participation in any fraud or other act of willful misconduct against the Company;

provided, however, that with respect to (i), (ii), and (iii) only, in the event that any of such events is reasonably capable of being cured, the Company shall provide written notice to Executive describing the nature of such event and Executive shall thereafter have ten (10) business days to cure such event.

(e) "CEO" has the meaning set forth in Section 2.2.

(f) "Clawback Policy" has the meaning set forth in Section 7.2.

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

(h) "Company" means Neurocrine Biosciences, Inc., a Delaware corporation or, following a Change in Control (as defined in the Severance Plan), the surviving entity resulting from such event.

(i) "Compensation Committee" has the meaning set forth in Section 3.1.

(j) "Disability" means Executive is prevented from performing Executive's employment duties to the Company by reason of any physical or mental incapacity that results in Executive's satisfaction of all requirements necessary to receive benefits under the Company's long-term disability plan due to a total disability, as determined by the third-party long-term disability insurance carrier.

(k) "Effective Date" means September 28, 2026.

(l) "Equity Grants" has the meaning set forth in Section 3.3(a).

(m) "Excise Tax" has the meaning set forth in Section 7.1(b).

(n) "Excluded Claims" has the meaning set forth in Section 7.9.

(o) "Executive" means Eiry W. Roberts, M.D.

(p) "Expense Reimbursement Policy" has the meaning set forth in Section 4.3.

(q) "Grant Date" has the meaning set forth in Section 3.3(a).

(r) "JAMS" has the meaning set forth in Section 7.9.

(s) "Option Grant" has the meaning set forth in Section 3.3(a).

(t) "PAGA" has the meaning set forth in Section 7.9.

(u) "Payment" has the meaning set forth in Section 7.1(b).

(v) "Prior Employment Agreement" has the meaning set forth in the Recitals.

(w) "Proprietary Information and Inventions Agreement" has the meaning set forth in Section 5.1.

(x) "PRSU Grant" has the meaning set forth in Section 3.3(a).

(y) "Reduced Amount" has the meaning set forth in Section 7.1(b).

(z) "RSU Grant" has the meaning set forth in Section 3.3(a).

(aa) "Section 409A" means Section 409A of the Code and the final regulations and any guidance promulgated thereunder and any state law of similar effect.

(bb) "Separation from Service" has the meaning set forth in Section 7.1(a).

(cc) "Severance Plan" has the meaning set forth in Section 6.3.

EXHIBIT A

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

Exhibit 31.1

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: November 2, 2026

/s/ Kyle W. Gano

Kyle W. Gano

Chief Executive Officer

Exhibit 31.2

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: November 2, 2026

/s/ Matthew C. Abernethy

Matthew C. Abernethy
Chief Financial Officer

Exhibit 32

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 September 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.

November 2, 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 September 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.

November 2, 2026

By: /s/ Matthew C. Abernethy

Name: Matthew C. Abernethy
Title: Chief Financial Officer